

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:3790
ANSWERED ON:02.12.2010
OUTSOURCING DEALS BETWEEN DRUG COMPANIES AND MNCS
Reddy Shri Magunta Srinivasulu

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) Whether an increase in the number of outsourcing deals between domestic drug companies and pharmaceutical Multi National Companies has triggered huge capacity expansion programmes in the drug manufacturing sector;
- (b) If so, the details thereof;
- (c) The present status thereof; and
- (d) The steps being taken to resolve such issues in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

- (a) to (c) : Indian Drug Manufacturers` Association (IDMA) has informed that there has been a noticeable trend in India of big pharma companies, both Indian and global, to scale down their captive manufacturing capacities and rely on other domestic Pharma companies to meet their requirements for APIs and formulations. Many of the Indian companies over the last few years have also steadily moved up the value chain and have significantly expanded their capacities and capabilities, sometimes through acquisitions. This capacity expansion has enabled Indian companies to offer advantage of scale to the global pharma and life sciences industry.
- (d): After recent reports of takeovers/acquisitions of domestic pharmaceutical companies by MNCs, the Department of Pharmaceuticals has requested Department of Commerce to conduct a study and place its recommendation before the Prime Minister`s Office/Competent Authority for a decision.