

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

UNSTARRED QUESTION NO:2486

ANSWERED ON:25.07.2014

EXPORT OF MEDICINES

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

(a) the quantum and value of medicines including herbs, ayurvedic and herbal medicines/products exported during each of the last three years and the current year country-wise;

(b) whether India's share in the total export of medicines, particularly herbs, ayurvedic and herbal medicines/products is very low and if so, the details thereof along with the reasons therefor;

(c) whether there is huge demand of Indian herbs, ayurvedic and herbal medicines/ products in European and other developed countries and if so, the details thereof;

(d) whether the Government proposes to promote foreign investment for research and development in Pharma and Drug sector in the country and if so, the details thereof indicating the existing foreign investment in the sector; and

(e) the measures taken/being taken by the Government to boost export and increase India's share in the global export of medicines particularly herbs, ayurvedic and herbal medicines/products?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

a.) Total quantity and the value of medicines in the category of ayush products, medicinal herbs etc, county-wise during the last three years is as follows :

EXPORT OF MEDICINES					
2011-12	2012-13	2013-14			
QTY (KGS)	VAL (US \$ M)	QTY (KGS)	VAL (US \$ M)	QTY (KGS)	VAL (US \$ M)
57032768	500.494879	70623851	528.356248	73064731	498.953358
EXPORT OF MEDICINES FOR TOP TEN DESTINATION OF THE WORLD					
2011-12	2012-13	2013-14			
COUNTRY	VAL (US \$ M)	COUNTRY	VAL (US \$ M)	COUNTRY	VAL (US \$ M)
U S A	114.79	U S A	182.58	U S A	155.20
RUSSIA	40.44	JAPAN	33.75	PAKISTAN IR	29.20
JAPAN	32.20	PAKISTAN IR	31.15	GERMANY	28.64
MEXICO	27.17	GERMANY	29.25	JAPAN	25.11
PAKISTAN IR	26.89	U ARAB EMTS	19.41	AUSTRALIA	22.12
GERMANY	22.62	RUSSIA	15.12	U ARAB EMTS	21.81
U ARAB EMTS	20.53	MEXICO	15.01	NEPAL	14.64
EGYPT A RP	12.76	AUSTRALIA	11.68	RUSSIA	11.72
NEPAL	11.53	NEPAL	10.77	ITALY	10.55
FRANCE	11.05	ITALY	9.36	FRANCE	10.25
OTHER	180.52	OTHER	170.27	OTHER	169.71
COUNTRIES	COUNTRIES	COUNTRIES			
TOTAL	500.49	TOTAL	528.36	TOTAL	498.95

b) The export of medicines in the category of ayush products, medicinal herbs etc. for the year 2013-14 is USD 498.95 million, a growth rate of about -6% as compare to year 2012-13 which was USD 528.36 million. Following reasons could be attributed to the declining growth rate.

1) Changes in the global Regulatory requirements.

2) Changing Demand and supply requirements in overseas markets. Few countries have started cultivating the herbs in-house and developing herbal medicines and Dietary Supplements.

3) Increasing transaction costs and Dollar fluctuations.

4) Changes in the acceptance levels of our products in overseas markets due to new cultivation practices/quality

standards/certifications.

c) The demand for Indian herbs, ayurvedic and herbal medicines is growing in the European Union. India's exports of herbs, ayurvedic and herbal medicines to the European Union for the year 2013-14 is to the tune of USD 65 million (as against USD 54 million in the year 2012-13) growing @ 20%. However, exports to the other developed countries like USA, Canada & Japan are showing slight decline in exports for the year 2013-14.

d) FDI upto 100% under Government route in Brownfield Pharma and under automatic route in Greenfield Pharma is permitted. Further FIPB at the time of grant of approval of FDI in Brownfield Pharma also imposes following conditions:-

(i) The production level of consumables and NLEM drugs and their supply to domestic market : at the time of induction of FDI, be maintained over the next five years at an absolute quantitative level. The benchmark for this level would be decided with reference to the level of production of consumables and /or NLEM drugs in the immediately preceding three financial years to the year of induction of FDI. Of these, the highest level of production in any of these three years would be taken as the level;

(ii) R&D expenses be maintained in value terms for 5 years at an absolute quantitative level at the time of induction of FDI. The benchmark for this level would be decided with reference to the highest level of R&D expenses which has been incurred in any of the three financial year immediately preceding to the year of induction of FDI; and

(iii) The administrative ministries concerned and the FIPB secretariat will be provided complete information pertaining to the transfer of technology, if any, along with induction of foreign investment into the investee company.

e) Some of the measures taken by the Government for encouraging export from India are:-

Awarding of Ayush Marks for Quality Certification and recognitions for AYUSH products in international Market.

Voluntary certification of quality of Ayurved, Siddha, Unani (ASU) products through Quality Council of India.

Supporting the industry members to participate in various events related to promotion of AYUSH products, medicinal herbs and their value added products exports, including traditional medicines exhibitions such as Vita foods at Geneva and Supply Side West at USA.

Supporting the industry to organize Reverse Buyer Seller Meet focused to herbals and AYUSH products.

To enlarge and diversify export production and exports of identified medicinal plants and herbs through the Export Promotional Council, SHEFEXCIL

Central Sector Scheme for international Cooperation (IC) of the Ayush Department has been revised to offer incentive to drug manufactures entrepreneurs, AYUSH institutions etc. for participation in international exhibitions, trade fairs, road shows etc and registration of AYUSH products (Market Authorisation) with regulatory bodies of different countries such as USFDA/EMEA/UK-MHRA/NHPD (Canada)/TGA etc. for export of their products.

In addition, the Department of AYUSH under the IC Scheme establishes AYUSH information Cells in Indian Embassies/Missions to disseminate authentic information about AYUSH abroad; and sets up AYUSH Academic Chairs at international Institutions/Universities. Information Cells have since been set up at Malaysia, Trinidad & Tobago, Mexico, Indonesia, Mauritius, Russia and Hungary; and AYUSH Chairs at University of Western Cape, South Africa an University of West Indies, Trinidad & Tobago.

MOU are also signed with foreign for cooperation in the field of Traditional Systems of Medicines. Till date MoUs have been signed with Malaysia, Trinidad & Tobago and Hungary. A letter of intent (Lol) has also been signed with Mexico.