

the implementation of the India-Malaysia Comprehensive Economic Cooperation Agreement signed in 2011.

(b) and (c) No, Sir. There is no immediate proposal to seek FTA with Taiwan as under the present circumstances, there does not seem to be any great advantage to India from an FTA with Taiwan.

#### **Increase in FDI in pharmaceutical sector**

2183. SHRI T.M. SELVAGANAPATHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the Foreign Direct Investment (FDI) in the pharmaceutical sector has jumped by 86.5 per cent to \$ 1.08 billion during April-October, 2013 with multinationals on a merger and acquisition spree, if so, the details thereof;

(b) whether it is also a fact that the huge FDI in the pharmaceutical sector could lead to an increase in the price of medicines as multinational companies tend to phase out cheap generic drugs in order to enhance profits by selling their own branded products which are costlier; and

(c) if so, the steps proposed to be taken by Government to prevent such situation in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN): (a) Yes, Sir. The Foreign Direct Investment (FDI) in pharmaceutical sector jumped by 86.42% from US \$ 580.32 million during April-October, 2012 to US \$ 1081.81 million during the corresponding period April-October, 2013. Out of this, FDI inflow under FIPB approval/acquisition route during the period April-October, 2012 and April-October, 2013 is US\$ 134.62 Million and US\$ 1073.67 Million respectively. Details indicating FDI inflows during the said period is given in the Statement (*See below*).

(b) and (c) The extant FDI policy in the pharmaceutical sector allows 100% FDI on the automatic route for greenfield investment. 100% FDI is allowed for brownfield investment on the Government approval route. In order to ensure availability and affordability of essential medicines and to maintain a reasonable level of research and development expenditure, Government has prescribed appropriate conditionalities for approvals under the Government approval route. Further, with a view to protecting the domestic pharmaceutical sector, including the production of generics, the Government

has decided that 'non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board. Government has also put in place mechanisms like the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

### **Statement**

#### *Details of Financial Year-wise FDI equity inflows*

Sector : Drugs and Pharmaceuticals					
Amount of FDI (US\$ million)					
Sl. No	Year	RBI Automatic route	FIPB approval/ Acquisition route	Total FDI inflows	%age growth over previous year (in US\$ terms)
1	2012-13 (Apr-Oct)	445.69	134.62	580.31	-
2	2013-14 (Apr-Oct)	8.14	1073.67	1,081.81	(+) 86.42%

#### **Adverse effect of mining ban on the economy**

2184. SHRI S. THANGAVELU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that mining ban has hit the economy and exports besides increasing India's dependence on imported coal;

(b) whether shipment of iron ore plunged to 18 million tonnes in 2012-13 from nearly 168 million tonnes in 2010-11; and

(c) whether it is also a fact that the slowdown in exports has increased the trade deficit as well as the current account deficit, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN): (a) The forestry and environmental clearances are mandatory for starting coal mining projects and therefore, the implementation of such projects gets affected in case of delay in grant of clearances of such projects. A number of coal projects have been affected due to delay in obtaining forestry clearances. During the year 2012-13 total import of coal was of the order of 145 MT, which has gone towards bridging the gap between the demand and supply of domestic coal. As regards iron ore certain restrictions have been placed on mining by Apex Court and State Governments.