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# Budget 2023: Centre Must Promote Research, Give Incentives To Boost Investment- Pharma Sector



Pharma companies hope Budget 2023 will aim at promoting innovation, easing regulations, and boosting research and development (R&D).

Budget 2023 | NDTV Business Desk | Updated: January 23, 2023 6:03 pm IST



The pharma sector generates massive trade surplus. (Representational)

**New Delhi:**

The government is likely to retain its focus on the pharmaceutical sector in the upcoming Union Budget as India emerges from multiple waves of the coronavirus pandemic.

The risk of new more virus strains testing the immunity of a populated country like India remains. At the same time, the virus pandemic that started nearly three years ago has boosted precaution levels among the masses, raised precaution and awareness levels among people, enhancing demand in the pharma sector. As the government presses more on homegrown products, this sector is expected to be at the centre of policies aimed at the healthcare industry.

Pharma companies hope Budget 2023 will aim at promoting innovation, easing regulations, and boosting research and development (R&D).

The pharma industry is expected to grow to \$130 billion by the end of this decade, according to Sudarshan Jain, Secretary General, Indian Pharmaceutical Alliance (IPA), a group of 24 leading pharma majors including Dr Reddy's Laboratories, Cipla, and Sun Pharma. But to achieve this target, the Budget should promote R&D and innovation, Mr Jain he told news agency PTI. The Budget should also simplify the goods and services tax (GST) and other regulations, besides outlining supportive policies, said Mr Jain.

The pharma sector generates massive trade surplus with exports beating imports by a huge margin. Riding on the vision of 'Aatmanirbhar Bharat' - the government's thrust on self-reliance - and driving the 'Make in India' policy, India has gone a long way in becoming one of the major exporters of drugs.

"But If the life sciences sector is to contribute to this vision, the government must give incentives and provide enabling policies," said Vivek Sehgal, Director, Organisation of Pharmaceutical Producers of India (OPPI), that which represents several research-based pharmaceutical firms. The incentives need to be R&D-focused to promote investment, he told PTI, adding that the government may also consider providing clarifications on the patent box regime to encourage innovators who develop patents.

A patent box regime is a special tax regime under which income from intellectual property is taxed at a lower rate.

To ensure novel drugs are easily accessible, the government must provide research-linked incentives, according to Novartis India Country President Amitabh Dube.

Nathealth President Shraavan Subramanyam underlined the need of building infrastructural capabilities to improve accessibility to of critical healthcare services. He said payment due to suppliers and providers should be cleared from insurance, and the government must buy more from the sector to improve the country's healthcare infrastructure.

The pharma sector hopes the government would encourage medical value travel to the country. Ashutosh Raghuvanshi, Fortis Healthcare CEO, said that the shortage of healthcare professionals in the country must be addressed.

Metropolis Healthcare Promoter and Managing Director Ameera Shah said the government should consider zero-rating GST on healthcare services, which will ensure eligibility for input tax credits and may help reduce the cost of services.

The country needs population screening programmes under Prime Minister Narendra Modi's Ayushman Bharat scheme for the management of infectious diseases like HIV, said Narendra Varde, Roche Diagnostics India MD.

Redcliffe Labs founder Dheeraj Jain called for the rationalisation of GST for the healthcare industry to attract more investment and ensure affordability of healthcare services.