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How the Industry sees the Union Budget 2016?

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Mr Satish Reddy, chairman, Dr Reddy's Laboratories on Union Budget 2016:

"Budget 2016 has been a mixed bag overall. The focus on infrastructure, rural development and social sector spending are important catalysts for boosting the economy's growth rate.

On the healthcare front, the budgetary emphasis on the sector was fairly muted. While certain initiatives such as the new health insurance scheme or the National Dialysis Services program are good, perhaps a more holistic, well rounded thrust would have served the sector better in delivering good health to those in need of it.

The initial outlay of 1,000 crores to fund higher education is simply not enough, given the huge gap and growing need for students to have access to high quality education. One hopes that the government will build upon this and expand access to higher education to a much larger section of society.

The plan to set up the National Board of Skill Development in partnership with industry and academia is definitely a step in the right direction. This move will foster an environment of understanding and collaboration that will ensure skill development is mapped to industry needs, thereby creating more job opportunities in the long run.

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The finance minister began his speech by articulating the 9 pillars on which his budget proposals were built, that would have a transformative impact on the economy and people. The social sector, including healthcare was in the top 5. We now look forward to a positive impact on this important aspect of India's growth story."

Mr Gautam Khanna, CEO - P. D. Hinduja Hospital and Medical Research Centre Union Budget 2016:

"Social sector with healthcare" is one of the 9 pillars of the Union Budget 2016-17. This year's budget has focused at few specific schemes like the National Dialysis Program and the Pradhan Mantri Jan Aushadhi Yojana. 2.2 lakh renal patients are added every year in India and the distribution of health facilities in the country is skewed. The proposed National Dialysis Program would make treatment more accessible. Likewise, 3,000 medical stores will be opened under Pradhan Mantri

Jan Aushadhi Yojana to make quality medicine available.
But it is important that these schemes are executed and monitored such that the maximum benefit reaches to the patients who need them the most.

This year's budget once again left out key areas like overall healthcare spending, National Health Mission, Universal Health Coverage, health infrastructure and primary and secondary healthcare.

The new health insurance schemes are a step to make healthcare affordable to the vulnerable sections.

Rs. 1804 cr. have been allocated for skill development. We await the details if there are plans to boost skill development in the healthcare sector (trained medical technicians etc.). Another area of concern is the reduction of benefits of deductions for research from 150 to 100 percentÂ from 1st April 2020. This may impact the funding for medical research.

Overall, the Union Budget 2016-17 could have done more in terms of greater public spending in healthcare to strengthen public healthcare and build infrastructure and manpower capacity to bridge the current gaps in the sector."

Mr Rajiv Nath, forum coordinator AIMED and joint managing director, Hindustan Syringes and Medical Devices(HMD)on Budget 2016:

"Finance Minister Shri Arun Jaitley must be applauded for bringing budget's focus on rural community as well as senior citizens. Budget's proposal to set up 3,000 medicine shops in rural areas and announcement of insurance scheme for senior citizens is noteworthy.

But then, given India's humungous population with majority of people having very modest income, the biggest challenge that our country faces is to ensure low cost quality healthcare access for majority of citizens.
Government needs to realize that medicines are just one component of healthcare cost and very often not its major component! Medical devices can be equally if not more as critical a part of overall healthcare cost as medicines and

diagnostics. If the government had focused on giving a major boost to medical device manufacturing in the country and also ensured a robust MRP regime, then it would have served many purpose with one shot - i.e. (a) Lower the overall healthcare cost and (b) lead to sharp reduction on import dependency and growth in exports.
The additional critical benefit would have been quality job creation within the country.

Anyway, we are still awaiting the fine print and we are just hoping that some of our pre-budget recommendations have been incorporated.

These include:

(a) Withdrawal of Concessional Duty Notification of Basic Duty and Special Additional Duty of Medical Devices and for reverting of Duty on the items covered under HS 90.27, 30.06 and 38.22 (mainly diagnostics - equipments & reagents)
(b) Imposition of 10 percent Basic Duty on HS 90.27 & HS 30.06
(C) reduction in duty of raw materials to 2.5 percent to produce above devices and diagnostics .
In addition, we also need to think of consumers and dept should consider to introduce an Tax Innovation Structure of stalling Artificial Inflation of MRP by imposing a 2 percent CVD on MRP based criteria with Abatement of at least 50 percent (in case 1 percent Excise Duty on MRP is not possible) to have a disincentive to importers from passing on above increase to the Consumers. This will make Indian Medical Devices including Diagnostics competitive and safeguard consumers from exploitation."

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