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Industry calls Union Budget 2021-22 ambitious but awaits implementation

01 February 2021 | News

BioSpectrum brings to you the post-budget reactions of the pharma & healthcare industry

Soon after the Union Budget 2021-22 was presented by the Finance Minister Nirmala Sitharaman where she strongly positioned Health & Wellbeing as one of the 6 crucial pillars of Aatma Nirbhar Bharat, industry's responses started pouring in.

BioSpectrum brings to you the post-budget reactions of the pharma & healthcare industry-

"I am happy to see the investment in healthcare increase to such a level because it has been long overdue."

Kiran Mazumdar Shaw, Executive Chairperson, Biocon, Bengaluru

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"Setting up of rural and urban health and wellness centres could be an opportunity to create a PPP model. The partnership-driven approach is a sure step for the entities to bring to these hospitals their inherent areas of strength, thus building a quality model of care. This also allows the private sector to take part in addressing the health needs of the country more effectively.

Overall, we feel that the budget is encouraging as it will strengthen access to healthcare in India. And we look forward to partnering with the government on the disease surveillance project and establishing innovative lab solutions for the healthier future of the country.

Narendra Varde, Managing Director, Roche Diagnostics India and Neighboring Market, Mumbai

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“The FY22 Budget is in line to support recovery of Indian economy while keeping the overall policy stability and fiscal discipline in perspective. COVID 19 pandemic is an unprecedented time and has brought importance to healthcare in India. The focus on healthcare infrastructure in FY22 Budget is a positive step towards growth with a 137% increase in allocation to the sector at Rs 2,23,846 crore. All these initiatives are pointers to increased investment in healthcare infrastructure and will strengthen the sector going forward."

Sudarshan Jain, Secretary General, Indian Pharmaceutical Alliance, Mumbai

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"It’s a great step ahead, and far-reaching budget announcement, providing Rs 35,000 crore for Covid-19 vaccination in 2021-22. The Finance Minister commitment providing more funds in order to contain the Coronavirus pandemic spread in the country and provide an effective, smooth path for the vaccination scheme will help contain, and lead our nation towards accomplishing a covid-19 disease free Bharat. With this landmark budget the Government of India has signalled its intention to make health a cornerstone of the future success of our country. The allocation to vaccines signals a shift to preventive health care, a validation of the fact that vaccines are the most cost effective health care interventions."

Dr Krishna Ella, Chairman & Managing Director, Bharat Biotech, Hyderabad

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"On innovation and R&D, the additional allocation of Rs 50,000 crore over five years through the National Research Foundation marks a good beginning in improving the research eco-system in the country."

Satish Reddy, Chairman, Dr Reddy’s Laboratories, Hyderabad

"It is very encouraging to see the focus on healthcare in the budget and a 137 percent increase in outlay in healthcare and wellness over last year. There appears to be an integrated attention to epidemiology, diagnostics and treatment at all levels including district and blocks."

Charu Sehgal, Partner and Leader, Lifesciences and Healthcare, Deloitte India, Gurugram

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"The ground-breaking focus on health which will provide access to medical care for all in our country, fuel job creation and boost economic momentum.

India's efforts in managing the pandemic have been exemplary – our frontline workers and scientists have been working tirelessly to save lives and develop indigenous vaccines. Now the allocation of Rs. 35,000 crores for COVID-19 vaccines and more if required, makes our glorious nation stand tall as a model for the world.

We must now look at the next crisis of Non Communicable Diseases, which will be responsible for 80% of deaths and cause a 3.8 trillion USD burden to the country by 2030. It is important to focus on prevention, early detection and possible cure to protect Indian families from grief, financial burden and to help the GDP grow. India having proven its clinical excellence, should now focus on clinical trials, research, innovation and technology. There is potential for India to become the largest global health technology center. As an additional opportunity, India can generate employment and be a healthcare service provider for the world."

