

Link: <https://www.moneycontrol.com/news/business/budget/pharma-industry-hails-budgets-positive-thrust-on-research-innovation-9988981.html>

moneycontrol
BUDGET 2023
The New Normal

CO-PRESENTING PARTNERS
kotak Mutual Fund
NEXA

LIVE COVERAGE AND VIDEO PARTNERS
Tech PARTNER acer
Lenovo ENO

PARTNERS
TATA AIA.com HAFELE
SMC SBI Life

Budget 2023 Markets News Tech/Startups Portfolio Commodities Mutual Funds Personal Finance Forum Videos Invest Now

Business Markets Stocks Economy Companies Trends IPO Opinion EV Special

Live: Exclusive: PM's post-Budget Interview

Home > News > Business > BUDGET

Pharma industry hails budget's 'positive thrust on research, innovation'

The industry leaders say they are waiting for the fine print of the programme aimed at supporting innovation in the pharma sector

AYUSHMAN KUMAR | FEBRUARY 02, 2023 / 07:20 PM IST



The pharma industry has praised Finance Minister Nirmala Sitharaman's budgetary proposal to promote research and innovation in the sector but is disappointed that APIs, the vital ingredient of drugs, have been overlooked in the Budget 2023-24.

Glenmark Pharmaceuticals chairman and managing director Glenn Saldanha said the plan to start a new programme for research and innovation through centres of excellence was a step in the right direction.

“Having the impetus and encouragement from the government to invest in R&D will strengthen the industry’s commitment towards innovation. It will be instrumental in providing opportunities to the Indian pharma industry in executing R&D projects and building the market for innovator drugs,” Saldanha told Moneycontrol.

The pharma sector has been pushing for prioritising schemes that enhance innovation and research as the world increasingly embraces China plus one policy to reduce dependence on the Asian giant.

The move would encourage innovation, Sudarshan Jain, secretary general, Indian Pharmaceutical Alliance, said.

“The government has announced further strengthening of healthcare infrastructure with a focus on increasing nursing colleges, artificial intelligence, digital skilling and sickle cell anaemia elimination mission,” Jain added.

The industry leaders said the **union budget** added optimism to the healthcare and pharma sector by putting the focus on research and innovation.

“With the announcement of a new program for research in the pharma industry being formulated, there is immense potential for the sector to remain competitive in providing quality healthcare to its people,” said Vivek Sehgal, Director General, Organisation of Pharmaceutical Producers of India (OPPI), a group of research-based pharmaceutical companies in the country.

Amitabh Dube, Managing Director, Novartis India said fostering a robust research ecosystem in India will help the country achieve universal health coverage by enabling accessibility, and availability of life-saving medicines.

“It will also improve India's intellectual capital and contribute to accelerating our growth toward becoming a \$10 trillion economy by 2035,” he added.

Also read: [FM Sitharaman unveils new programme to promote innovation in pharma](#)

Waiting for the fine print

Sun Pharma Group Chief Financial Officer CS Muralidharan said the concept of centres of excellence will increase investment opportunities to fuel innovation and development of R&D within the country.

“It's heartening to see the announcement on incentivising R&D and the government encouraging R&D investment. But to know more, we will have to wait for the fine print and understand what's exactly the implementation and what other contours of the framework is,” Muralidharan told Moneycontrol.

While Sitharaman announced a programme to promote research, there was no mention of fund allocation in the Budget.

“The matter of promoting the research and innovation in the pharma sector would be first approved by the cabinet and then an allocation for the same would be done from health ministry,” an official from the department of pharmaceutical said.

Also read: Pharma gets a boost, Rs 1,250 crore set aside for bulk drug, medical device parks

Show us the money

Sanjeev Jain, Managing Director, Akums Drugs & Pharmaceuticals, said the industry expected separate allocations for formulation and active pharmaceutical ingredients (APIs) in the Budget.

The government has talked about reducing India's dependence on China for APIs, which was starkly evident as coronavirus restrictions upended supply chains, and the pharma sector was expecting the Budget to make a move in that direction.

“We were expecting separate allocations for formulation and APIs. We await to see further details on this announcement,” he said.

India has been heavily dependent on China for imports of active pharmaceutical ingredients (APIs), key starting materials and drug intermediates.

China supplies nearly 70 percent of the total API procured by the pharmaceutical companies in India.

The collaboration of the Indian Council for Medical Research (ICMR) labs with various private sector R&D teams, in addition to public and private medical colleges was a welcome move. It would ensure that quality research can be carried out nationwide, he added.

Nikhil K Masurkar, CEO Entod Pharmaceuticals, was disappointed that there were no changes in Goods and Services Tax (GST) slabs.

“...we are a bit disappointed by no announcement on any sort of GST changes and simplified regulations. Also, we were expecting that the government would allocate separate funds for R&D, formulation and APIs,” he added.

In her Budget speech, Sitharaman said the research labs of ICMR would be made available to public and private colleges. “Facilities in select ICMR labs will be made available for research by public and private medical college faculty and private sector R&D teams for encouraging collaborative research and innovation,” she said.