GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

RAJYA SABHA

UNSTARRED QUESTION NO-642

ANSWERED ON-02.03.2016

Competition from China in pharmaceutical exports

642 . Shri C.M. Ramesh

(a) whether the Ministry is aware that China has doubled its financial help to some of the developing countries in Africa, Asia and East European countries between 2013 and 2015;

(b) how India looks at the conditions put by China on countries whom it is extending financial help to mandatorily buy medicines manufactured by Chinese companies; and

(c) how Government is helping Indian pharma companies to face the situation and sharpen their strategies?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)
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(a): As per the information received from Embassy of India, Beijing, China's total foreign aid/ODA (Official Development Assistance) stood at US$ 35.96 billion for the period 2001 to 2013. Also, China appropriated a total of 89.34 billion Yuan (14.41 billion USD) during 2010 to 2012 for foreign assistance in three types; grants, interest free loans and concessional loans. China provided foreign aid to 121 countries during 2010-12 which includes among others, 30 countries in Asia, 51 in Africa and 12 in Europe. Around 42% of China's total foreign aid went to Africa, around 25% to Asia and 10% to Europe during the period 2010 to 2012.(Source; China's White Paper on Foreign Aid 2014).

(b): Department of Commerce is not aware of such a condition being put by China on countries to whom it is extending financial help, to mandatorily buy medicines manufactured by Chinese companies

(c): Based on feedback from various agencies including the Pharmaceuticals Export Promotion Council (Pharmexcil), Government of India prepares policies that enable Indian exporters to compete in the international markets, including dealing with competition from China. Financial assistance is provided under Market Development Assistance and Market Access Initiative Schemes by Department of Commerce to exporters of various Pharmaceutical products, particularly small and medium size exporters, to promote their exports in various countries including African, Asian and East European countries. Details of grant provided under MDA and MAI schemes to Pharmexcil during 2013-14, 2014-15 and current year (up to December, 2015) is given below:

SCHEME	Amount in INR	Amount in INR	Amount in INR
MDA	MDA utilized for Coded activities	MDA Disbursed to Exporters	Total
2013-14	3,41,99,493	2,04,38,743	5.46,38,236
2014-15	3,65,00,000	2,67,13,000	6.32.13.000
2015-16 (up to Dec 31, 2015)	4,50,00,000	2,25,00,000	6,75,00,000

MAI	MAI utilized for Coded activities	MAI Disbursed for Product Registration	Total
2013-14	7,92,28,877	3.78.53.161	11,70,82,038
2014-15	12,89,58,306	2,50,25,162	15,39,83,468
2015-16 (up to Dec 31, 2015)	3,20,00,000	14,89,35,952	18,09,35,952

The financial aid granted is uniform and not country specific

The New Foreign Trade Policy (FTP) 2015-20 also makes provisions to incentivize India's exports through

newly introduced schemes. The ‘Merchandise Exports from India Scheme’ (MEIS) scheme which incentivizes export of specified goods to specified markets also includes pharmaceutical products. This would also help Indian pharmaceutical exporters to compete in international markets.
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