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FICCI recommends financing under PLI-type scheme to support COVID-19 vaccine manufacturers

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There is an urgent and critical need to encourage vaccine manufacturers to substantially augment their capacities for production



As we celebrate the approval of Sputnik V vaccine for emergency use, which is indeed a big leap towards accelerating India's COVID-19 vaccination drive and reaching larger population, we need to be mindful that this is yet not sufficient.

Many states in India have been facing the shortage of COVID vaccines over past few days, including locations in Punjab, Rajasthan, Uttarakhand, Uttar Pradesh, Jharkhand and Bihar, compelling state governments to scale down their daily vaccination targets.

India intends to vaccinate priority population of 30 crore by August 2021. Given that 10.85 crore people have received at least first dose of COVID vaccination and going with the current rate of 30 lakh vaccinations per day, we would need more than 38 crore doses (of two dose vaccines) to fully vaccinate this priority group. According to reports, Indian government has 2.04 crore doses in pipeline for next few days.

Furthermore, since the length of immunity provided by the vaccines is yet not known, we would need to factor in repeat vaccination and maintain the momentum of manufacturing for at least next couple of years.

Thus, there is an urgent and critical need to encourage vaccine manufacturers to substantially augment their capacities for production.

Since the cost of vaccines have been capped by the government, the vaccine manufacturers need to be provided with appropriate incentives for ramping up the production. FICCI has recommended financing under the PLI-type scheme to support the vaccine manufacturers.

The government also needs to provision for immediate and sufficient grants and subsidies, through the Government of India's COVID Funds, for those manufacturers that are already developing or manufacturing COVID vaccines in the country.

The vaccines that are proven and successful in other markets should be encouraged to be brought into India at the earliest, in order to maintain our supply chains. This should be considered for import and sale of international vaccines as well as initiate manufacturing of such vaccines in the country.