1. Budget 2017: Lack of impetus disappoints pharma industry – Moneycontrol

At a time when it's facing pricing pressure both within India and abroad, the pharmaceutical sector which had great expectations from Budget 2017 was disappointed with lack of specific impetus on the sector. The pharma industry was expecting some fiscal incentives to make it stay competitive. However, the government's intention to eliminate certain non-communicable diseases and improve health indicators, focus on wellness and creating more clinical staff and medical infrastructure will give indirect fillip to the pharmaceutical industry.

"We had some expectations from the Union Budget 2017-18, given the government's past stated intentions of improving access to healthcare. Yesterday's World Economic Forum said that that India's public spending on healthcare is much lower than the global average," said Kanchana TK, Director General, Organisation of Pharmaceutical Producers of India (OPPI) - that represent multinational drug makers.

"It is unclear whether the allocations will adequately address current healthcare challenges. We also hoped for some reform announcements on the regulatory front in the form of weighted deduction on R&D, incentives for patents, exemptions of certain duties and taxes, etc," Kanchana said.

2. Dismantling FIPB might improve ease of doing business – The Economic Times

Finance Minister Arun Jaitley's announcement in budget 2017 to phase out the Foreign Investment Promotion Board (FIPB) might improve ease of doing business, but might not have a significant impact on foreign invest flows, according to lawyers and industry body groups. FIPB is a body that regulates inbound foreign investments that needs approval from the government. Foreign investors, investing in sensitive sectors such as defence, telecom and pharmaceuticals need FIPB approvals. "More than 90% of the total FDI inflows are now through the automatic route. The Foreign

Investment Promotion Board (FIPB) has successfully implemented e-filing and online processing of FDI applications. We have now reached a stage where FIPB can be phased out. We have therefore decided to abolish the FIPB in 2017-18. A roadmap for the same will be announced in the next few months." Arun Jaitley, Finance Minister said during his budget speech.

Sectors like financial services, telecom, automobile and drugs are the top ten attractors of foreign investment in India, according to government data. In the past large M&A deals were stuck for months, before they were cleared by the FIPB, industry watchers expect that might ease. The pharma sector which attracts five percent to the overall foreign investment (FI) has seen sharp dip in FIs as regulatory hurdles and policy uncertainty has kept away investors. In last year's budget foreign investment in pharma without any approvals was raised to 74%, however that has still not moved the needle in terms of investments. The investment in pharma has come down from Rs 9052 crores in 2014-15 to Rs 4975 crores the following year.

3. **Budget 2017 proposals receive mixed reaction from pharma sector – The Economic Times**
The pharma sector representatives said the Union Budget has failed to specifically address imminent challenges directly affecting the key industry, but hailed certain proposals of Finance Minister Arun Jaitley. The life sciences sector had great expectations from the Budget not only from a fiscal incentive perspective but also from a regulatory angle. Expectations were based on the Government's vision of making India one of the top three pharmaceutical markets by 2020, according to experts. They, however, welcomed certain Budget proposals. This year, too, no specific impetus was given to the sector. The move to eradicate certain NCDs, the proposal to set up two new AIIMS, additional post-graduate medical seats, proposed amendments in the Drugs and Cosmetics Rules and new rules for medical devices are welcome. However, the Budget has not specifically addressed imminent challenges directly affecting the sector, KPMG India National Head-Life Sciences Practice Utkarsh Palnitkar said.

4. **Budget 2017: Drugs and medical devices to be available at reasonable prices – Mint**
The government plans to amend the Drugs and Cosmetics Rules to ensure availability of drugs at reasonable prices and use of generic medicines, finance minister Arun Jaitley announced in the Union budget for 2017-18. The minister also said that new rules will be formulated for medical devices, which will help in reducing costs of such devices. "These rules will be internationally harmonized and attract investment into this (medical devices) sector," Jaitley said in his budget speech. The government has already brought coronary stents under price control and asked the National Pharmaceutical Pricing Authority to fix its ceiling price. This move has been met with resistance from the makers of medical devices in the country. "The Medical Council had recently amended its guidelines to encourage doctors to prescribe generic names of medicines. In the budget speech, it has been indicated that changes may also be introduced to the Drugs and Cosmetics Rules along similar lines. This will be a significant change if introduced and pharma companies will have to alter their marketing strategies," said Bhavik Narsana, partner at law firm, Khaitan & Co.

