

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

UNSTARRED QUESTION NO:3619

ANSWERED ON:11.08.2015

Import of Drugs

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

- (a) whether medicinal, bulk drugs and Active Pharmaceutical Ingredients (APIs) and other Pharmaceutical products are being imported from China and other countries;
- (b) if so, the details thereof and the reasons therefor and the funds spent thereon during each of the last three years and the current year, country-wise;
- (c) whether the pharmaceutical sector is dependent on foreign manufactures of APIs for manufacturing of formulations;
- (d) if so, whether the Government proposes to incentivise domestic production of bulk drugs and if so, the details thereof; and
- (e) whether the Government proposes to formulate National Policy for promoting APIs/Bulk Drugs in the country and if so, the details thereof and the other steps proposed to be taken to reduce dependency of these drugs on other countries?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a): As per the Boston Consulting Group Report of 2013, import of Active Pharmaceutical Ingredients (APIs) during the year 2013 was approximately US\$ 3.5 billion of which a large share was from China.

(b): The details of imports are not available with the Department

(c): As per the Boston Consulting Group Report, there is about 80-90% dependence on imports of APIs for certain medicines mentioned in National List of Essential Medicines viz. Paracetamol, Metformin, Ranitidine, Amoxicillin, Ciprofloxacin, Cefixime, Acetyl salicylic acid, Ascorbic acid, Ofloxacin, Ibuprofen, Metronidazole and Ampicillin.

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(d) and (e): As per the Boston Consulting Group Report of 2013 import of Active Pharmaceutical Ingredients (APIs) during the year 2013 was US\$ 3.5 billion which was primarily from China. The Government had constituted a High Level Committee known as the Katoch Committee on 08.10.2013 to study and identify the APIs of critical importance and to work out a package of interventions/concessions required to build domestic production capabilities and examine the cost implication. The Katoch Committee has inter-alia recommended establishment of Mega Parks for APIs with common facilities such as common Effluent Treatment Plants (ETPs), Testing facilities, Captive Power Plants / assured power supply by state systems, Common Utilities/Services such as storage, testing laboratories, IPR management, designing, guest house/accommodation, etc., maintained by a separate Special Purpose Vehicle (SPV); a scheme for extending financial assistance to states to acquire land and also for setting up common facilities; revival of public sector units for starting the manufacturing of selected and very essential critical drugs (e.g. penicillins, paracetamol etc.); financial investment from the Government for development of clusters which may be in the form of a professionally managed dedicated equity fund for the promotion of manufacture of APIs and extending fiscal benefits to creation of the entire community cluster infrastructure and individual unit infrastructure; extension of fiscal and financial benefits to promote the bulk drugs sector; promoting stronger industry-academia interaction, synergising R&D promotion efforts by various govt. agencies; incentivising scientist, duty exemptions for capital goods imports.

These recommendations have provided a road map for the growth of APIs/Bulk Drug Industry.

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