

'Government needs to invest \$5 bn per year'

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"To make bio-manufacturing the next big thing after generics for India, invest \$4-5 billion each year in the next five years to grow the biotech industry to \$100 billion by 2025," PwC India leader for pharma and lifesciences, Mr Sujay Shetty said in a statement.

The consultancy firm also suggested that the government should eliminate service tax for domestic contract research organisations (CRO) and encourage setting up of venture capital funds for investments in biotechnology.

"Service tax for the CRO industry is putting Indian companies at a significant disadvantage over some of our neighbors and competitors. We request elimination or substantial reduction in service tax, especially for overseas clients paying in foreign currency," Mr Shetty said.

"All contributions by Indian corporates including pharma companies to SEBI registered biotechnology funds should be eligible for the weighted average tax deduction," he added.

The firm has urged the government to give 100 percent exemption of excise or customs duty on all lifesaving medicines including anti-cancer and anti-AIDS drugs.

It further suggested that the government hike FDI in health insurance companies to 49 percent.