

Concern over drug deal

OUR BUREAU

New Delhi, Aug. 29: The Competition Commission of India (CCI), which has put the multi-billion dollar Sun-Ranbaxy deal for public scrutiny, today said the major issue was whether the combination would result in high market concentration of certain molecules.

"This is the first case" of combination where the CCI has gone for a public scrutiny, chairman Ashok Chawla said.

In April this year, Sun Pharma and Ranbaxy had announced a \$3.2-billion deal that will create one of the top five largest speciality generics company in the world.

Chawla said the major issues related to the deal were with regard to the molecules market. "The major issues obviously are that in many of the molecules, the basic building block in the pharmaceutical industry, whether in some



Chawla (right) in New Delhi on Friday. (PTI)

of those molecules there is high market concentration which will emerge as a result (of the consolidation). That is the matter," Chawla said on the sidelines of an ASSOCHAM event.

The CCI has asked Sun Pharma and Ranbaxy to make public details of their proposed transaction in a "prescribed format" within 10 working days. Both the compa-

nies informed the bourses on Thursday about the CCI direction, which comes under Section 29 (2) of the Competition Act, 2002.

Cost of car parts

Days after imposing a penalty of Rs 2,545 crore on 14 car makers for unfair trade practices, the CCI today said it wanted to ensure that the spare parts maintenance market got less

expensive for consumers.

The CCI on Monday penalised the auto makers for unfair business ways in the spare parts and after-services market. "Our whole attempt was to ensure that the spare parts maintenance market gets more broad-based and user-friendly and less expensive for consumers," Chawla said.

The watchdog has also directed the car makers to cease and desist from anti-competitive practices. According to Chawla, the government should consider having a framework with regard to auto spare markets and after services market.

A copy of the CCI order will be sent to the ministry of road transport and highways and the Automotive Component Manufacturers Association.

On issues related to intellectual property rights, the CCI chief said the regulator recognised such aspects.

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