

PMO to Review Bulk Drug Imports Today

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New Delhi: In another 'Make in India' effort, the government wants to encourage domestic manufacture of bulk drugs, which are ingredients used in making medicines, and reduce its dependence on China.

The Prime Minister's Office has called a meeting on Thursday to review the status of imports of bulk drugs, also known as active pharmaceutical ingredients, and chalk out a strategy to make them domestically.

Senior officials from the department of commerce and pharmaceutical and industry bodies are likely to be present at the meeting. The meeting is likely to discuss the recommendations by a committee headed by former health secretary VM Katoch, which proposed in September the establishment of mega parks for APIs, revival of public sector units to make select and critical drugs such as penicillin and paracetamol, and financial incentives to promote the local bulk drugs sector.

India imports about 85% of its bulk drugs from China, which is seen as a high-dependence threat and an opportunity to scale up domestic production.

India shipped in APIs worth \$3.9 billion in 2014-15, of which \$3.3 billion was from China. In 2004-05, the total API imports were \$800 million. The landed price of bulk drugs bought from China is 15-20% lower than the cost of production in India, which makes it viable for companies to import them.

"China is a dominant factor. We haven't developed our own APIs



Move to encourage domestic manufacture of bulk drugs and reduce dependence on China

and are dependent on them. The threat is if China becomes too dominating, the downstream industry will suffer," said a commerce department official.

The official added that in line with the 'Make in India' programme, the PMO is likely to ask the departments concerned to gear up and work on the architecture and environment to domestically produce bulk drugs. Domestic manufacturing capability will also help avoid price and supply risks associated with the high level of dependence on a single source.

A policy for the promotion of manufacturing of bulk drugs will be firmed up after the deliberations.

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