40 pharma PLI projects launched

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Why in news?

- Union govt has inaugurated 27 greenfield bulk drug park projects and 13 greenfield manufacturing plants for medical devices.
  - These forty greenfield projects were inaugurated under the PLI schemes for manufacturing bulk drugs and medical devices.
    - A bulk drug, also known as an active pharmaceutical ingredient (API), is the chemical substance responsible for the therapeutic effects of a pharmaceutical product.

        - i.e., it is the primary ingredient in a medication that produces the intended medical effect.

The pharmaceutical industry in India: Notable achievements

- The Indian pharmaceutical industry, often referred to as ‘the pharmacy of the world’, contributes immensely to global public health and promoting universal healthcare access.
- India ranks 3rd worldwide for production by volume and 14th by value.
- India is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume.
    - The pharmaceutical industry in India offers 60,000 generic brands across 60 therapeutic categories.
- It is the leading vaccine manufacturer globally with 60% of the world’s vaccines comes from India.

Industry scenario

- Foreign Direct Investment (FDI)
    - 100% FDI in the Pharmaceutical sector is allowed under the automatic route for greenfield pharmaceuticals.
    - 100% FDI in the pharmaceutical sector is allowed in brownfield pharmaceuticals; wherein 74% is allowed under the automatic route and thereafter through the government approval route.
- Market Size
    - The pharmaceutical industry in India is valued at $50 bn in 2022-23 and exports accounting for 50% of the production.
        - It is expected to reach $65 bn by 2024 and to $130 bn by 2030.
- Export
    - India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports.
    - India supplies over 50% of Africa’s requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.
    - For the period 2021-22, export of drugs and pharma products stood at $24.6 bn compared to $24.44 bn as of 2020-21.
    - The Indian pharma industry witnessed exponential growth of 103% during 2014-22 from $11.6 bn to $24.6 bn.

Support extended by the govt

- PLI scheme
    - PLI for Pharmaceuticals:
        - The scheme was launched with an outlay of INR 15,000 Cr until FY 2027-28.
        - The aim is to boost India’s manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high-value goods.
    - PLI for Promoting Domestic Manufacturing of Medical Devices
        - The scheme, with an outlay of INR 3420 Cr till FY 2027-28, is being provided for the creation of common testing and laboratory facilities/centres in four Medical Device Parks.

- Vision Pharma 2047
    - Make India a global leader in the manufacturing of affordable, innovative & quality pharmaceuticals & medical devices for the goal of Vasudhaiva Kutumbakam
    - Vishwaguru in innovation & Research for delivering health care products to future generations in a sustainable manner, introducing natural products
    - Medical Devices to be an integral part of global supply chains for raw materials, components, spare parts, assemblies/subassemblies, etc.
    - Digitisation and technology upgradation in the delivery of services & products under Jan Aushadhi Pariyojana
- National Pharmaceutical Policy (2023)
    - The policy is being drafted to serve as a comprehensive framework to address the challenges faced by Indian Pharmaceutical industries.
    - The draft policy encompasses five key pillars:
        - Fostering Global Pharmaceutical Leadership, Promoting Self-Reliance, Advancing Health Equity and accessibility, Enhancing Regulatory Efficiency in the Indian Pharmaceutical Sector and Attracting investments.
- Scheme for Strengthening of Pharmaceuticals Industry (2022)
    - The scheme, launched with a total financial outlay of INR 500 Cr until FY 2025-26 to:
        - strengthen the existing pharmaceutical clusters' capacity by creating common facilities;
        - facilitate MSMEs of a proven track record to meet regulatory standards; and
        - facilitate growth and development of Pharmaceutical and Medical Devices Sectors.
- Scheme for Promotion of Bulk Drug Parks (2020)
    - The scheme boosts domestic manufacturing of identified KSMs, Drug Intermediates and APIs by attracting large investments in the sector.
    - Financial assistance, up to INR 1000 Cr, will be provided for the creation of common infrastructure facilities in three Bulk Drug Parks selected in Gujarat, Himachal Pradesh, and Andhra Pradesh.

News Summary: 40 pharma PLI projects launched

- Forty greenfield projects under the PLI schemes for manufacturing bulk drugs and medical devices were inaugurated by the government.
- This included 27 greenfield bulk drug projects and 13 manufacturing plants for medical devices.

Key highlights of the speech delivered Union Health Minister

- Highlighted importance of PLI scheme in Pharma
    - The PLI scheme's success has reduced India's dependence on imports for medicines, API and medical devices.
    - Instead of importing goods worth Rs 75,000 crore, the country will now be exporting drugs and products worth Rs 75,000 crore.
        - The department of pharmaceuticals is implementing three PLI schemes — pharmaceuticals, bulk drugs and medical devices.

        - For the PLI scheme for pharmaceuticals, the government has approved 55 applicants with an incentive outlay of Rs 15,000 crore.
        - As many as 138 products from 26 PLI applicants have been approved for greenfield manufacturing of medical devices with an outlay of Rs 3,420 crore.
        - The bulk drugs PLI includes manufacturing 41 bulk drugs with a total outlay of Rs 6,940 crore.
- Revival of drug manufacturing
    - He cited the example of Penicillin G, which India had stopped making for the last 30 years after large-scale dumping led to plants shutting down.
    - Penicillin G will now be made in the country, with the plant expected to be operational in June 2024.

Q1) What is Penicillin G?

Penicillin G, also known as benzylpenicillin, is an antibiotic used to treat and prevent bacterial infections. It's a narrow-spectrum antibiotic that works by killing bacteria that cause infections.

Q2) What are bulk drugs or APIs?

A bulk drug, also called an active pharmaceutical ingredient (API), is the key ingredient of a drug or medicine, which lends it the desired therapeutic effect or produces the intended pharmacological activity. For example, paracetamol is a bulk drug, which acts against pain. It is mixed with binding agents or solvents to prepare the finished pharmaceutical product, ie a paracetamol tablet, capsule or syrup, which is consumed by the patient.

Source: 40 harma PLI projects launched | PIB | Invest India | Economic Times