

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

RAJYA SABHA
UNSTARRED QUESTION No. 832
TO BE ANSWERED ON THE 11TH FEBRUARY 2025

Dependency on import of high cost medicines

832 Shri Ashokrao Shankarrao Chavan:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

- (a) whether Government has taken into cognizance that the country has high dependency on import of high cost medicines;
- (b) if so, the details thereof along with the steps taken/proposed to be taken by Government to address the issue;
- (c) whether Government has any scheme to provide incentives to the domestic companies to produce high cost pharmaceutical products in the country and if so, the details thereof; and
- (d) whether Government has seen any improvement in domestic production of such medicines through the scheme and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (d): India is the third-largest manufacturer of pharmaceuticals by volume. The value of medicines exported increased from US\$11.22 billion in the financial year (FY) 2014-15 to US\$21.71 billion in FY 2023-24. The value of medicines imported over the same period increased from US\$1.56 billion in FY 2014-15 to US\$2.50 billion in FY 2023-24.

The Department of Pharmaceuticals is implementing the Production Linked Incentive (PLI) Scheme for Pharmaceuticals with the objective of enhancing India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high-value goods in the pharmaceutical sector. The scheme has an outlay of ₹15,000 crore and tenure up to FY 2027-28. The scheme provides for financial incentive to 55 selected applicants for manufacturing identified products under three categories for a period of six years.

Category 1 of the scheme includes high-cost medicines, such as biopharmaceuticals, complex generics, patented drugs or drugs going off-patent during the scheme tenure, orphan drugs, etc. and these are eligible for incentive at the rate of 10% of the sales made.

The value of sales by the scheme participants of Category 1 medicines in FY 2021-22, *i.e.*, the year preceding the commencement of the scheme, is ₹9,400 crore. Enabled by the scheme, the corresponding value of sales of Category 1 medicines in FY 2023-24 has increased to ₹21,230 crore.
