NGOs want check on

pharma M&As
JOE C MATHEW

Civil society groups, which
have lauded the Indian
generic drug industry for its abil-
ity to produce low-cost medi-
cines, are shocked over the pro-
posed acquisition of Ranbaxy
by Japan's Daiichi Sankyo.
Groups like Jan Swasthya
Abhiyan and public interest
litigation firms, such as Lawyers
Collective, feel that more ac-
quisitions of this kind can crip-
ple India's capabilities as a low-
cost medicine manufacturing
hub. The activists and patient
groups are trying to evolve a
joint strategy to sensitise the
government on the need to put
a check on mergers and ac-
quisitions in the pharmaceuti-
cal sector.

"We are deeply disturbed.
The government should realise
that in areas like medicine, food
and defence, mergers and ac-
quisitions should be allowed af-
ter considering the public in-
terest issues," Anand Grover of
Lawyers Collective said Grover
said the key issue arising out of
the acquisition is the possible
change in Ranbaxy's intellec-
tual property (IP) policies.
'After an independent gener-
ic firm becomes part of an in-
novator company, it may never
have the same IP policy as be-
fore. This will harm the ability
of patient groups to source
cheaper versions of patented
medicines," he said The activists
felt that the government should
put in place some system to
closely monitor deals of this kind
in the future.

The acquisition of Ranbaxy
should not be viewed merely
as another corporate M&A Ran-
baxy is one of the leading sup-
pliers of many life saving gener-
ic drugs, including ARV drugs
for the treatment of HIV/Aids.
This acquisition, particularly giv-
en the history of Daiichi Sankyo
in filing lawsuits against gener-
ic competition, has the potential
to adversely impact access to af-
fordable medicines in India and
other developing countries' K
M Gopakumar, researcher, Cen-
tre for Trade and Development
(Centad), said "ln the coming
days, Ranbaxyinay not be in a
position to follow any aggressive
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SERIOUS

CONCERNS

• The proposed ';
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by Japan's Daiichi ;
Sankyo has shocked civil
society groups

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The government would
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sions in emergency situations. The
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cess to medicines and on com-
petition in the pharmaceutical
market and take necessary law
and policy measures based on
the findings of the study. ,
The government should also
notify relevant provisions of
the competition law, which will
empower the Competition Com-
mission of India to undertake in
quiries into such deals, Gopaku-
mar added. Jan Swasthya Ab-
hiyan's Amit Sen Gupta has sim-
ilar concerns. He blames current
government policies and intro-
duction of product patent system
for turning Indian drug compa-
nies vulnerable to such acqui-
sitions. "With the advent of prod-
uct patent regime, there has been
a major shift in policy and this
was one of the reasons for the
deal going through," Gupta said

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