

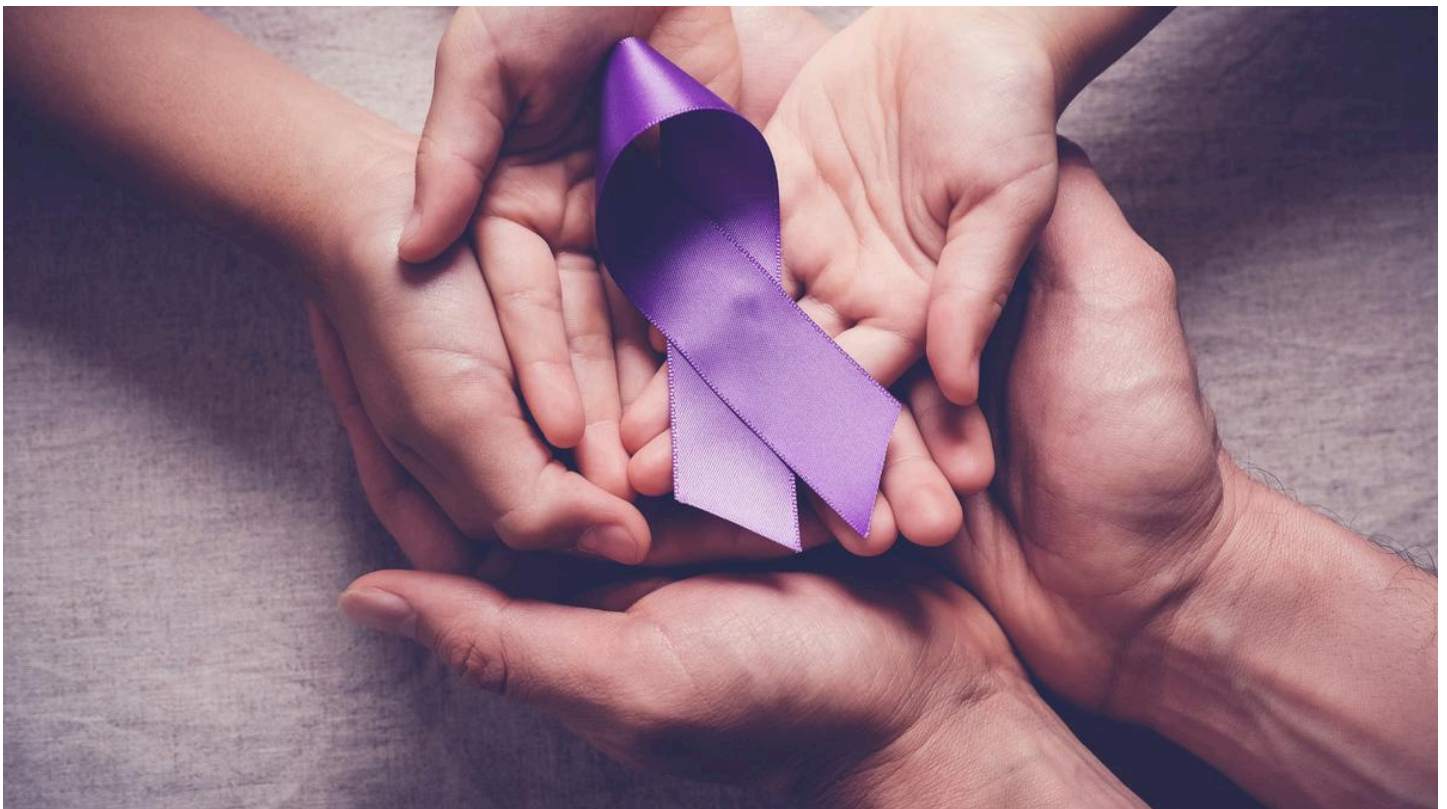
Budget provides customs duty exemptions for three cancer treatment drugs

Finance Minister proposes changes in the basic customs duty on X-ray tubes and flat panel detectors' provides ₹2,143 crore as production linked incentives for the pharmaceutical industry

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BINDU SHAJAN PERAPPADAN



Union government has continued its emphasis on tackling non-communicable diseases, and allocating funds for research in the healthcare sector, with Finance Minister Nirmala Sitharaman on July 23 announcing customs duty exemptions on three cancer treatment drugs — Trastuzumab Deruxtecan, Osimertinib, and Durvalumab. | Photo Credit: Getty Images/iStock

The Union government has continued its emphasis on tackling non-communicable diseases, and allocating funds for research in the healthcare sector, with Finance Minister

Nirmala Sitharaman on July 23 announcing customs duty exemptions on three cancer treatment drugs — Trastuzumab Deruxtecan, Osimertinib, and Durvalumab.

“To provide relief to cancer patients, I propose to fully exempt three more medicines from customs duties. I also propose changes in the BCD (basic customs duty) on X-ray tubes and flat panel detectors for use in medical X-ray machines under the phased manufacturing programme,” the Finance Minister said.

The total outlay for the health sector was ₹89,287 crore, amounting to 1.85% of the budget expenditure, marginally up from 1.76%, and ₹79,221 crore in revised estimate for budget 2023-24. This remains below the 2% mark for health outlays from FY18 to FY22.

The Health Ministry has been allocated ₹90,958.63 crore in the 2024-2025 budget, an increase from ₹80,517.62 crore in the 2023-24 revised estimates. The budget allocation for the AYUSH Ministry has been increased from ₹3,000 crore to ₹3,712.49 crore.

Out of the ₹90,958.63 crore, ₹87,656.90 crore has been allocated to the Department of Health and Family Welfare, and ₹3,301.73 crore to the Department of Health Research. The budget allocation for schemes under the Department of Health and Family Welfare has been increased from ₹77,624.79 crore to ₹87,656.90 crore. The government has also allocated ₹2,143 crore as production linked incentives (PLIs) for the pharmaceutical industry.

The government is also set to operationalise the Anusandhan National Research Fund for basic research and prototype development, and bring in provisions for enhanced private sector-driven research and innovation at a commercial scale, with a financing pool of ₹1 lakh crore in line with the announcement in the interim budget.

Meanwhile, reacting to the measures announced in the budget, members from the healthcare sector maintained that some long-standing healthcare sector demands remained unaddressed in the current budget. “These include increasing the GDP spend on healthcare to 2.5%, prioritising healthcare as a national issue, promoting medical value travel in India, addressing indirect taxation, and rationalising GST with a uniform rate and full input tax credit eligibility,” Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare Limited, said.

Forum coordinator of the Association of Indian Medical Device Industry Rajiv Nath added that during COVID-19 pandemic, the Indian medical devices sector showed its resilience in manufacturing syringes, masks, oximeters, oxygen concentrators, and certain testing kits. "Removal of nil duty exemption on some of these medical devices would have acted as a further enabler for the 'Make in India' drive and enhance our global competitiveness," he said.

Calling the government's emphasis on skilling a welcome focus area, Pavan Choudary, chairperson, Medical Technology Association of India, said that healthcare skilling helped in tapping the lucrative global market. "Currently, 24% of the foreign workforce in healthcare in the world is from India, and the government targets exporting 300,000 healthcare workers, including doctors, nurses and technicians, annually. 'Train in India' for the world needs international MedTech's engagement and we stand ready to provide it," he said.