

Will Healthcare find focus in Budget 2016?

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A robust healthcare system drives GDP growth, productivity and employment generation. The sector has been seeking the FM's attention for the last few years to enable it to fulfil both its social and economic agenda. The budget should provide an increased allocation for healthcare towards a direction of 2.5 - 3 percent of GDP over the short term beginning with a two percent provision this year.

The allocation of Rs 331.5 billion in the last fiscal for healthcare was a decline from the previous year. For a sector which is the 5th largest employer in the country there is a significant opportunity to give it a much needed fillip by supporting its infrastructure expansion and expanding the base of medical education in the country. Healthcare infrastructure should be included in Tax free infrastructure bonds.

The budget should also focus on raising tax exemption for preventive health and create a national agenda on combating diabetes which already affects 65 million Indians. Hopefully the budget will address all the incentives announced in the Start Up India policy which will provide the much needed opportunity for innovation and entrepreneurship in the healthcare delivery and medtech sector.