

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

LOK SABHA
UNSTARRED QUESTION No. †4912
TO BE ANSWERED ON THE 1st April, 2022

Impact of COVID-19 Pandemic on Pharmaceutical Industry

†4912. SHRI MAHABALI SINGH:

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 pharmaceutical industry, if so, the details thereof;
- (b) whether 70 percent of raw material for manufacturing of drugs in the country is imported from China;
- (c) if so, the details thereof;
- (d) whether the Government proposes to import pharmaceutical raw material from other nations to give succour to the pharmaceutical sector affected by the COVID-19 pandemic; and
- (e) if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)**

(a): Department of Pharmaceuticals has been closely monitoring the availability of drugs in the country, to assess and address the impact, if any of COVID-19 on the pharmaceutical Industry. Indian Pharmaceutical Industry had shown its resilience during the COVID-19 pandemic and ensured the supply of drugs and medicines, not only for domestic consumption, but also for the global needs, by sprucing up their manufacturing capacities.

Despite the COVID-19 pandemic, the export of Drug Formulations and Biologicals had shown 19.97% growth in FY 2020-21 vis-à-vis FY 2019-20 (Source: Pharmexcil).

(b) to (e): The Indian Pharmaceutical industry is 3rd largest in the world by volume. India exported pharmaceuticals worth Rs. 1,80,551 crore in the financial year 2020-21. India exported Bulk Drugs/ Drug Intermediates worth Rs.32,857 crore in financial year 2020-21. However, the country also imports various Bulk Drugs/ Active Pharmaceutical Ingredients (APIs) for producing medicines from various countries including China. The details of export and import of Bulk Drugs and Drug Intermediates of the country is given below:

Export and Import of Bulk Drugs and Drug Intermediates						
Year	Export		Import			
	Quantity (MT)	Value (In Rs Cr)	Quantity (MT)	Value (In Rs Cr)	Value of imports from China (In Rs Cr)	Percentage of imports from China (In terms of value)
2018-19	3,66,616	27,346	3,45,944	24,850	16,777	67.5%
2019-20	2,71,544	27,533	3,64,433	24,172	16,443	68.02%
2020-21	3,24,331	32,857	3,90,476	28,529	19,403	68.01%
2021-22 (April to December 2021)	3,35,627	24,107	3,02,745	26,490	17,610	66.48%

Source: DGCIS, Ministry of Commerce and Industry.

Most of the imports of the Bulk Drug/APIs being done in the country are because of economic considerations and also, China is one of the largest producers of KSMs and API in the world. The Committee, constituted by Department of Pharmaceuticals, observed that there are 58 APIs, for which, dependency of the country on imports from China for these APIs varies from 50% to 100%.

The Government strives to minimize country's dependence on imports and to give fillip to indigenous manufacturing. In order to make the country Atmanirbhar in pharmaceuticals, the Department of Pharmaceuticals has launched the Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India. The total financial outlay of the scheme is Rs. 6,940 crore and the tenure from FY 2020-2021 to 2029-30. Another Production Linked Incentive Scheme for Pharmaceuticals has been launched with total financial outlay of Rs. 15,000 crore and tenure from FY 2020-2021 to 2028-29. The eligible drugs under this scheme include APIs among other categories of pharmaceutical products.

Import of drugs is regulated under the provisions of the Drugs and Cosmetics Act, 1940 and Rules made there under. For import of any drug, including bulk drug (API), the overseas manufacturing sites and the drugs are required to be registered and import license is required to be obtained in accordance with provisions of the said Act and Rules. All the imported drugs are required to comply with standards mentioned under Second Schedule of the Drugs & Cosmetics Act 1940.
