

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

UNSTARRED QUESTION NO:1807  
ANSWERED ON:03.08.2000  
FOREIGN INVESTMENT IN DRUGS SECTOR  
V. SAROJA

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

- (a) The details of foreign investment made in the drugs sector during each of the last three years and proposed for 2000-2001; and  
(b) the steps taken to encourage the foreign investment in drugs sector?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI RAMESH BAIS)

- (a) Foreign Direct Investment inflows in the Drugs and Pharmaceuticals Sector during the last three years is as under:

(Rs. Crores)

1997    1998    1999    2000    (upto 31.5.2000)

188.15    83.84    75.73    177.55

- (b): The following steps have been taken by the Govt. to encourage foreign investment in the drugs and pharmaceuticals sector:-

i) 74% foreign equity has been permitted under the automatic route

ii) Manufacture of drugs and pharmaceuticals has been by and large de-licensed

iii) The Foreign Investment Implementation Authority (FIIA) has been set up to provide a single point interface between foreign investors and the Government machinery both at the Central and State level. The short term objective of this authority is to remove procedural delays in the setting up of the project. The longer term objective is to create an atmosphere congenial to foreign direct investment.