

Budget 2017 - Pharma Sector

Why in news?

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The government announced amendment in rules to promote the use of generic drugs while outlining steps to improve the healthcare.

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What budget announcement says?

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- In the budget the government proposes to amend the **Drug and Cosmetic Rules** to ensure availability of drugs at reasonable prices and promote the use of generic medicines.

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- New rules for regulating medical devices will also be formulated to attract investments.

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- As per the government, this move will reduce cost of such devices.

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How Pharma industry reacts?

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- The Pharma industry experts believe the government is considering norms to make prescription of generic drugs mandatory.

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- Typically, doctors prescribe branded products to their patients and there is a view within the government that the cost of healthcare could be reduced by promoting generic medicines.

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- The industry, however, is not enthused with the idea and feels this will be difficult to implement.

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- Earlier the government in its **drug policy in 1978** had proposed abolition of

brand names in respect of five drugs including analgin and aspirin but the same was successfully challenged by manufacturers in the court.

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- The Pharma experts expect some pro-pharma industry measures in terms of incentives to research, active pharmaceutical ingredients and some tax relief.

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- The life sciences sector had great expectations from the budget not only from a fiscal incentives perspective but also from a regulatory angle; more so, given the **government's vision of making India one of the top-three pharmaceutical markets by 2020.**

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- However, this year, too, no specific impetus was given to the sector.

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Source: Business Standard

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