

New York State Emerges as a Global Biopharma Manufacturing Hub: Lessons from Garonit Pharma's Expansion

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Changing Trade Landscape Signals a New Chapter in India–U.S. Pharma Ties

For decades, Indian pharmaceutical companies have been the backbone of the U.S. generics market, supplying nearly 40 percent of America's demand through exports. This export-driven model, however, is entering a period of structural change. The US government is actively working to **reshore pharmaceutical manufacturing** by creating policy incentives and streamlining regulations. These efforts aim to reduce the nation's reliance on foreign supply chains and bolster the domestic production of essential medicines and active pharmaceutical ingredients (APIs).

This shift has opened the door for overseas pharmaceutical companies to seriously consider expanding to the US. For those looking to secure their position in America's healthcare system, **New York State has emerged as the premier pharmaceutical manufacturing destination.**

Garonit Pharma: An Indian Success Story in America

The most recent example of this shift is **Garonit Pharmaceutical, Inc.**, the U.S. subsidiary of Mumbai-based RN Laboratories. In August 2025, the company announced a **\$46.1 million investment** to establish a **200,000-square-foot pharmaceutical manufacturing and R&D facility in Orange County, situated in the Mid-Hudson Region in New York**. Once operational in 2027, the facility will become the **world's largest chlorhexidine gluconate manufacturing operation**, producing antiseptic products critical to infection control in hospitals worldwide.

This project was supported by **Empire State Development (ESD), New York State's leading economic development agency through \$3.5 million in tax credits** and a \$300,000 Grant from the Mid-Hudson Regional Economic Development Council (MHREDC). Beyond incentives, ESD worked with local authorities and educational partners to ensure workforce pipelines and regulatory support relevant to Garonit's unique requirements.

Rohit Garg, owner of Garonit Pharmaceutical Inc., captured the significance of this milestone: *"As the U.S.-based owner of an API manufacturing company, I have long aspired to produce finished pharmaceutical products here in the United States. This achievement has been made possible through the invaluable support and collaboration of dedicated teams of The State of New York."*

The Strategic Significance of New York State and Mid-Hudson Region

New York State's life sciences ecosystem is designed for global companies seeking a reliable U.S. base. The **Mid-Hudson region** combines cost-effective industrial space, proximity to New York City, and infrastructure advantages such as Stewart International Airport and direct interstate connectivity. The presence of **SUNY Orange** and nearby universities ensures a skilled workforce tailored for pharmaceutical manufacturing and FDA-regulated operations.

Other Indian companies have already recognized New York's advantages:

- **Strides Pharma** operates in **Chestnut Ridge, Rockland County** which is also supported by ESD's generous state incentives.
- **Dr. Reddy's Laboratories** manufactures APIs in **Middleburgh, Schoharie County**, benefiting from Upstate New York's cost savings.
- **Cipla** runs operations on **Long Island**, leveraging its proximity to markets, academic research centers, and logistics hubs.

Long Island has become a pharmaceutical manufacturing stronghold, balancing New York City's access to hospitals and investors with suburban cost and workforce benefits. Together, these regions form a **statewide biopharma corridor**, demonstrating why New York is a **preferred U.S. hub for Indian pharmaceutical investment**.

Cost & Talent: Why New York Outperforms Competitor States

A frequent comparison when it comes to pharmaceutical manufacturing in the Northeast US is between New York and New Jersey. While New Jersey is historically known for pharma, **New York delivers superior economics and workforce access**.

According to **CoStar**, **Orange County's average industrial rent is \$12.25 per sq. ft.**, with Class A facilities asking around **\$13.50 - \$15**. By contrast, **CBRE data** shows New Jersey averaging **\$17.63 per sq. ft.**, with Class A space in the Meadowlands reaching **\$21 per sq. ft.**

This **\$5–7 per sq. ft. gap** represents millions in savings annually for large-scale manufacturing. When combined with New York's educated workforce from the **State University of New York (SUNY) and City University of New York (CUNY) systems** offering specialized FDA-compliance training programs, the state offers both **lower operating costs and superior talent pipelines**.

Empire State Development India: Your U.S. Expansion Partner

As Indian pharmaceutical companies explore potential opportunities to expand their operations in the United States, ESD can offer concierge services to help these companies understand the New York State ecosystem and where they can fit in. ESD assists companies with confidential site searches, information about financial incentives and grants (based on eligibility), connections to local and regional partners, among a suite of other services.

Conclusion: A Call to Action for Indian Pharma Leaders

America's efforts to bring pharmaceutical manufacturing onshore and secure domestic supply chains makes it imperative for Indian pharma companies to expand their U.S. footprint.

New York State offers the right blend of **cost advantages, a skilled workforce, a proven track record of Indian companies in state, and government-backed financial incentives**. From the Mid-Hudson Valley to Long Island and Middleburgh, Indian pharmaceutical companies are already thriving — and more will follow.

Empire State Development is your partner in this journey and can help your company expand and thrive in New York State.

To learn more, please contact ESD's India Representative Office at esd.india@esd.ny.gov