PRESS INFORMATION BUREAU
पत्र सूचना कार्यालय
GOVERNMENT OF INDIA
भारत सरकार

Business Line, Delhi
Thursday, 24th February 2011, Page: 8
Width: 8.00 cms Height: 15.77 cms, Ref: pmin.2011-02-24.32.62

Pharma needs a shot in the arm

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Over the last two years, the government has introduced a host of economy-boosting policies such as the "Ten point economic stimulus package" as well as RBI's interest rate-cum-monetary policy to cushion the impact of the global financial crisis. While these initiatives have helped the country accelerate its growth levels, our aspirations of crossing the double digit growth threshold still remains unfulfilled.

The rising inflation is a reflection of the sorry state of affairs with regards to food-related infrastructure and storage in India. While road infrastructure has been given its due focus and attention, the government needs to consider the potentially accruable benefits by infusing technological advancements in its infrastructural framework of the agriculture and food industry. Another closely linked issue here is that of rising fuel prices. While petrol prices were deregulated in the pursuit of controlling fiscal deficit, the government should now consider freeing diesel prices as well.

In terms of budget expectations from specific sectors, I would like to highlight BFS and Pharmaceuticals verticals which are unarguably amongst the growth drivers of the country. While the IT-ITeS industry has more or less stabilised on the back of sufficient SOPs over a period of time, the pharmaceutical sector in India currently grows at 11-12 per cent, which is lagging compared to the global growth levels by 5-6 per cent.

The government's Vision 2015 statement had indicated an 18 per cent+ CAGR for the pharmaceutical sector, translating to doubling of revenues to $40 billion over the next five years. Towards this end, the Government should try to ensure that critical drugs are available at affordable prices which could be done by rationalising duties and encouraging competition.

Minakshi Batra
Director-India, IDA Ireland

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