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Budget 2023: 'Healthcare for all' should be the govt's mantra

The pharma sector is hoping to see policy and regulatory changes that will help the industry meet the country's objective of achieving healthcare for all

 **Vivek Sehgal** Updated Feb 01, 2023, 10:35 AM IST    



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The Indian economy is a complex system of intertwined sectors, fuelled by the government's policies and initiatives. The pharmaceutical sector plays a crucial role in providing essential drugs and medicines to the public, and as the Union Budget 2023 approaches, the pharma sector is hoping to see policy and regulatory changes that will help the industry meet the country's objective of achieving healthcare for all, in line with the Prime Minister's vision of Universal Healthcare and G20' Presidency agenda of Healing Harmony and Hope

The pharmaceutical sector in the country has provided impetus in recent years owing to the pandemic. The year looks promising, and the sector is expected to grow at a healthy rate. The Budget is likely to further this growth through announced measures to address some of the key issues that the industry is facing.

To enable the life sciences sector to truly contribute to the "Atmanirbhar Bharat" vision for India innovation in medicine and new therapies will play a very important role. The Government needs to incentivize the discovery-oriented and science-driven approach by providing fiscal incentives and enabling policies. The Government needs to set in place R&D-focused incentives for the promotion of investment, which remains a continuous and necessary ask of the sector. The Government can consider providing Research Linked Incentive Schemes for companies making investments to undertake research for new drugs, new chemical entities, and/ or new biological entities (NBEs) to combat outbreaks and explore providing a 200% weighted deduction for companies undertaking such R&D.

Other considerations such as the issuance of Innovation Bonds like the existing NHAI and REC bonds which enjoy tax-free status and providing long pending clarification on the patent box regime to encourage Indian innovators who developed patents in India and exploit them worldwide, would also be good initiatives.

Exemption to medicines supplied free of cost to patients is sought to be phased out by end of March 2023. It is expected that the Government will reconsider the same and continue with the existing exemption of customs duty for the import of said goods. To help improve access to life-savings drugs in India, customs duty exemption on import of life-saving drugs should be continued and expanded to include Anti-Diabetic, Oncology, Anti-TB drugs and all life-saving drugs used for treatment of rare diseases as well. Likewise, the customs duty exemption for import of goods used for R&D in the pharmaceutical sector and biotechnology sectors should also be extended beyond 31 March 2023.

The government's visionary National Digital Health Mission is a step towards enabling access to healthcare. With digital health innovation as one of the key priorities for India's G20 presidency, the Budget should also witness separate funding to encourage digitization in the pharma sector. Moreover, giving further impetus to tech start-ups will encourage pharma-tech collaborations. As an industry, we are excited to work with the 'Start-up India ecosystem to advance health innovation in the country.

Additionally, the sector is also looking forward to the government announcing guidelines that would improve the ease of doing business. Measures in terms of fixed timelines for drug approvals, licenses, and pre-and post-grant patent oppositions will help in boosting India's image as a pharma hub. We hope that the upcoming Budget will announce simpler processes and liberalize compliance requirements to encourage long-term investments in the sector.

As the pharma sector awaits the upcoming Budget, many are hoping for favourable changes that will help it overcome existing challenges and unlock further growth potential. The industry is calling on the government to make policies around pricing and taxation more transparent. Additionally, support for R&D activities as well as investment in infrastructure is essential if India wants to remain competitive in providing quality healthcare to its people. With these measures in place, there is no doubt that this industry has immense potential to contribute towards economic growth.

Views are personal. The author is Director General, Organisation of Pharmaceutical Producers of India (OPPI)

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