

A Bold Health Budget—But Can India Deliver?

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From Biopharma SHAKTI to the All India Institutes of Ayurveda, and from medical hubs aimed at employment generation to the upgradation of AYUSH laboratories, the Union Budget presented by Finance Minister Nirmala Sitharaman offers renewed hope to the healthcare sector. It appears to address a large part of the industry's pre-Budget expectations.

The announcement of Biopharma SHAKTI (Strategy for Healthcare Advancement through Knowledge, Technology and Innovation)—a plan to position India as a global biopharma manufacturing hub—with an outlay of Rs 10,000 crore over five years is undoubtedly ambitious. The programme envisages the creation of a biopharma-focused institutional network, including three new National Institutes of Pharmaceutical Education and Research (NIPERs) and the upgradation of seven existing ones. It also proposes a nationwide network of over 1,000 accredited clinical trial sites.

In many ways, Biopharma SHAKTI is a logical extension of the National Biopharma Mission (NBM) launched in 2017.

However, while welcoming the new initiative, it is equally important to revisit the Comptroller and Auditor General's (CAG) performance audit of the NBM, released just last month. The audit flagged concerns such as weak governance, lack of transparency, and limited outcomes despite substantial public funding.

According to the CAG, of the 51 sanctioned posts in the Programme Management Unit, only 12 were filled. No technical heads were appointed, the position of Mission Director remained vacant for two years, and 39 posts remained unfilled throughout the mission period. These findings raise legitimate questions about institutional capacity and execution—issues that must be addressed if Biopharma SHAKTI is to succeed.

The proposed strengthening of the Central Drugs Standard Control Organisation (CDSCO) is a critical and timely move, especially in the wake of recent incidents—including fatalities—linked to contaminated cough syrups in India and overseas. A robust regulator is essential to restore confidence in Indian pharmaceuticals.

A significant portion of the health-related budget has been allocated to AYUSH, signalling the government's intent to promote India's traditional systems of medicine. The planned upgradation of AYUSH pharmacies and drug-testing laboratories to higher certification standards is a welcome step. Given the long-standing challenges of weak documentation and lack of standardisation, such reforms are essential—particularly for securing international regulatory approvals.

On the research front, the proposal to strengthen the World Health Organization's Global Centre for Traditional Medicine in Jamnagar aligns well with the broader strategy of promoting traditional and herbal medicinal systems at a global level.

One of the most impactful announcements in conventional healthcare is the proposal to expand emergency and trauma care centres in district hospitals by 50 per cent. With a rapidly expanding road network and a growing number of vehicles, this intervention was long overdue, especially in semi-urban and district-level locations—particularly when nearly 20 people die in road accidents every hour.

Healthcare professionals will also take note of the proposal to establish five regional medical hubs under the public-private partnership (PPP) model to create employment opportunities. However, the rationale behind this move is debatable, given that rural and underserved areas continue to face an acute shortage of doctors and allied health professionals, despite offering significant employment potential.

Overall, the health budget reflects a major shift towards natural, traditional, and herbal healthcare systems, while also recognising biopharma as a strategic and frontier sector. The fact that biopharma tops the list of priority sectors underscores the government's intent to place healthcare at the centre of its growth strategy.

Budgets are always rich in announcements. The real test, however, lies in execution. The experience of the National Biopharma Mission—as highlighted by the CAG—raises a pertinent question: will these well-intentioned proposals translate into effective, transparent, and timely action on the ground?

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