

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

UNSTARRED QUESTION NO:480
ANSWERED ON:13.08.2012
FDI IN PHARMA SECTOR
Singh Shri Dushyant

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

(a): whether the Government has allowed 100 per cent Foreign Direct Investment in pharmaceutical sector through the automatic route; and

(b): if so, whether the Government proposes to put restriction on FDI in the pharmaceutical sector and to allow local pharmaceutical makers to produce patented drugs to check medicine prices in the wake of multi-national companies acquiring Indian companies and if so, the details thereof and steps taken in this regard?

Answer

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

(a): Extant FDI policy, as contained in 'Circular 1 of 2012- Consolidated FDI Policy', issued by the Department of Industrial Policy & Promotion, on 10.04.2012, permits FDI, up to 100%, under the automatic route, only for greenfield investments in the pharmaceuticals sector.

(b): FDI, for brownfield investments (i.e. investments in existing companies), in the pharmaceuticals sector, has been placed under the Government approval route, owing to concerns arising out of the recent acquisitions of Indian pharmaceutical companies, by multinational companies.