GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
RAJYA SABHA
UNSTARRED QUESTION NO-1164
ANSWERED ON-27.07.2018

Increase in price of APIs due to environmental disruption in China

1164. Shri Majeed Memon

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

(a) whether it has come to Government"s notice that environmental disruption in China has led to a massive increase, as high as 120 per cent, in prices of Key Starting Materials (KSM) like Active Pharmaceutical Ingredients (APIs);
(b) whether it is a fact that there have been instances of units being impacted by pollution concerns, leading to supply uncertainties emerging out of China and thus impacting on product pricing;
(c) whether crude oil price trends have also impacted the solvents market, increasing the cost composition for manufacture of APIs; and
(d) the steps taken by Government?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS; MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA)

(a) to (c): There is an increase in price of API and KSMs imported. However, no specific instances have been brought to the notice of the Government of units being impacted by pollution concerns, or of supply uncertainties emerging out of China. Also no specific case of crude oil price trends impacting the solvents market have been reported/ represented with the Government.

Further, the domestic API production and exports are increasing in the country. The Active Pharmaceutical Ingredients /Bulk drugs, exports from the country, have increased in the last three years, the details of which are as under:

Commodity Group	2014-15 Value (Rs Crores)	2015-16 Value (Rs Crores)	2016-17 Value (Rs Crores)	2017-18 Value (Rs Crores)
Bulk Drugs, Drug Intermediates	1791.99	23515.55	22683.30	22823.54

(Source: DGCIS Kolkata)

(d): The Government is committed to make India sufficiently self-reliant in end to end indigenous drug manufacturing by reducing the import dependence on drugs and to make Indian Pharma Industry globally competitive. The policies formulated by Government from time to time are made so that the country’s

dependence on imports are minimized and to give fillip to indigenous manufacturing. In this direction, the Government vide its notification dated 28th January, 2016 has withdrawn exemption of customs duty of certain categories of Bulk Drugs/APIs. The government is also facilitating all kinds of clearances required by the manufacturers to give a boost to domestic manufacturing of bulk drugs.
xxxxx