

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION No. 427
TO BE ANSWERED ON THE 15th September, 2020

Impact of COVID-19 on Pharma Industry

427. SHRI MANOJ KOTAK:

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

- (a) whether the Government has made any assessment of the impact of COVID-19 pandemic on the country's pharma industry in view of the fact that the country imports 70 per cent of raw materials from China for manufacture of medicines;
- (b) if so, the Government's plan thereof;
- (c) whether the Government has any plan to support pharma sector to source raw materials for drugs from other countries; and
- (d) if so, the details thereof?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI D. V. SADANANDA GOWDA)**

(a) & (b): Many raw materials are imported from China, for manufacturing of medicine. As per available data from the various Port Offices of the Central Drugs Standard Control Organization (CDSCO), the details of the percentage of raw materials imported from China are as under.

Year	Percentage (in terms of value)
2017-18	68.62%
2018-19	66.53%
2019-20	72.40%

The reported restrictions on movement of people, lockdown enforced in various places, logistic issues, etc. due to outbreak of Coronavirus in China could have impacted the supply of raw materials from China.

(c) & (d): Under the provisions of the Drugs and Cosmetics Rules, 1945 various sites of different countries are registered by the CDSCO for import of various Active Pharmaceutical Ingredients (API) which are used in the manufacture of drug formulations in the country. CDSCO is reviewing all such applications for import of APIs in an expeditious manner for which India is highly dependent on China. The Government assessed the impact of COVID-19 pandemic on the availability of Active Pharmaceutical Ingredients (API), intermediates and Key Starting Materials (KSM) for which India is critically dependent on China. Accordingly, an inter-ministerial Committee was constituted on 06.02.2020 to address the issue of drug security in

the country. The committee submitted its report on 27.02.2020. The Committee observed that there are 58 APIs for which the country is heavily dependent on China. Further, a Technical Committee was also constituted on 02.03.2020 to make recommendations for the revival of fermentation industry, new technologies for manufacturing of APIs including its backward integration, costing of the projects and identification of strategic business models. The Committee also examined the 58 APIs identified by the Drug Security Committee and recommended a scheme for 53 APIs.

On the basis of the recommendations of the committee, the Department has prepared two schemes for promoting domestic manufacturing of Bulk Drugs which were approved by Cabinet on 20.03.2020 viz. Production Linked Incentive (PLI) scheme and scheme for Promotion of Bulk Drug Parks. Under the PLI Scheme, financial incentives shall be given based on sales made by selected manufacturers for 41 products which cover all the identified 53 APIs.

The new Schemes are expected to attract substantial investments, increase domestic production of KSMs, DIs and APIs and reduce the country's import dependence to a large extent.

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