

# **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.  $\space{\space{1.5}n}$

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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.  $\nlambda{n}$
- 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.
- 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.  $\n$ 

• 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.  $\slash n$ 

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# **Category: Mains | GS - III | Economy**

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### **Source: Business Standard**

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