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Biopharma Shakti proposal with total outlay of Rs 10,000 Cr

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To create an ecosystem for production of biologicals, products and bio-drugs domestically



The Union Budget for 2026-27 was presented by the Finance Minister Nirmala Sitharaman on 1st February 2026.

With an aim to develop India as a global biopharma manufacturing hub, the Union Budget has proposed the Bioforma Shakti (Strategy for Modernising Health Services through Knowledge, Technology and Innovation) programme. Under this, Rs 10,000 crore has been earmarked for the next five years. The programme will create an ecosystem for production of biologicals, products and bio-drugs domestically.

As per the budget, three new National Institutes of Pharmaceutical Education and Research (NIPERs) with a focus on Biopharma, will be built, alongside upgradation of seven existing institutions.

The budget has also proposed creation of a network of more than one thousand recognised Indian clinical trial sites. The Union Budget also proposes to strengthen the Central Drugs Standard Control Organisation to meet global standards and for timely approval through a dedicated scientific review cadre and experts.

Also, basic customs duty will be waived on 17 cancer medicines, with 7 individual export of drugs for additional rare diseases to be exempted from tax.

"Under the Biopharma Shakti initiative, the government has proposed an allocation of Rs 10,000 crore over the next five years. This will increase domestic production of advanced biologicals and biosimilars. The establishment of three new institutes and upgradation of seven existing institutions will usher in a new era of growth, innovation and global competitiveness for India's pharmaceutical sector. Three new Dedicated Chemical Parks in the States will increase domestic chemical production."

Union Minister for Chemicals and Fertilizers J P Nadda

"By placing biopharma among the seven strategic frontier sectors and launching Biopharma Shakti with an outlay of Rs10,000 crore over five years, the Union Budget makes a decisive investment in India's health and innovation future. As India's disease burden shifts toward cancer, diabetes and autoimmune disorders, biologics and biosimilars will be central to improving longevity and quality of life. This initiative—spanning manufacturing scale-up, global-grade regulation, new NIPER institutions and a nationwide clinical trials network—can firmly position India as a global biopharma manufacturing hub."

Kiran Mazumdar Shaw, Chairperson, Biocon Group

"The Union Budget 2026 marks an important milestone for both biotech and biopharma ecosystem. With significant investments fostering innovation, upskilling and technology adoption, participation by both domestic and international players will bolster manufacturing infrastructure. The emphasis on expanded research, clinical trials, regulatory reforms and the creation of a network of 1,000 accredited clinical trial sites positions India to move up the value chain as a high-impact biotech innovation hub, with the potential to improve treatment options across cancer, autoimmune and metabolic conditions."

Dr Priya Kapoor G. Hingorani, Managing Director, Miltenyi Biotec India and VP APAC

"The addition of new NIPERs and the upgrading of existing ones will expand opportunities for advanced scientific education and skills development, building the talent pipeline essential for innovation-led growth. Recognising the rising burden of non-communicable diseases, particularly cancer, the budget also provides direct relief for patients by exempting basic customs duty on 17 cancer drugs and medicines and extending import duty exemptions to seven additional rare diseases. Combined with regulatory simplification through central-state coordination, these measures are set to strengthen India's biopharma ecosystem while ensuring patients in India and across the world continue to have access to affordable, high-quality medicines. We look forward to studying the detailed budget to further understand its impact on the pharmaceutical sector."

Satish Reddy, Chairman, Dr. Reddy's Laboratories Limited

"The thrust on Lifesciences is a welcome step as the Indian Lifesciences Sector looks at building capabilities for leadership and growth in the future. The Biopharma Shakti programme heralds a long-term vision that can catapult India to the next orbit of growth."

Dr Sharvil Patel, Managing Director, Zydus Lifesciences