

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

RAJYA SABHA
STARRED QUESTION No. 248
TO BE ANSWERED ON THE 21st December, 2021

Dependence on China for drug raw materials

248 Shri M.V. Shreyams Kumar:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

- (a) whether India is dependent on China for import of many raw materials or intermediates and Active Pharmaceutical Ingredients of various essential drugs;
- (b) if so, the details of such materials imported during the last three years;
- (c) the reasons for the dependence on China for imports of raw materials for drugs; and
- (d) whether Government has taken steps to reduce imports from China and empower local producers?

ANSWER

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(Dr. MANSUKH MANDAVIYA)

(a) to (d): A statement is laid on the table of the house.

STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO. 248† RAISED BY SHRI M.V. SHREYAMS KUMAR, HON'BLE MEMBER OF PARLIAMENT TO BE ANSWERED ON 21.12.2021 REGARDING 'DEPENDENCE ON CHINA FOR DRUG RAW MATERIALS'

(a) to (d): The Indian Pharmaceutical industry is 3rd largest in the world by volume. India exported pharmaceuticals worth Rs.1,80,551 crore in the financial year 2020-21. India exported Bulk Drugs / Drug Intermediates worth Rs.32,856.5 crore in financial year 2020-21. However, the country also imports various Bulk Drugs / Active Pharmaceutical Ingredients (APIs) for producing medicines from various countries including China. The details of export and import of Bulk Drugs and Drug Intermediates of the country is given below;

Export and Import of Bulk Drugs and Drug Intermediates					
Year	Export		Import		
	Quantity (MT)	Value (In Rs Cr)	Quantity (MT)	Value (In Rs Cr)	Value of imports from China (In Rs Cr)
2018-19	3,66,616	27,346.3	3,45,944.4	24,850.1	16777.43
2019-20	2,71,544	27,532.9	3,64,432.5	24,171.8	16443.10
2020-21	3,24,331	32,856.5	3,90,475.7	28,529.0	19402.60

Source: DGCIS, Ministry of Commerce and Industry.

Most of the imports of the Bulk Drug/APIs being done in the country are because of economic considerations and also, China is one of the largest producers of KSMs and API in the world. The Committee, constituted by Department of Pharmaceuticals, observed that there are 58 APIs, for which the country is heavily dependent on China (dependency of the country on these APIs varies from 50% to 100%). Out of these 58 APIs, 29 APIs are manufactured through Fermentation and 29 APIs are manufactured through Chemical synthesis.

The Department of Pharmaceuticals is implementing the following three schemes for promoting domestic manufacturing of raw materials or intermediates and APIs of various essential drugs:-

(I) Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India: The scheme provides for financial incentives to manufacturers selected under the scheme for manufacturing of 41 Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs). The scheme provides for incentives on incremental sales to selected participants for a period of 6 years. The total financial outlay of the scheme is Rs. 6,940 crore and the tenure of the scheme is from FY 2020-2021 to 2029-30.

(II) Scheme for Promotion of Bulk Drug Parks: This scheme provides for grant-in-aid to 3 Bulk Drug Parks for creation of Common Infrastructure Facilities (CIF) with a maximum limit of Rs.1000 crore per park or 70% of the project cost of CIF / 90% of the project cost of CIF in case of North Eastern States and Hilly States (Himachal Pradesh, Uttarakhand, Union Territory of Jammu & Kashmir and Union Territory of Ladakh) and whichever is lesser. The total financial outlay of the Scheme is Rs. 3000 crore and the tenure of the Scheme is from FY 2020-21 to 2024-25. The selection process is underway.

(III) **Production Linked Incentive Scheme for Pharmaceuticals:** The scheme provides for financial incentives to participants selected under the scheme for their incremental sales of eligible drugs manufactured in India. Eligible drugs under the scheme include Active Pharmaceutical Ingredients among other categories of pharmaceutical products. The scheme provides for incentives on incremental sales to selected participants for a period of 6 years. The total financial outlay of the scheme is Rs. 15,000 crore and the tenure of the scheme is from FY 2020-2021 to 2028-29.

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