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## Complete Export Ban on Hydroxychloroquine

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### Why in News

India has **banned all exports of hydroxychloroquine** - an **anti-malaria drug** that is being used **in the treatment of Covid-19**.

- This implies that the **exceptions (export obligation and humanitarian grounds)** mentioned in the previous order have come to an **end**.
- The **Directorate-General of Foreign Trade (DGFT)** had prohibited the export of the drug on 25<sup>th</sup> March, 2020. But it left the option of export open to fulfil **“export obligation”** and on **“humanitarian grounds”**.
- The Directorate General of Foreign Trade (DGFT) organisation is an **attached office of the Ministry of Commerce and Industry**. This Directorate, with headquarters at New Delhi, is **responsible for formulating and implementing the Foreign Trade Policy** with the main objective of promoting India's exports.

### Key Points

- The export of hydroxychloroquine and formulations made from hydroxychloroquine is **not even allowed** from **Special Economic Zones/ Export -Oriented Units (SEZs/EOUs)** or against **Advance Authorisation (AA)** or against full advance payment.
  - **SEZs** are treated as **foreign territory in terms of customs laws**. Normally, export ban or restrictions imposed by the government does not apply on these zones as well as **EOUs**, which are specially meant to promote outbound shipments from the country.
  - Under the **Advance Authorisation (AA)** scheme, firms are allowed to import raw material at zero duty but with the **condition of export obligation within a certified time frame**.

- **Reasons**

- India has **banned exports of a host of medical devices**, including sanitiser, all types of ventilators and surgical masks.
- The **Indian Council of Medical Research (ICMR)** has recommended the **use of hydroxychloroquine for treating healthcare workers** handling suspected or confirmed coronavirus cases and also the asymptomatic household contacts (showing no symptoms) of the lab-confirmed cases. It needs to be noted that **the drug is yet to be proven as a cure for the novel coronavirus.**
- All this has been done **to deal with the number of rising cases in the country.**

- **USA's Request**

- **India is considering the request** by the USA **to release the ordered amount of hydroxychloroquine drug.**

USA has been using the drug along with a combination of other drugs to treat COVID-19 patients. It is being said that the drug is yielding positive results.

- This can be viewed as **an opportunity for India's pharmaceutical industry to gain access to the USA markets**, but a call should be taken **only after considering domestic requirements.**
- This may provide India and the US with an opportunity to **sort out issues related to India's capping of prices of drugs and medical equipment** like stents that have figured prominently in trade disputes between the two countries.
- This can also be seen as India, despite a complete ban on exports, may give priority to the USA's request. This highlights the importance of India-US relationship.

**Source: TH**