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## Budget 2023: Pharma, healthcare industry seeks eased regulations, R&D-based incentives

Indian Pharmaceutical Alliance (IPA) Secretary General Sudarshan Jain outlined the sector's wish list for the 2018 Union Budget, noting that the domestic pharmaceutical industry is currently worth about \$50 billion and hopes to increase to about \$130 billion by 2030 and \$450 billion by 2047.



Shubham Singh

Updated Feb 01, 2023, 8:44 AM IST



Pharmaceutical firms that do research are represented by OPPI in India, including AstraZeneca, Merck, and Johnson & Johnson.

The government should adopt measures in the next Union Budget to boost innovation and R&D while also streamlining rules for the sector, PTI quoted pharmaceutical industry associations as saying.

Indian Pharmaceutical Alliance (IPA) Secretary General Sudarshan Jain outlined the sector's wish list for the 2018 Union Budget, noting that the domestic pharmaceutical industry is currently worth about \$50 billion and hopes to increase to about \$130 billion by 2030 and \$450 billion by 2047.

"To achieve this vision, the Union Budget 2023-2024 should help fuel innovation and R&D, which will set the pace for propelling the pharmaceutical industry forward," he told PTI.

To aid in the growth of the pharmaceutical industry, the budget should define supporting policies, streamlined regulations, and straightforward GST requirements, he continued.

24 top domestic pharmaceutical companies have joined together to form the IPA, including Sun Pharma, Dr. Reddy's Laboratories, Aurobindo Pharma, Cipla, Lupin, and Glenmark.

According to Organisation of Pharmaceutical Producers of India (OPPI) Director General Vivek Sehgal, the government must encourage the transition to a discovery-oriented and science-driven approach by offering fiscal incentives and supportive policies in order for the life sciences sector to truly contribute to the "Atmanirbhar Bharat" vision for India.

"The government needs to set in place R&D-focused incentives for the promotion of investment, which remains a constant and necessary task of the sector," he said.

Additionally, the government may look into offering incentive programmes tied to research for businesses investing in the development of new pharmaceuticals, chemical compounds, or biological entities (NBEs) to fight outbreaks. It may also look into offering a 200 percent weighted deduction for businesses engaging in such R&D. (Research & Development), stated Sehgal.

Other ideas, such as the long-overdue clarification of the patent box rules to support Indian inventors who create patents in India and benefit from them internationally, would also be worthwhile initiatives, he continued.

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Amitabh Dube, country president of Novartis India, stated that in order to increase access to innovative medications, the government must promote the research-linked incentive plan in a manner similar to the production linked incentive (PLI) scheme.

With regard to the healthcare industry, Nathealth President Shraavan Subramanyam stated that it is essential to develop infrastructure capabilities in order to increase public access to essential and high-quality healthcare services. In order to establish hospitals in tier-1 and tier-2 cities and promote greater investment in the healthcare infrastructure, he continued, the government must provide viability gap money.

"We are also witnessing a significant impact on the cost of running business which will affect the sustainability of med-tech organisations. If all payment backlogs both for providers and suppliers under insurance and public procurement are cleared, it would significantly improve the availability of healthcare infrastructure," he added.

Increased policy assistance is needed, according to Ashutosh Raghuvanshi, MD & CEO of Fortis Healthcare, to promote and facilitate medical tourism to India.

"Another critical area is addressing the shortage of healthcare professionals – by identifying doctors, nurses and technical staff willing to work in Tier 2/3 cities and looking at non-traditional ways to double the number of doctors," he added.

Ameera Shah, the promoter and managing director of Metropolis Healthcare, stated that the Union Budget 2023–2024 should support funding for healthcare, R&D, and innovation as an investment in future human capital that will set the pace for the industry's advancement.

"The government should consider zero-rating GST on healthcare services. It will ensure eligibility for input tax credits, which may help to reduce the cost of said services, and a refund of unutilised input tax credits should also be allowed to provide additional working capital to industry players," she added.

Narendra Varde, MD of Roche Diagnostics India, stated that India urgently needs to implement population screening programmes under the Ayushman Bharat scheme for the management of infectious illnesses such as HIV, Hepatitis, and HPV.

Dheeraj Jain, the founder and managing director of Redcliffe Labs, stated that the GST for the healthcare sector needs to be rationalised in order for enterprises in the area to draw more investment and offer services to clients at competitive prices.

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*Published on: Feb 01, 2023, 8:45 AM IST*