

Industry 3 Min Read

# Reduced GST on cancer drugs: Step towards greater affordability

The government announcement of slashing GST on cancer drugs has been one of the long standing demands of the healthcare industry and is seen as a positive step for a segment which predominantly relies on imports but with more than 1.4 million cancer cases which are expected to grow further at a annual growth rate of 12.8 per cent quintessentially requires a robust ecosystem to fight the inflating load.



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New Delhi: The Finance Ministry decision to cut down GST rates on cancer drugs from 12 per cent to 5

per cent during the 54th GST council meet, following the relaxation of customs levy on three cancer drugs as past of Budgetary announcement suggest that the central government has a focused strategy in addressing the treatment challenges of the deadly disease and is part of their priority in the near future.

However, given that India is majorly dependent on imports for the majority of its cancer therapeutics drugs and formulation products requirements which are exorbitantly priced even after excluding taxes with respect to the purchasing power of Indian demographics, does such announcements really address the elephant in the room or are mere symbolic gestures intended to create a goodwill for the government focused on enhancing healthcare access and affordability.

Dissecting such questions ETHealthworld connected to several healthcare experts to understand the potential impact of the policy decisions on overall cancer care in the country.

Commenting on the development, Dr BS Ajaikumar, Executive Chairman, Healthcare Global Enterprises Ltd, who is audaciously urging to rationalise the taxes on healthcare welcomed the announcement and said, “We have long been calling for a rationalisation of tax structure around life-saving drugs and emergency treatments. This is a laudable move, which will help make the life saving drugs - Trastuzumab Deruxtecan, Osimertinib, and Durvalumab - cost-effective and accessible to a larger number of needy patients, which follows the budget announcement of exempting these drugs from basic customs duty.

Voicing his stance on similar lines Sudarshan Jain, Secretary General, Indian Pharmaceutical Alliance (IPA), said, “With the increasing burden of chronic diseases in India, this is a move toward making life-saving drugs accessible and improving health outcomes. This is further to the import exemption of customs duty on cancer drugs announced during the recent budget and a step in the right direction.”

D. S. Negi, CEO, Rajiv Gandhi Cancer Institute & Research Centre (RGCIRC) stressed that, “This move will significantly alleviate the financial burden on cancer patients and their families, especially those who require prolonged and expensive treatments such as Trastuzumab, Pembrolizumab, and Durvalumab. We look forward to continued efforts by the government to support cancer care and make advanced treatment options more affordable for all sections of society.”

Over the requirement of such step, Dr Manisha Karmarkar, CEO, DPU Super Specialty Hospital, Pimpri, Pune, highlighted that, "Currently, cancer is among the top 5 causes of death in India, and a considerable share of these cases are owing to the inability to bear medical expenses. Furthermore, India recorded approximately 1.49 million cases in 2023 and as per estimates, a 12.8 per cent increase in annual cancer cases by 2025 is projected. This underlines the need to build a robust ecosystem to fight the inflating cancer load, and the move to reduce the GST rate is a coveted step in that direction."

Explaining the proposed benefit Dr Vineet Talwar, Director, Department of Medical Oncology, RGCIRC stated, Duralumab (one of the cancer drug) is used in gallbladder cancer and lung cancer, which has a very, very high incidence in the country. So if any financial benefit is given.. People are going to get the maximum benefit and presuming if we take six cycles of chemotherapy plus Duralumab (it is the immunotherapy) the average cost, which will be reduced in six cycles, will be about 1 to 1.2 or 1.3 lakhs.

The government announcement of slashing GST on cancer medics was part of the industry long standing border demand of revitalising the existing healthcare tax structure and is seen as a positive step especially for a segment which predominantly relies on imports.