

US Pfizer, India's Biocon scrap insulin pact

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India's largest biotechnology firm, Biocon, and US pharmaceutical giant Pfizer said Tuesday they would scrap a joint plan to sell insulin products, sending Biocon's shares plunging.

Following the news Biocon shares fell as much as 11.09 percent to a low of 238 rupees on the Bombay Stock Exchange, before retracing partly to end the day at 250.8, still down 6.31 percent.

The companies said in a joint statement that the split was due to "individual priorities" for their respective businesses, adding it was "in their best interest to move forward independently". They did not elaborate.

"The development will have a psychological impact for Biocon. It cannot find a joint venture partner like Pfizer every day," Jagannadham Thunuguntla, head of research at SMC Global Securities, told AFP.

According to the deal struck in October 2010, Pfizer was to sell cheaper copies of diabetes products in some emerging markets and in Europe that the Bangalore-headquartered Biocon would make.

"With the Pfizer deal hitting the rocks, Biocon will have to scout for newer partners, especially for developed markets," said Sudarshan Padmanaban, analyst at Prabhudas Lilladher brokerage, in a note to investors.

The decision to abandon the plan comes at a time when multinational

drug makers are increasingly tying up with Indian pharmas to source cheaper generic products for sale globally.

"Biocon will work with existing partners in several countries and pursue a commercial strategy on its own and through new alliances in other markets," its chairman Kiran Mazumdar Shaw said in the statement.

Pfizer's general manager Diem Nguyen said the firm would "continue in active research and business development for diabetes, which represents a huge unmet need".

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