Dr Prathap C Reddy, Chairman, Apollo Hospitals Group, Chennai

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"We are happy to see the alignment with the 6 pillars defined in the budget and wish to partner with the government and other players to strengthen and bring to reality the newly launched Atmanirbhar Swasth Bharat Yojna. We continue our promise to be a partner to the government's effort for a self-reliant India especially during early intervention in the areas of mother & child, cardiology, oncology and trauma & stroke."

Dr Shravan Subramanyam, Managing Director, Wipro GE Healthcare, Bengaluru

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"The union budget has given a substantial increase to bolster the healthcare sector in India. Rs 35000 cr for COVID-19 vaccine and the commitment to the pneumococcal vaccine to be rolled out nationwide to avert child deaths is a massive boost. A well spent allocation of Rs 64,000 cr under the new Atmanirbhar Swasthya Bharat Yojana scheme will show significant results thus labelling #healthyindia as an encouraging effort. And, the infrastructural push will certainly create many more skilled jobs revitalizing the overall ecosystem".

Sanjiv Navangul, MD & CEO, Bharat Serums and Vaccines, Mumbai

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"Making specific funds available for the vaccination for COVID-19 as well as pneumococcal will help to combat the pandemic and save precious lives. It is really encouraging that the government is trying to promote the growth of hospital infrastructure through PPP mode."

Dr K Anand Kumar MD, Indian Immunologicals, Hyderabad

"A record total outlay of Rs 2,23,846 crore for health and wellbeing aimed to boost the health and well-being of the nation, is also a well-thought announcement in this budget, with focus on preventive, and curative health. It's encouraging to note the creation of 9 Bio Safety Lab-III (BSL-3) in this Budget, that will boost research & scientific discoveries."

Suchitra Ella, Joint Managing Director, Bharat Biotech, Hyderabad

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"Healthcare in India is at the cusp of transformation. Advancements in biotechnology, smart medicines, virtual & augmented reality, AI & IoT in healthcare are likely to gain momentum. This calls for patient-focused healthcare ecosystem wherein community health, mental health and other such critical areas are properly represented. The Government's focus on self-reliance, especially with the attention on scaling production capabilities of vaccines and other medicines, demonstrates its commitment to build a healthy India. While 2020 has accelerated the foundation for a digital transformation and innovation of the healthcare system, 2021 will support in further widening access and increasing digital inclusion in the remotest corners of the country.

Having said this, there is a need to further bolster the research and innovation ecosystem in the country in order to ensure that Indian patients receive new treatments and cures. An increased collaboration between stakeholders from industry, academia, governments, non-governmental organizations (NGOs), regulators and patients' organizations is essential to promote a robust research framework which recognizes and rewards innovation."

Rehan A Khan, Managing Director- India Region, MSD, Mumbai

"The proposals made in the Budget 21-22, would make quality healthcare accessible and affordable, besides standardizing healthcare infrastructure across the country. We await the on ground implementation and operational details of the scheme now."

Dr Alok Roy, Chair, FICCI, Health Services Committee and Chairman Medica Group of Hospitals, Kolkata

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"Healthcare spend is proposed to more than double and this will help in rolling out the vaccination program as well as strengthen the delivery system and build better capability and capacity to combat any future pandemics. India is rolling out the world's second largest vaccination program and the Government has provided for almost $5 billion in the next year's budget to make it happen. Besides curative care the focus on preventive and well being will usher in a more holistic approach to reduce morbidity and mortality."

Dr Rana Mehta, Partner and Leader Healthcare, PwC India, Gurugram

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"The government's increased allocation and initiatives addressing key aspects related to the healthcare sector are laudable. Adding impetus to a preventive care model was the need of the hour. Over 60% of India's population is under the age of 35 years yet the disease burden remains acute. Under the new schemes proposed, the mortality rates in India could be significantly reduced if awareness programs, preventive health check-ups and early-detection are prioritised and access to health care till the last mile is improved.