5. **Health: Ambition not matched by allocation in budget 2017 – Mint**
The ministry of health and family welfare received an increase of nearly Rs10,000 crore in the budget for fiscal 2017-18, the fourth presented by finance minister Arun Jaitley. Considering the high priority accorded to infrastructure and digital economy in this budget, it is a relief that health got even this modest rise in allocation. However, the big questions are whether this can meet the ambitious goals set for the health sector in the budget speech and if the increased allocation will be utilized for the right priorities.

The finance minister's announcement that 150,000 health subcentres will be transformed into health and wellness centres is a welcome initiative for strengthening primary health care. This will require more frontline health professionals to be employed and technology-enabled. Skilled community health workers and allied health professionals will be needed in large numbers. The

Economic Survey's call for strengthening programmes for maternal health and child nutrition also requires greater investment—for universalization of the Maternity Benefit Programme, improved quality of services for safe childbirth and neonatal care at institutions where women report for delivery, and protected early child development. The increase in allocation for schemes related to women and child welfare, across all ministries, is Rs24,000 crore. However, the increase in allocation for the National Health Mission (NHM), which is the main vehicle for maternal and child health, is only Rs5,500 crore. Keep in mind that the National Urban Health Mission component of NHM is yet to take off and will also require substantial resources for scale up.

6. **Budget 2017: No booster dose for pharma and healthcare sector – Moneycontrol**
The Union Budget 2017-18 presented by Finance Minister Arun Jaitley was a dampener for pharmaceutical and healthcare industry on many fronts. Here is what the industry expected and what it got. Largely status-quo, but the government has directionally committed higher spends on healthcare announcing series of initiatives that include commitment to transform 1.5 lakh health sub-centres to health and wellness centres. The government also made projection to eliminate Kala-azar or Leishmaniasis and filaria by 2017; leprosy by 2018; measles by 2020; and tuberculosis by 2025. The government also indicated to reduce infant mortality rate (IMR) to 28 by 2019 (39 in 2014) and maternal mortality rate to 100 – 2020 (167 in 2011-13). In continuation of Prime Minister Narendra Modi's views, Jaitley said Rs 6,000 financial aid will be provided to pregnant women to cover hospital admission, vaccination and nutritional food. The government also proposed to setup two new All India Institute of Medical Sciences (AIIMS) at Jharkhand and Gujarat. The goverment also proposed to amend the Drugs and Cosmetics Rules to ensure availability of drugs at reasonable prices and promote use of generic medicines. New rules for regulating medical devices will also be formulated. These rules will be internationally harmonised and attract investment into this sector, FM said.

7. **"Healthcare costs to become more affordable" – Press Trust of India**
Although no major reforms were announced, plans to amend Drugs and Cosmetics Rules, formulate new norms for medical devices and taking steps for strengthening medical education will reduce healthcare cost for the masses, industry players today said. Reacting to Finance Minister Arun Jaitley's proposals in the Budget 2017-18, Apollo Hospitals Group Chairman Prathap C Reddy said: "While we were hopeful that healthcare would be accorded a national priority sector status, the structural reform in medical education, in particular the increase in number of post graduate medical seats and DNB courses is praiseworthy as it was long-awaited." I do hope that the health policies will address the large unmet need for quality healthcare infrastructure and in particular the need to wage a war on non-communicable diseases which the health sector has been focusing upon. In addition, the Aadhaar linked health cards for senior citizens is a very welcome step," he added. A healthy India is pivotal for the country to retain its position as one of the fastest growing economies. Hence, "we are also pleased that the critical determinants of health, i.e. sanitation and clean drinking water have gained greater importance as they are critical to ensure preventable deaths," Reddy said.

