

## US ORDER ON DOMESTIC DRUG PRODUCTION IS AIMED AT CHINA, BUT COULD BENEFIT INDIA, SAY ANALYSTS

SATURDAY, AUGUST 08, 2020 BY INDIAN DEFENCE NEWS



**New Delhi:** US President Donald Trump on Thursday signed an executive order to boost domestic manufacturing of essential medicine. The decision will reduce Washington's dependence on China for drugs. According to IHS Markit, the US imported raw materials for drugs worth \$3.9 billion in 2017, up 25 percent from 2016.

US President Donald Trump's executive order requiring the government to buy drugs from domestic companies is a step directed towards China, experts believe.

The US government, going forward, will finalise a list of essential medicines and procure them from domestic companies.

The Indian Commerce Ministry, said the decision would benefit India strategically.

Ashok Madan, Executive Director of the Indian Drug Manufacturers Association (IDMA) told Sputnik that the recent order of the Trump administration is directed at China and not the world. "This order is essentially directed at China without saying so."

"Today, every country wants to be self-dependent. They do not have any problem with India, but they have issues with China. India has lived up to the global expectations by supplying essential drugs at the time of crisis."

Speaking on the impact of the decision on the Indian drug and pharmaceutical industry, Madan said: "There are a number of exceptions in the order and hopefully, we will get covered in that. For example, wherever the procurement cost is higher than 25 percent, they would like to buy from outside countries."

"Wherever they do not have reasonable quality and volume of local production, they will procure from outside the US," he added.

The Indian government has also said that the US decision may "benefit India strategically", maintaining that the move is targeted essentially at China.

The government also maintains that production of active pharmaceutical ingredients (APIs), the basic building block of a medicine, will provide India an opportunity to delink itself from China, on which it is heavily dependent for the import of the ingredients. India imports 80 percent of the APIs it requires from China.

The Commerce Ministry's said: "In fact, development of API and critical medicine manufacturing in the USA may be a strategic positive for India in terms of National Security considerations and provide non-China sources."

According to data from the Directorate General of Commercial Intelligence and Statistics, India imported bulk drugs and intermediates worth \$2,738 million in 2016-2017 and \$2,993 million in 2017-18.



The US decision and its fallout assumes a lot of significance for India as, amid the Indo-China border stand-off across the Line of Actual Control in Ladakh, Chinese suppliers have hiked the price of medical supplies to India despite the raging Covid-19 pandemic.

According to a pharmaceutical representative body, the API prices have gone up significantly.

"The average increase in the prices of APIs from China has been around 20 percent compared to the pre-COVID-19 days", says Sudarshan Jain, Secretary General of the Indian Pharmaceutical Alliance, a representative body of leading Indian pharmaceutical companies.

In July, India launched three dedicated API manufacturing hubs at an cost of \$134 million and four hubs for medical devices in the country to cut its dependence on imports. The central government will invest \$13.3 million in the medical device hubs.

India has a 20 percent share of generic medicines in the global supply by volume, while its share of vaccines is 62 percent of global demand. It is the country with the largest number of US FDA-compliant drug manufacturers outside the United States.

[Source>>](#)



2 Comments

Copyright © 2020 IDN - | [Disclaimer](#) | [Terms of Use](#) | [Privacy Policy](#)

---

