



Strengthening of Pharmaceutical Industry Scheme

For Prelims: Strengthening of Pharmaceutical Industry Scheme, Active Pharmaceutical Ingredients.

For Mains: Indian pharmaceutical industry, health, government policies and interventions

Why in News?

Recently, the **Ministry of Chemicals and Fertilizers has released the guidelines for the scheme "Strengthening of Pharmaceutical Industry (SPI)",** with a total financial outlay of Rs.500 Cr for the period from FY 21-22 to FY 25-26.

What are the Key Points?

▪ About:

- Under the Scheme, **financial assistance to pharma clusters will be provided for creation of Common Facilities.**
- In order to upgrade the production facilities of SMEs and **MSMEs (Micro, Small and Medium Enterprises)** so as to meet national and international regulatory standards (World Health Organization-Good Manufacturing Practice (WHO-GMP) or Schedule-M), **interest subvention or capital subsidy on their capital loans will be provided,** which will further facilitate the growth in volumes as well as in quality.
 - WHO-GMP is the **aspect of quality assurance that ensures that medicinal products are consistently produced and controlled to the quality standards** appropriate to their intended use and as required by the product specification.
 - **Schedule M of drugs and cosmetics rules** define the GMP requirements for the pharmaceutical industry in India.

▪ Components:

- **Assistance to Pharmaceutical Industry for Common Facilities (APICF),** to strengthen the existing pharmaceutical clusters' capacity for their sustained growth by creating common facilities.
 - Under this, support for clusters for creation of common facilities with the focus on R&D (Research and Development) Labs, Testing Laboratories, Effluent Treatment Plants, Logistic Centers and Training Centres in this order of priority with an outlay of 178 Cr is proposed.
- **Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)** to facilitate Micro, Small and Medium Pharma Enterprises (MSMEs) of proven track record to meet national and international regulatory standards.
 - Under the PTUAS sub-scheme, support for SME Industries is proposed, either through up to a maximum of 5% per annum (6% in case of units owned and managed by SC/STs) of interest subvention or through Credit linked Capital subsidy of 10%.
 - An outlay of 300 Cr has been earmarked for sub scheme for the scheme period of five years.

- **Pharmaceutical & Medical Devices Promotion and Development Scheme (PMPDS)** to facilitate growth and development of Pharmaceutical and Medical Devices Sectors through study/survey reports, awareness programs, creation of databases, and promotion of industry.
 - Under the PMPDS sub-scheme, knowledge and awareness about the Pharmaceutical and MedTech Industry will be promoted.

What is the Significance?

- It will strengthen the existing infrastructure facilities and will make India a global leader in the Pharma Sector.
- This will not only improve the quality but also ensure the sustainable growth of clusters.
- The scheme will address the rising demand in terms of support required to existing Pharma clusters and MSMEs across the country to improve their productivity, quality and sustainability.

What are the Schemes Related to the Pharma Sector?

- **Promotion of Bulk Drug Parks Scheme:**
 - The government aims to develop 3 mega Bulk Drug parks in India in partnership with States to **reduce manufacturing cost of bulk drugs in the country and dependency on other countries** for bulk drugs.
 - The scheme will also help in providing continuous supply of drugs and ensure delivery of affordable healthcare to the citizens.
- **Production Linked Incentive (PLI) Scheme:**
 - The PLI scheme aims **to promote domestic manufacturing of critical Key Starting Materials (KSMs)/Drug Intermediates and Active Pharmaceutical Ingredients (APIs) in the country.**

Source: PIB

PDF Refernece URL: <https://www.drishtias.com/printpdf/strengthening-of-pharmaceutical-industry-scheme>