

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

UNSTARRED QUESTION NO:4106

ANSWERED ON:19.12.2011

PHARMACEUTICAL INDUSTRY

Bhagora Shri Tarachand;Gowda Shri D.B. Chandre;Kodikunnil Shri Suresh

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

(a): whether the Indian Pharmaceutical companies are facing fierce competition from the Chinese and Brazilian companies;

(b): if so, the details thereof;

(c): the steps taken by the Government to provide adequate support to Indian pharmaceutical companies to enable them to compete with Chinese and Brazilian drug companies; and

(d): the steps taken/proposed to be taken by the Government to attract the foreign multinational companies to invest in Indian drug industry?

Answer

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

(a)&(b): As per available information, Indian Pharmaceutical exporters are facing intense competition in international markets from China, particularly in Bulk drugs sector. Competition in formulations is also increasing gradually from China. India is also facing competition from Brazilian companies in Latin American Countries. Exports of India, China and Brazil for the last three years are given below.

In US \$ Millions

2008 2009 2010

Country Bulk Formulations Bulk Formulations Bulk Formulations

Brazil 89.43 960.19 92.40 1077.34 82.27 1270.40

China 5079.74 2888.69 5074.92 3397.26 6040.26 4461.17

India 815.82 5003.35 905.08 5009.56 1034.04 6093.22

Source: UN COMTRADE

(c): Government has already prepared strategies to double the pharma exports to USD 25billion by 2013-14, including 'Increase in the share of India`s Pharma exports to China`.

(d): As per extant FDI policy, FDI, up to 100%, under the automatic route, is permitted for greenfield investments in the pharmaceuticals sector, while FDI, up to 100%, is permitted for brownfield investments (i.e. investments in existing companies), in the pharmaceuticals sector, under the Government approval route.