



## 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**

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