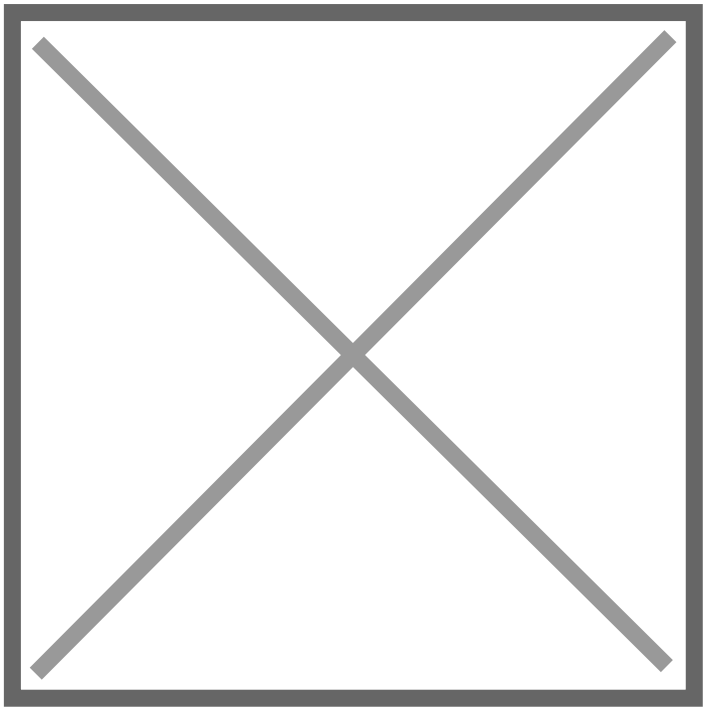
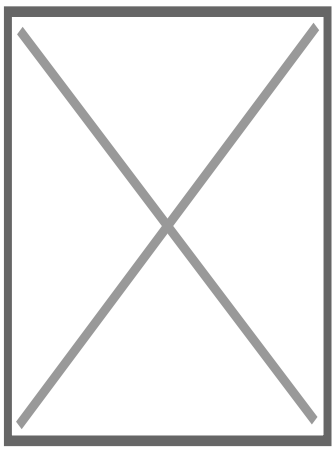
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Knowledge Nation Is Here

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Knowledge Nation Is Here



The $1 trillion Indian economy is on the threshold of a major transition. The transformation from an agrarian to a knowledge economy, by and large sidestepping the intermediate stage of full scale industrialization, is taking place at a quick pace. Nothing illustrates this better than the budget proposals, unveiled with great flourish, by Finance Minister Palaniappan Chidambaram on February 29, 2008.

The government plans to set up 16 centrally-funded universities, more than double the number that exists today after over 60 years of the nation's independent existence. Three more Indian Institutes of Technology (IITs) will join the network which has won global acclaim in recent years for providing the key human resources fuelling the global technology boom. Also on the anvil are two more clones of the Bangalore-based IISc, called Indian Institutes for Science Education and Research.

Quality education is the foundation on which the emerging knowledge economy will be built. The Manmohan Singh government, helped by the overflowing coffers filled up by tax payers, has finally opened up the nation's treasure chest to further fuel the growing economy. The 20 percent higher allocations for the education sector will go someway in addressing the growing industry's cry for human talent. Biotech industry will be a major beneficiary of the government's new found enthusiasm for the higher education sector. For, the central universities such as JNU, universities of Delhi and Hyderabad, the IISc and other centers of higher learning have provided the key talent required by the biotech industry. The 16 new central universities will add to the skilled talent pool needed by the emerging knowledge industry.

Another heartening development is the decision to invest Rs 100 crore to set up a National Knowledge Network to link all the top educational institutions using high speed, broadband internet connections. Such a network will lead to an explosion in the creation, sharing and dissemination of knowledge between these institutions. Learners across the country will have access to the best practices and innovations are only bound to increase with the breaking up of geographical barriers between knowledge centers.

Chidambaram has helped the life sciences sector in other ways too. He has announced a 50 percent reduction in the excise duty on all pharmaceutical products. It will bring down the prices of essential drugs and increase access to the needy patients. Despite the presence of a globally-watched generics pharma industry, access to quality health care has been a major issue in the country so far. The decision to provide five-year tax exemption to health care centers which will be set up in tier-2 and tier-3 cities aims to further improve access to quality healthcare in the new growth centers joining the nation's economic mainstream.

In the last decade, top life science companies have started making major investments in new drug development, instead of relying only on generics. The long gestation periods involved in drug development have not enthused the investors and many of the listed companies had announced their intention to hive off their R&D units in 2007. The doubts about whether these R&D units could enjoy the tax concessions offered to in-house research units have been clarified. The budget proposal to extend 125 percent weighted tax deduction to outsourced research activities will accelerate the trend of setting up pure play R&D centers in the life sciences sector.

Five years ago, BioSpectrum started in a small way, and it has been an enjoyable journey so far. The magazine has carried forward the tradition set by CyberMedia (publishers of BioSpectrum) 25 years ago to play a key role in building a knowledge nation in India. Five years ago, the magazine had a long wishlist to the finance minister. Five years later, the list itself is very small. After February 29, 2008, the wishlist will be even smaller. One of the long-pending demands is tax exemption for international patent filing costs.

This means that the nation has responded to the needs of the emerging knowledge industry in recent years very well. India as a knowledge nation will soon be a reality.

<sureshn@cybermedia.co.in>