The proposal to increase the permissible Foreign Direct Investment (FDI) limit in the insurance sector is also a step in the right direction. If passed, the additional capital inflow and activity can provide a further boost to the industry to drive insurance penetration. As awareness grows, we believe we will also see more innovative services that will strike a balance of improving accessibility and medical outcomes, while at the same time help to lower out of pocket costs and reduce medical cost inflation. All stakeholders in the healthcare and insurance should join forces on this mission of ensuring sustainable care for all."

Sigal Atzmon, Founder and CEO, Medix Global, UK

On the flip side

While many industry players are calling the Union Budget 2021-22 a progressive and ambitious one, others are raising their doubts and disappointments-

138% increase in healthcare expenditure is good and shall boost health infrastructure. However, there should have been more allocation than Rs 50k cr (in 5 yrs) for research & innovation.

Ravindra Boratkar, President, Maharashtra Economic Development Council, Nagpur

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"The Indian Medical Device Industry is disappointed not to notice any changes in custom duty as done for other sectors and are very hopeful that the fine print of the Union Budget would have possibly acted upon our recommendations on a Predictable Tariff Policy for a Make in India push for Phased Manufacturing Plan for Components and Finished Medical Devices and allocations for Testing infrastructure as well as for Med Tech Parks and Cluster developments. Supporting Policies are needed so that Indian Medical Devices Industry can make quality healthcare accessible and affordable for common masses, aim to place India among the Top 5 Medical Devices manufacturing hubs worldwide and help end the 85% import dependence forced upon us and an ever increasing import bill of over Rs 42000 Crore."

Rajiv Nath, Forum Coordinator, Association of Indian Medical Device Industry (AiMeD), New Delhi

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"India's health challenges are huge and require a high degree of collaboration between the public and private health sectors to improve healthcare access, increase insurance cover, bring down out of pocket expenses and ensure a good supply of new innovative drugs. The Indian pharmaceutical industry needs strong incentive to invest in making India a pharma research hub for the country and the world."

Suresh Pattathil, MD, Allergan India, Bengaluru

"Healthcare budget increase is a great move by the government. Especially like the move away from sick care to a more holistic well being with a focus on preventive care. However the proof of the pudding will lie in implementation which hasn't been great in the past. Would love to see how the government thinks of accountability and non performance."

Karan Chopra, Co-Founder, Doc On Call, New Delhi

"Though, it must be admitted that the government has re-shifted its focus on healthcare in this budget, but considering the rapid integration of digital technology into healthcare, no major developments around digital healthcare or telemedicine was announced."

Vikram Thaploo, CEO, Apollo Telehealth, Hyderabad

"The budget focuses on improving healthcare services in a holistic manner tackling prevention and treatment, as also primary, secondary, and tertiary care. However, some areas have not been addressed in the budget. There were expectations regarding additional tax incentives on insurance premiums for senior citizens, providing deductions for R&D expenditure to encourage innovation, measures to encourage and expand insurance coverage to missing middle classes, etc. These additional initiatives could have accelerated sectoral development making Indian healthcare stronger. The government, with limited resources, has tried to balance long-term infrastructure and capability development along with immediate needs such as vaccination."

Ravindranath Menon, Senior Business Adviser, APAC Healthcare, SKP Group, Bengaluru

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"The Union Budget announcement with an increased 137% in the Healthcare budget is a very progressive and bold move, especially for the recovery and economic growth of the nation. It will be much appreciated by the rural and also the urban population alike. This is considering GOI’s intent on borrowing instead of raising taxes on high-income individuals and substantially investing in the Health infra sector. I was expecting that this budget would focus on personal health insurance adoption that would necessitate mandating health insurance subscription for every voter in the country. I hope that in the future, they revisit this policy and help reduce the burden and out of pocket expense of the common man."

Dr G. Surender Rao, Managing Director, Yashoda Hospitals, Hyderabad

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"On the taxation side, the government did not meet the expectations of the industry which looked forward to tax benefits on R&D investments in pharma and lower GST for life-saving drugs."

Parvathavardhini Natarajan, Associate Director, Ratings, Chennai

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