

In the backdrop of [Uttar Pradesh](#) welcoming private investment, the Yogi Adityanath government has assured [investors](#) that in event of future policy changes, their units would continue to get incentives as promised under the original policy.

The grouse of the private sector against UP as an investment destination has been that industry related policies get replaced with a regime change. There are top private companies including Tata Group, which have alleged they were denied sops promised by the previous [Mulayam Singh](#) Yadav regime (2004-07) after Mayawati government came to power (2007-12).

Now, the Adityanath government has, while announcing the UP Pharmaceutical Industry Policy 2018, said any prospective amendment in the policy would not withdraw incentives provided under the existing policy framework. Besides, the state cabinet headed by the chief minister has only been authorised to effect any changes in the policy.

Meanwhile, the new pharmaceutical policy has been modeled after studying the pharma policies of Gujarat, Odisha and Telengana for their successes in the avenues of pharma parks, pharma manufacturing and life sciences respectively. UP food safety and drug administration principal secretary Himanshu Kumar told Business Standard there was huge potential for private investment in the sector.

Currently, UP accounts for about 18% of India's total pharma market and the Adityanath government wants to establish the state as a major pharmaceutical hub in North India. The annual pharmaceutical market in UP is estimated at Rs 900 billion. The state has seen pharma exports register 42% growth from Rs 3.63 billion in 2015-16 to Rs 5.19 billion in 2016-17.

The new policy is aimed at promoting UP as a hub of pharma manufacturing, R&D, exports, testing etc, apart from setting up of vertical and horizontal pharma parks across the state with the government providing liberal incentives to private companies. The policy would encourage innovation in pharma sector by seed funding start-ups under the UP Start up Policy 2017. It would fund incubators at educational institutions, medical colleges and universities.

This comes in the backdrop of the domestic pharma industry growing fast. India is world's 2nd largest pharma market in Asia, accounting for nearly 3% of the global industry in value terms and 10% in volume. The annual turnover of the Indian pharma industry in 2015-16 stood at Rs 2.04 trillion, a growth of 29%.

During the UP [Investors](#) Summit 2018 on 21-22 February, the state healthcare sector had attracted investment proposals worth almost Rs 100 billion, out of the total Rs 4.68 trillion worth of memorandum of understanding (MoU) signed with the public and private companies across sectors.

In UP, there are around 450 pharmaceutical concentrated in Ghaziabad, Gautam Budh Nagar (Noida), Lucknow and Kanpur. Besides, there are about 76,000 pharmacists and 71,000 retail pharmacies in UP indicating potential of the sector.