

Biocon chief seeks five-year exemption from price control for pharma sector

By the Bureau

New Delhi, April 6: Biocon chairperson Kiran Mazumdar-Shaw on Wednesday sought a five-year exemption from drug price control and asked the government to desist from “ad hoc” measures to help the pharmaceutical sector acquire scale and become competitive in the global market.

Attending the Board of Trade meeting New Delhi chaired by commerce and industry minister Nirmala Sitharaman, Shaw said: “When we are trying to invest in expansions, scale up and creating global scale, we need exemption from price control at least for a period of five years... This will incentivise investments in our sector because I really believe that this sector is trying to build global scales.”

Talking about the govern-



ICICI Bank MD and CEO Chanda Kochhar (left), Biocon chief Kiran Mazumdar-Shaw (right) and Dr Reddy's Laboratories chairman K Satish Reddy during a Board of Trade meet in New Delhi on Wednesday

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ment's move to bring more medicines under price control, she said: “The moment you introduce price control on products that we are investing in in a very ad-hoc way, I think this also disincentivises investment.”

Later, while speaking to reporters after the meeting, Shaw

asked: “How do you incentivise the pharma sector if you are going to bring in drug price control (in an ad hoc manner)?”

“If you are making a huge investment, you need a certain returns on investment (RoI), you need to be assured of that RoI but suddenly mid-term you can-

not impose a price control,” she added.

The National Pharmaceutical Pricing Authority had in 2014 brought prices of over 100 non-scheduled drugs under price control. At present, the government has increased the number of drugs under price control to over 800 formulations, from 628 earlier, bringing within its ambit medicines used for treatment of critical diseases such as cancer, AIDS and cardiovascular diseases.

Stressing on exports, which is a main area of focus, she said it was discussed on how to make “our SEZs more competitive and how do we really focus on the pharma sector, which has already got a global stature and really built greater scale, to make us very very strong and competitive.”