

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

UNSTARRED QUESTION NO:1975
ANSWERED ON:23.08.2012
INCREASE IN PRICES OF MEDICINES
Ramasubbu Shri S.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the percentage of Foreign Direct Investment (FDI) allowed in pharmaceutical sector;
- (b) whether the Government is aware of the apprehension over the likelihood increase in prices of common medicines in the wake of liberalization of FDI in this sector and its resultant impact on the poor people;
- (c) if so, the action taken by the Government thereon; and
- (d) if not, the reasons therefor?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a): Department of Industrial Policy & Promotion issued Press Note No. 3(2011 Series) dated 8.11.2011 amending the existing FDI policy under which 100% FDI was permitted through automatic route. As per Press Note 3(2011 Series) issued by Department of Industrial Policy and Promotion on 08.11.2011:-

(i) FDI, upto 100%, under the automatic route, would continue to be permitted for greenfield investments in the Pharmaceuticals sector,

(ii) FDI upto 100%, would be permitted for brownfield investment (i.e. investments in existing companies), in the Pharmaceuticals sector, under the Government approval route.

(b): No such apprehension has come to the notice of the Department.

(c) & (d): In view of the reply (b) above, does not arise.