

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

UNSTARRED QUESTION NO:3094
ANSWERED ON:12.08.2010
FOREIGN COMPANIES IN R & D SECTOR
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the foreign companies engaged in drug manufacturing in India are working in the field of Research and Development;
- (b) if so the details thereof;
- (c) whether any provision has been made by the Government in this regard;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor;
- (f) the names of foreign companies manufacturing drugs in the country; and
- (g) the value of drugs and the research work made by these companies during the last three years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): Foreign Pharma companies engaged in drug manufacturing in India are also doing R&D either directly or through contract research, clinical research etc. This enables them to leverage India's R&D capabilities and maintain their manufacturing competitiveness. World class talent base has helped in making India an attractive destination for research in the Pharmaceutical sector. Investment by all private companies (including foreign companies) of Pharma industry is Rs.6505.42 crores during the combined period 2003-04 to 2005-06. This represents 3.38% of the total sales turnover of these private Pharma companies (including foreign pharma companies).

(c) & (d): Government provides incentives for Pharma industry in the nature of tax concessions, grants, soft loans and other facilities of infrastructure for R&D through its various departments and agencies, quality Human Resource through the seven National Institutes of Pharmaceutical Education & Research (NIPERs), research activities of NIPERs and Government laboratories and research facilities, etc.

(e): Does not arise in view of (c) & (d) above,

(f): This information is maintained at the State level since the license for manufacture of drugs is granted at the State level.

(g): Quantitative data is not separately available. However, the expenditure on R&D during the period 2003-04 to 2005-06 as stated above is Rs. 6505.42 crores by Indian private pharma companies (including foreign pharma companies).