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“Our API sector can remain competitive and play a critical role in the global supply chain”

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With over 35 years of expertise in manufacturing bulk drugs and APIs, A P Rameswara Rao, has recently taken charge as the National President of Bulk Drugs Manufacturers Association of India (BDMAI). In an interaction with BioSpectrum India Rao talks about strengthening India’s self-reliance in APIs and reducing import dependency, promoting global quality standards and compliance across the industry, advocating policy reforms with government and regulatory bodies and supporting sustainable growth through innovation, R&D, and environmental responsibility.

What are the current challenges faced by the bulk drug manufacturers in India?

Bulk drug manufacturers in India face several challenges, including constantly evolving domestic and international regulatory requirements, intense competition from China, and limited availability of land for expansion. Additionally, rising input costs and environmental compliance pressures further strain operational margins.

Competition from China is significant in the case of APIs. What are your plans to mitigate the crises?

Competition from China is not new. Due to industry-friendly policies and large-scale manufacturing capacities, China has become a dominant player in API production. However, the Indian government has taken steps to strengthen the local industry through initiatives like the Production Linked Incentive (PLI) scheme. With India's strong base in science and technology, I believe our API sector can remain competitive and play a critical role in the global supply chain.

How do you plan to make bulk drug manufacturers self-reliant and innovation-driven?

Achieving self-reliance and driving innovation is a continuous process. The industry is steadily adopting advanced technologies and modern manufacturing practices to remain competitive. However, significant investment in R&D is still a challenge for many companies due to the high costs involved. Greater support for R&D and innovation-friendly policies will be key to accelerating this transformation.

How do you see the recent GST cut in the pharma sector?

The recent GST reductions by the Government of India are intended to benefit end consumers. While the impact is more immediate and visible for finished goods, in the case of APIs, the benefits may take time to reflect due to the complexity of pricing and supply chains. However, over time, the lower tax burden should contribute positively to the sector.

What impact has the US tariff made on the bulk drug manufacturers?

So far, the pharma sector — including bulk drugs — has been largely exempt from recent US tariffs. The proposed 100 per cent tariff from October 1, 2025, is expected to apply primarily to patented and branded pharmaceutical products. Since most Indian companies export generic APIs rather than branded or patented drugs, the direct impact on the Indian API industry is likely to be minimal.

A recent spate of fire incidents in pharma manufacturing plants is a matter of huge concern. Your say on this.

The use of hazardous chemicals in pharmaceutical manufacturing inherently carries safety risks. The industry is highly conscious of this and prioritises safety through rigorous protocols and adoption of modern technologies. Despite these efforts, incidents occasionally occur, which is deeply concerning and unacceptable. Continuous investment in safety infrastructure and training is essential to prevent such tragedies.

What kind of government incentives are you looking for in the sector?

Rather than direct financial incentives, the industry would benefit more from the development of ready-to-occupy, plug-and-play industrial infrastructure. This would allow manufacturers to focus on core operations and innovation, rather than spending time and resources on land acquisition and infrastructure development.

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