



## **IPA Press Statement on Promotion of Domestic Manufacturing of APIs and KSMs Policy**

**Mumbai, 22 March 2020**

India today is confronted with an unprecedented global health threat in the form of COVID 19. In the light of this unpredictable challenge, Indian Pharmaceutical Alliance (IPA) and its member companies are working in an integrated manner with the Government of India, other Indian pharmaceutical industry associations and key stakeholders in the pharmaceutical supply chain to ensure that patients in India continue to have access to affordable, quality medicines.

IPA welcomes the Government of India's step to promote domestic manufacturing of critical Key Starting Materials (KSMs)/Intermediates and Active Pharmaceutical Ingredients (APIs) in the country. This is a major step in the creation of a self-sufficient healthcare ecosystem in the country. We believe the government's policy announcement today will give the sector a huge boost.

India is the pharmacy of the world and contributes 20% to the global generics market. Every third tablet sold in the US is from India. However, the industry is dependent on China for many APIs & KSMs which go into the manufacturing of formulations.

The approved scheme will promote Bulk Drug Parks for financing common infrastructure facilities in 3 Bulk Drug Parks with financial investment of Rs. 3,000 crore in the next five years; and secondly will create a production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical KSMs/Drug Intermediates and APIs in the country with financial implications of Rs. 6,940 crore for the next eight years.

"India has the capability and competence to manufacture all APIs. The announcement by the Government will help revive the API industry in the country and will help the sector regain the dominance that was lost over the years. The investment in creating bulk drug parks is an important step in the right direction for the development of the industry" said Mr Satish Reddy, IPA President and Chairman, Dr Reddy's Laboratories.

"China has gained importance in fermentation based APIs namely, antibiotics and vitamins. The government policy to encourage fermentation based industry will help build self-reliance", said Mr Pankaj Patel, Chairman, Zydus Cadila.

Praising the new policy, Mr Dilip Shanghvi, Managing Director, Sun Pharma said, "The new policy is a bold announcement by the government and will give the necessary fillip to the API industry in India. I would like to congratulate the government as this will safeguard healthcare security and create ecosystem for strong Indian API industry."

IPA is committed to providing quality medicines to patients in India and across globe as patient centricity and welfare is fundamental to us.

IPA would like to thank all government officials, entire medical community and other stakeholders for their tireless efforts, selfless service in safeguarding and protecting people from COVID-19 pandemic. We take pride in being of service to the nation and the world at this time.

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Indian Pharmaceutical Alliance (IPA) represents 24 research based national pharmaceutical companies. Collectively, IPA companies account for over 85 per cent of the private sector investment in pharmaceutical research and development. They contribute more than 80 per cent of the country's exports of drugs and pharmaceuticals and service over 57 per cent of the domestic market. For more details please refer [www.ipa-india.org](http://www.ipa-india.org)