8. **Pharma stocks under stress on US policy uncertainty, domestic pricing pressure – Mint**
While Sensex cheered following the announcement of the Union budget, shares of pharmaceutical companies were trading on a weaker note due to lingering concerns over US healthcare policies under President Donald Trump and Indian government's focus to make medicines more affordable. The BSE Healthcare Index fell 1.3% intraday but pared some losses and closed down 0.32%. At 3.10pm, the healthcare index was down 0.4%, while the Sensex was up 1.8% at 28151.64 points. At the time of closing hours, Aurobindo Pharma Ltd shares fell 2.29%, Natco Pharma Ltd shares declined 2.34%, while Dr. Reddy's Laboratories Ltd, Sun Pharmaceutical Industries Ltd and Cipla Ltd fell 0.80%, 1.06%, and 0.17%, respectively in Mumbai. In the Union budget for 2017-18, finance minister Arun Jaitley said the government proposes to amend the Drugs and Cosmetics Rules to ensure availability of drugs at reasonable prices and use of generic medicines.

9. **The government still needs to find the money to eliminate TB and kala azar – Scroll.in**
In his budget speech on Wednesday, Finance Minister Arun Jaitley announced the government's intention to eliminate five chronic diseases that affect poor people. "Government has therefore prepared an action plan to eliminate kala azar and filariasis by 2017, leprosy by 2018 and measles by 2020," he said. "Elimination of tuberculosis by 2025 is also targeted." Behind this announcement is the fact that the current and previous governments have set – and missed – several targets for the elimination of these diseases. The failure can almost entirely be attributed to poor investment in public healthcare in India, which has hovered around 1% of GDP and been among the lowest in the world.Of the chronic diseases listed by the finance minister in his speech, tuberculosis is the most dangerous and difficult to tackle. The government plans to eliminate TB by 2025, this is, the number of notified TB cases should fall to 10 per one lakh population. In 2015, India had 217 notified cases per one lakh population.

10. **Health budget hiked by 28%; 5,000 PG seats to be created – The Economic Times**
To ensure availability of specialist doctors at the secondary and tertiary levels, the Centre today announced the creation of additional 5,000 post- graduate (PG) seats every year even as it increased the budget allocation for the health sector by almost 28 per cent. The government also announced setting up of two more All India Institutes of Medical Sciences (AIIMS) in Jharkhand and Gujarat and asserted that it has prepared an action plan to eliminate kala-azar and filariasis by 2017, leprosy by 2018, measles by 2020 and tuberculosis by 2025. The Centre said that while Drugs and Cosmetics Rules will be amended to ensure availability of drugs at reasonable prices, new rules for regulating medical devices will also be formulated soon while asserting that 1.5 lakh health sub- centres will be transformed into Health and Wellness Centres across the country.

11. **Nothing on growing epidemic of NCDs or mental health – Daily News and Analysis**
As per a report released on October 2016 at the National Non-Communicable Diseases (NCD) summit, one in every four Indians will die of NCDs like heart disease, diabetes, or cancer before the age of 70. When Union Finance Minister Arun Jaitley announced the Budget, there was no mention of major issues plaguing the country's population, rue experts. "Historically, 8 per cent of the budget allocated by the Centre for health is spent on NCDs, which is not enough. There is no mention of any healthcare measures for the elderly," said Indranil Mukhopadhyay, public health economist, Public Health Foundation of India (PHFI). The allocation to healthcare has increased moderately from around 38,343 crore to 47,353 crore. While the government announced that 1.5 lakh health sub-centres will be upgraded to wellness centres, India has neither the manpower nor the resources. "The move can strengthen the primary healthcare, but there is no clarity on how it will be done," he pointed out.

12. **Health Budget: A moderate rise with no bold initiative – The Hindu**
The Economic Survey of the Government of India, submitted to the Parliament yesterday, reminds Indians that as a nation the achievement in health outcomes has been a mixed bag. On a global comparison matrix, the country had done 'reasonably well' in life expectancy at birth while 'exceptionally well' in fertility decline. Whereas, when compared with core indicators of health outcomes, such as, Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR), India has a lot to catch up. A weak delivery system is seen as the primary reason for poor health outcomes. While this may be partly true in most states, what the survey glosses over is the persistent underfunding by the government.

