**GOVERNMENT OF INDIA**

**MINISTRY OF CHEMICALS AND FERTILIZERS**

**RAJYA SABHA**

**UNSTARRED QUESTION NO-1428**

**ANSWERED ON-08.05.2015**

Indias dependence on China for bulk drugs and APIs

1428. Dr. Prabhakar Kore

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

(a) whether it is a fact that India"s overdependence for bulk drug or Active Pharmaceutical Ingredients (APIs) used in medicine formulations on China can lead to severe shortages and force to pay more for additional supplies; and
(b) whether Government proposes to support domestic pharmaceutical industry to rebuild Active Pharmaceutical Ingredient (API) clusters and start manufacturing key medicines in public sector enterprises to avoid a crisis in future, and if so, the details thereof?

ANSWER

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

(a) and (b): 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. 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 to examine the cost implications. 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,

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designing, 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 scientists, duty exemptions for capital goods imports.

These recommendations are being examined for formulation of a Policy for Promotion of Manufacturing of Bulk Drugs.

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