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Pharma industry expects Budget 2024-25 to accelerate pace of innovation, R&D and digital transformation

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The Government of India is set for the general elections in 2024, and the current government is due to present their last budget on 1 February 2024, under the leadership of Finance Minister Nirmala Sitharaman. As the upcoming budget looms, expectations are high by the pharma industry players.



India has played a pivotal role in shaping global health outcomes by providing affordable quality-assured medicines. Today, the Indian pharmaceutical industry is at the cusp of change. The Indian pharma sector aims to achieve $120–130 billion by 2030 and $400-450 billion by 2047. To achieve this vision, the Union Budget 2024-25 should accelerate the pace of innovation and R&D. This was stated by **Sudarshan Jain, Secretary General, Indian Pharmaceutical Alliance (IPA).**

“Given the high risk, long gestation period and low success rate in research, there is a need for continuous investments. Therefore, the budget 2024-25 should outline conducive policies that provide benefits in terms of both direct and indirect taxes and also facilitate ease of doing business for the pharma companies”, he further said.

Adding another perspective, **Anil Matai, Director General, Organisation of Pharmaceutical Producers of India (OPPI)** said, “To further support research to develop innovative pharma products, the concessional tax rates under Section 115BAB of Income Tax Act, 1961 should be extended to companies solely engaged in R&D of pharma as well, beyond those related to manufactured articles. We also hope for the elimination of import duties on life-saving drugs, recognising that individuals should not bear substantial taxes during health crises. Simultaneously, we call for increased incentives for innovation and to attract foreign investment in advanced research.”

In sync with these thoughts, **Dr Krishna Prasad Chigurupati, Chairman and Managing Director, Granules India** said, “The Indian government needs to implement focused strategies. These include creating innovation zones offering incentives and infrastructural support, encouraging public-private partnerships to combine expertise and resources, and boosting funding for advanced drug research and development. Streamlining regulatory pathways to expedite approvals for novel treatments and investing in educational initiatives to develop a workforce adept in pharmaceutical innovation are also key.”

Laying a focus on the growing burden of antimicrobial resistance (AMR), **Saransh Chaudhary, President, Global Critical Care, Venus Remedies** said, "We suggest exploring innovative economic models to incentivise antibiotic research, recognizing the unique challenges associated with it. Market entry rewards and delinked subscription models could be considered to encourage pharmaceutical companies to invest in the development of new antibiotics. This strategic approach aligns with the goal of fortifying India's position as a global pharma leader and addressing pressing healthcare challenges, including AMR."

V.S. Mani, Executive Director & Global Chief Finance Officer, Glenmark Pharmaceuticals further added, “The move towards introducing centres of excellence in the pharmaceutical sector promises to drive the industry-academia relationship in the right direction. Promotion of Research and Innovation in the Pharma MedTech Sector (PRIP) as well as the successful Production Linked Incentive Scheme demonstrate the government's unwavering commitment to fostering self-reliance in India. Going ahead, the focus needs to be on retaining the skilled workforce and introducing robust initiatives that incentivise top scientific talent.”

Looking from a technological perspective, **Nikhil Chopra, CEO & whole-time director, JB Pharma** stated, “I anticipate the allocation of funds towards enhancing the pharmaceutical supply chain and distribution infrastructure. This investment should be coupled with the integration of the latest digital technologies to ensure a streamlined and technologically advanced system. This transformation would facilitate real-time monitoring, leading to better access and uninterrupted deliveries of pharmaceuticals.”

The implementation of these measures would not only strengthen the pharmaceutical and biotech sector but also enhance India's global standing in innovation and healthcare.