



Strengthening Pharmaceuticals Industry

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

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

Why in News?

The Ministry of Chemicals & Fertilisers has launched Schemes for '[Strengthening Pharmaceuticals Industry](#)' (SPI) keeping in view the **strategic role of MSMEs (Micro, Small and Medium Enterprises)**.

What are the Key Points?

▪ About:

- The Scheme provides **for credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector**, as well as support of up to Rs 20 crore each for common facilities including Research centre, testing labs and **ETPs (Effluent Treatment Plant)** in Pharma Clusters.
- The MSME unit will have the **option to choose from either Capital subsidy or Interest subvention**.
 - **SIDBI (Small Industries Development Bank of India)** is the **Project management Consultant** for implementing the scheme.

▪ Components:

- **Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS):**
 - It will facilitate **pharmaceutical MSMEs with proven track records** to upgrade their technology.
 - It has provisions for a **capital subsidy of 10 % on loans up to a maximum limit of Rs 10 crore** with a minimum repayment period of three years or interest subvention of up to 5 % (6 % in case of units owned by [SC/ST](#)) on reducing balance basis.
- **Assistance to Pharma Industries for Common Facilities Scheme (API-CF):**
 - It will strengthen **the existing pharmaceutical clusters' capacity** for sustained growth.
 - It provides for an assistance of up to 70 % of the approved project cost or Rs 20 crore, whichever is less.
 - In case of **Himalayan and north-east region**, the grant-in-aid would be Rs 20 crore per cluster or 90 % of the project cost, whichever is less.
- **Pharmaceutical and Medical Devices Promotion and Development Scheme (PMPDS):**
 - It will involve **preparation of study reports on topics of importance for the Indian pharma** and medical device industry.
 - The scheme is **aimed at creating a database of pharma and medical device sectors**.

▪ Objectives:

- **Aimed at enhancing India's capabilities in the pharmaceuticals sector** with an

objective to make it much more competitive in terms of both quality and cost and also aimed at making Indian pharma MSMEs, a part of [Global supply chain](#).

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.
- Schemes will increase **investment, encourage research and innovation and enable the industry to develop futuristic products** and ideas.

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.

UPSC Civil Services Examination, Previous Year Questions (PYQ)

Q. How is the Government of India protecting traditional knowledge of medicine from patenting by pharmaceutical companies? **(2019)**

Source: [PIB](#)

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