

Cipla to set up plant in Iran

REUTERS

Mumbai, October 7

Drug maker Cipla Ltd has agreed to set up a manufacturing plant in Iran, as part of its strategy to boost its presence in the country's \$4 billion pharmaceuticals market that is growing at about 13 per cent annually.

Cipla, which will own 75 per cent stake in the plant being set up in partnership with its local distributor, will invest about ₹225 crore (\$36.65 million) over three years on areas including machinery and equipment for the facility.

The Indian drugmaker, which made headlines in 2001 by making antiretroviral medicines to treat AIDS in

Africa for under \$1 per day, gets more than half its revenue from markets outside India, including the US and Europe.

Although the sanctions regime, imposed by the US and European Union over Tehran's nuclear programme, allows trade in humanitarian goods such as food and medicine, not many Indian drugmakers have significant presence in Iran.

"Cipla has been providing medicines to patients in Iran for several years and believes that Iranian patients cannot be denied medicines due to sanctions," the company said in a statement to Reuters on Tuesday.

Company