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**Exclusive** 

# Union Budget 2023-24: Pharma sector bullish on higher investments in R&D to boost innovation

*As India approaches the day of the budget declaration for the year 2023-24, experts in the Indian pharma industry share their budget expectations. Experts expect a balanced combination of reforms and regulations, which would provide a boost to the sector and help India's growth story.*

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Mumbai: The Union Budget 2023-24 is much anticipated by the Indian [pharma](#) industry. Over the years the industry has been growing at a rapid pace with an increased focus on consumer health.

As India approaches the day of the budget declaration for the year 2023-24, experts in the Indian [pharma industry](#) share their

budget expectations. Experts expect a balanced combination of reforms and regulations, which would provide a boost to the sector and help India's growth story.



### **Set in place R&D-focused incentives for promotion of investment**

Vivek Sehgal, Director General, Organisation of Pharmaceutical Producers of India (OPPI) remarked, "To enable the life sciences sector to truly contribute to the 'Atmanirbhar Bharat' vision for India, the Government needs to incentivise the shift to a

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 constant 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 also explore providing a 200 per cent weighted deduction for companies undertaking such R&D. Other considerations such as issuance of innovation bonds similar to 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 derive benefits 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 government will reconsider the same and continue with an exemption for the import of said goods. Likewise, the exemption to goods used for R&D in the pharmaceutical sector and biotechnology sector should also be extended beyond March 31, 2023.”