Public funding of health sector remains at 1.2 percent of GDP, with Central government spending constituting a third of overall government funds. The Union Government's allocation to health schemes, in the last five years have witnessed steady decline, in real terms. The health sector suffered the brunt of underallocation and few other policy changes that were effected on account of implementation of Fourteenth Finance Commission recommendations.

13. **Aadhaar-linked health cards is a welcome step: Dr Prathap C Reddy – Business Standard**

I commend the Union Budget's focus on improving the growth trajectory of the economy, its pronounced thrust on rural development alongside ensuring fiscal consolidation. It will certainly have a positive impact in fiscal administration and set the stage for clean and good governance. Furthermore, it is well poised to energize employment, improve existing infrastructure and more importantly alleviate poverty in the country. A nation grows only when it is truly inclusive and the announcements today underscored the Government's commitment to build an inclusive India.

While we were hopeful that healthcare would be accorded a national priority sector status, the structural reform in medical education, in particular the increase in the number of post graduate medical seats and DNB courses is praiseworthy as it was long-awaited. But, I do hope that the health policies will address the large unmet need for quality healthcare infrastructure and in particular the need to wage a war on non-communicable diseases which the health sector has been focusing upon. In addition, the Aadhaar linked health cards for senior citizens is a very welcome step. Moreover, the amendment in costs of life saving drugs and harmonization of rules for medical devices will all add up to have a positive impact for healthcare in the country.

14. **Pharma industry reacts positively to Budget 2017-18 – Pharmabiz.com**

The healthcare industry has reacted positively to the Union Budget presented in Parliament today by Union Finance Minister Arun Jaitley. Industry leaders have voiced optimism on the fact that the increase in health expenditure by 20 per cent reflects greatly on the government's intent to prioritize healthcare in India. Moreover, abolishing FIPB shows India more welcoming of FDI and relaxation of protectionist barriers. Welcoming the budget, DG Shah, Secretary General of Indian Pharmaceutical Alliance said the increase in social and infrastructure spending in the budget will enlarge pharma market and push growth. However there is no clarity on how amendment to Drugs and Cosmetics Act will help reduce drug prices. This most likely hints at making generic prescribing mandatory, he said. "The Union Budget 2017 has taken a step towards making healthcare not just affordable but structurally robust as well. However, technology could prove to be a disruptive factor in assuring that the healthcare reaches out to those who have been hitherto isolated from it. But, unfortunately the budget has completely overlooked the health-tech startups which are changing the landscape of healthcare industry in India. With a focus on transparency and reach, they have been deprived of an opportunity to make a dent in healthcare ecosystem," reacted Ravi Virmani, MD & Founder, CrediHealth, a medical assistance company that gives guidance to a patient from the first consultation through the entire hospitalization process.

15. **NPPA issues revised internal guidelines on discontinuation of production of scheduled formulations under para 21 (2) of DPCO, 2013 – Pharmabiz.com**

The NPPA has issued the revised internal guidelines to dispose of Form-lV applications of discontinuation of production/import of scheduled formulations under paragraph 21 (2) of the DPCO, 2013 for issuance of 'no objection certificate' by the NPPA. The NPPA in its 39th meeting held on 21.12.2016 discussed the issue in the light of recent acute shortage of some essential medicines and modified the guidelines in supercession of the earlier guidelines.

According to the revised guidelines, wherever Moving Annual Turnover (MAT) (in units) of the applicant company is less than ten percent of the total MAT (unit) value of the formulation, no objection may be granted by NPPA with the approval of the chairman without referring the case to the Authority for gradual discontinuation and the applicant company will be advised within a period of 60 days from the receipt of Form-IV application to continue to manufacture I import and sell the formulation for a period of minimum six months from the intended date of discontinuation, as the case may be. The company should not reduce level of production by more than 25 per cent (of previous year's production in each quarter) after getting permission from NPPA.