

Cheap Chinese drug imports worry govt

The government is worried over the tide of cheap bulk drug imports from China that have led to a sharp fall in the share of their domestic production.

India had, until recently, produced 70 per cent of its bulk drug needs, but the figure has now fallen to 30 to 40 per cent.

A commerce ministry paper says most bulk drugs, or active pharmaceutical ingredients (API) as they are also called, used to formulate medicines in the country, are imported from China. It has concluded that a large part of Indian exports comprise formulations of Chinese bulk drugs.

"This is an extremely disappointing and critical aspect of the Indian pharmaceutical industry," the paper said.

The issue has been flagged in the commerce ministry's strategy for doubling India's exports in the next three years and is also expected to be taken up with

By **S.P.S. Pannu** in New Delhi

the finance ministry and the ministry of external affairs for further discussions.

The commerce ministry is in favour of policy interventions to bring back bulk drug manufacturing to India.

Senior officials say various measures, such as tax incentives and provision of soft loans, have to be put in place to

India produces only 30-40% of its bulk drug needs

encourage investment so that production rises and jobs are generated.

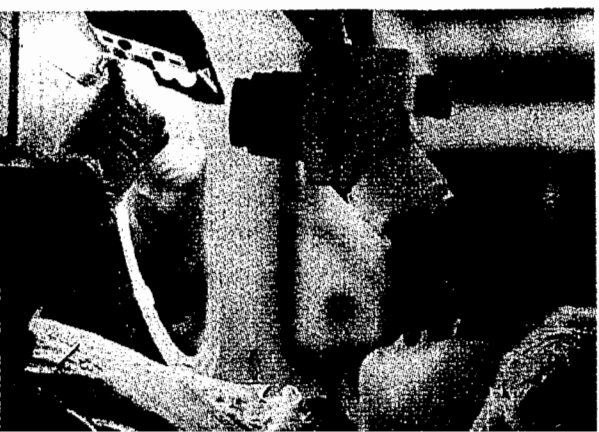
China remains a dominant player in the global bulk drugs industry because of its large-scale manufacturing capabilities. Chinese firms are backed by an abundant

supply of cheap power and easy loans.

However, concerns regarding quality, reflected in product recalls due to contamination, hamper the efforts of Chinese manufacturers to sell bulk drugs in the lucrative US and European Union (EU) markets. Indian firms have an opportunity to take advantage of this situation.

Also, the domestic bulk drugs industry can benefit from the impending patent expiries, including those of blockbuster drugs, in the regulated markets. This will open up opportunities for supplying bulk drugs to manufacturers of such generic drugs as well as increase outsourcing of bulk drugs by multinational pharmaceutical companies.

Commerce ministry officials are also of the view that greater efforts will have to be made at the diplomatic level to get the Chinese government to open up the market for Indian drug formulations.



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