

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:1000

ANSWERED ON:15.11.2010

FDI CAP ON PHARMA

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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government has received any proposal from public health experts and patients groups to Cap FDI to pharma companies and shifting automatic route to Government route; and

(b) if so, the details thereof alongwith the steps taken by the Government to prevent the takeover of Indian companies by multinational companies?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): As per extant Foreign Direct Investment (FDI) policy, 100% FDI is allowed in the automatic route in the Drugs & Pharmaceuticals sector including those involving use of recombinant technology. The Department of Industrial Policy and Promotion released a discussion paper on the subject of 'Compulsory Licensing of Patents', calling for views/comments from the public/stakeholders. The discussion paper is available in the public domain ([www.dipp.nic.in](http://www.dipp.nic.in)). Some of the responses received from the stakeholders/public inter-alia include suggestions for an FDI cap in the pharmaceutical sector and bringing the sector under Government route. At present, there is no move to restrict FDI in the pharmaceutical sector.