

# 'India's API push to fructify soon'

Experts say focus on price and not on Chinese dependence impacting India

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The government's production linked incentive (PLI) scheme for promotion of API (active pharmaceutical ingredients) manufacturing in India will start delivering the results only after three to five years, said industry experts. While the process of finalising the awardees for the PLI scheme is itself long, the companies also take time to set up their plants to begin the production, experts said.

## 'No full clarity yet'

"Four to five months have gone by and still the complete clarity is not there. In PLI scheme one, those companies which were selected have not started spending yet," Hitesh Windlass, Managing Director at Windlas Biotech, said.

"It takes around two years to set up a plant and then one ramps up the production after



which those PLI benefits start coming. Meanwhile, the global situation is very fluid, so in my view, the PLI methodology works when you don't have external shocks in the system like China plus one, supply chain disruptions etc," he added. In a normal scenario, too, the benefit of the PLI scheme will start coming only in three to five years, Windlass said.

## Years behind China

Meanwhile, Sudarshan Jain, Secretary General of Indian Pharmaceutical Alliance, said India will take around three to five years to match the capability which China has built up in the last 30 years in APIs. The industry needs to scale up to make India self-reliant, he said.

"Right now, we are getting the supply from China and the prices are showing volatility. Meanwhile, after a long time, the PLI scheme was an-

nounced to build and strengthen API capability in this country. These initiatives will start delivering results over a period of 3-5 years," Jain said.

"The government is also creating clusters, ecosystem for the production of APIs. It is also working on faster environmental clearance of API plants. It is also working with the scientific bodies to build the technology to improve self reliance in the API manufacturing," he added.

## Dependence a factor

"I don't foresee any benefit of the PLI scheme to resolve the current situation of high volatility in high prices. The dependency on China is also a result of many decades of poor policy, allowing dumping of Chinese materials at a very low rate in the Indian markets, thereby Indian manufacturers getting out of business. In the 1980s, we had 80 per cent of APIs manufacturing in the country. So the issue of focusing on price only and not on dependence is impacting the country," Windlass said when asked if the PLI scheme can resolve the volatility issue in API prices.