

NEWSLETTER



Tracking Science,
Technology and
Innovation Policy

SCIENCE AND TECHNOLOGY PULSE

THIS MONTH: Governments are increasingly positioning life sciences at the intersection of science, technology and industrial policy. From Uttarakhand's first Science, Technology and Innovation Policy and Haryana's manufacturing-focused pharmaceutical incentives to Telangana's ambition of becoming a global life sciences hub and the UK's long-term industrial strategy, recent developments highlight the growing role of innovation ecosystems in shaping industrial competitiveness.

In this Edition

1	COVER STORY	Uttarakhand's First STI Policy: A Ten-Year Bet on Building a Himalayan Science Economy
2	POLICY WATCH	Haryana's Rs 10,000 Crore Pharma & Medical Devices Push: Incentives and the Fine Print
3	POLICY WATCH	Telangana Approves Life Sciences Policy 2026-30 to Position Itself Among the World's Top Five Life Sciences Hubs
4	DATA SNAPSHOT	India's Pharma and MedTech Numbers: Scale Without Self-Reliance
5	GLOBAL LENS	UK's Modern Industrial Strategy Puts Life Sciences at the Centre of Long-Term Industrial Growth
6	VeK PERSPECTIVE	Life Sciences Is Increasingly Being Shaped Through Multiple Policy Pathways

Editor's Note

Dear Readers,

Welcome to the Sixth edition of our Science and Technology Pulse Newsletter, June-July 2026.

Life sciences is increasingly emerging as a strategic priority within science, technology and industrial policy. Recent developments in India and globally illustrate how governments are adopting different policy approaches to strengthen research, innovation, manufacturing and investment in the sector. While the objectives are broadly aligned, the instruments range from institutional and research-focused frameworks to targeted manufacturing incentives and long-term industrial strategies.

This issue examines these evolving approaches through Uttarakhand's first Science, Technology and Innovation Policy, Haryana's Pharmaceutical and Medical Devices Manufacturing Policy, Telangana's newly approved Life Sciences Policy and the United Kingdom's Modern Industrial Strategy. Together, these developments provide insight into how governments are positioning life sciences as a driver of innovation, industrial competitiveness and economic growth, while reflecting the diverse policy pathways being adopted to support the sector's long-term development.

Warm regards,

Abhilasha Nayal

★ COVER STORY

Uttarakhand's First STI Policy: A Ten-Year Bet on Building a Himalayan Science Economy

"To position Uttarakhand as a beacon of Scientific and Technological excellence, drive inclusive socio-economic development and achieve leadership position in scientific research, innovation and sustainability."

- Vision statement, Uttarakhand Science, Technology and Innovation Policy, 2026

Uttarakhand's Department of Information Technology, Good Governance and Science Technology notified the state's first Science, Technology and Innovation (USTI) Policy on 9 June 2026, under order no. 289/07/XXXIV-02/2022/2471, signed by Secretary Nitesh Kumar Jha. The policy follows through on a Chief Minister's announcement made in 2023 and a formal proposal submitted by the Uttarakhand State Council for Science and Technology (UCOST) in January 2025. The Governor's sanction frames the policy around a single ambition: turning a hill state better known for disaster vulnerability than research output into what the document calls a "Science Technology & Information Technology Corridor."

A Policy Built Around Architecture, Not Outcomes

Unlike a typical industrial policy, the USTI Policy does not lead with investment or revenue targets. Its centrepiece is institutional: a new Uttarakhand Science and Technology Advisory Board (USTAB) will govern policy implementation, monitor outcomes and recommend which technologies the state should buy versus indigenise. UCOST, already the state's nodal science body, becomes the implementing agency, working with the Department of Science & Technology and other line departments. A Science and Technology Development Fund (STDF), capitalised through private-sector, CSR, and higher-education contributions, will finance scholarships and R&D and will be managed by USTAB to avoid conflicts of interest.



The policy identifies five structural weaknesses it wants to fix: low R&D investment, weak linkages between academic institutions and industry, an inadequate innovation ecosystem for converting local ideas into products, poor coupling between technology and trade, and a thin base of full-time-equivalent scientists. Its nine strategic pillars range from building a "science ecosystem" and STEM capacity-building to conservation of Himalayan biodiversity and streamlining delivery - each mapped, in the policy's own tables, against 21 state government departments and all 17 UN Sustainable Development Goals.

What Gets Built, and When

Concrete deliverables promised under the policy include a State Science and Technology Archive of Research (SSTAR) providing open access to publicly funded research, a State STI Observatory acting as a central, open-source database of all schemes and grants in the ecosystem, Teaching-Learning Centres to upskill faculty, and a dedicated engagement portal for the state's scientific community. The policy also commits to documenting and

integrating Traditional Knowledge Systems (TKS) into formal research, and to registering grassroots innovators for IP protection with handholding support.

POLICY IMPLICATIONS

For Policymakers

The USTI Policy's five-year operative period and year-wise implementation table put the first real accountability test in Year I: awareness programmes, IPR workshops and capacity-building are due to begin immediately, but the policy sets no rupee figure for the STDF corpus or for overall R&D spending, leaving actual fiscal commitment to future budget cycles and inter-departmental coordination that the policy itself flags as historically weak.

For Industry

R&D-intensive sectors with a Himalayan-region footprint - pharma, biotech, renewable energy, disaster-tech and agri-tech - gain a state counterpart (UCOST/USTAB) empowered to fund joint research, fast-track technology transfer and offer IP handholding. But with no notified scheme guidelines yet and an undefined fund size, early movers should treat this as a relationship to build rather than a subsidy to bank on in the current fiscal year.

The VeK View: Uttarakhand has built the governance scaffolding for a research economy before it has built the research economy itself. That sequencing is defensible for a state with limited fiscal space, but it means the policy's real test is not the notification - it is whether USTAB is actually constituted, staffed and funded within the Year I window the policy itself sets, and whether the STDF attracts private and CSR capital without a target corpus to anchor expectations.

◆ POLICY WATCH

Haryana's Rs 10,000 Crore Pharma & Medical Devices Push: Incentives and the Fine Print

The Haryana Pharmaceutical and Medical Devices Manufacturing Policy-2026, notified in the Haryana Government Gazette (Extraordinary) on 27 May 2026 and cleared by the Council of Ministers on 18 May, sets out a five-year, incentive-led push to attract at least Rs 10,000 crore of investment and generate a minimum of 20,000 direct and indirect jobs in the sector. The policy is administered by the Department of Industries & Commerce and vests final interpretive authority in the department's Administrative Secretary.

The Incentive Stack

Eligible units - spanning APIs, biologics, biosimilars, formulations and a broad list of medical devices from cardiac stents to IVD kits - can claim CAPEX reimbursement of 20% to 30% of eligible capital expenditure depending on area category (Core, Intermediate, Sub-Prime or Prime/Focus), capped at Rs 200 crore per unit and paid over ten annual instalments. A parallel OPEX support incentive reimburses 50% to 80% of eligible operating costs - including net State Goods & Service Tax (SGST), electricity duty, lease rentals, quality certifications and clinical-trial expenses - for ten years, capped at Rs 20 crore per unit annually.



Export-linked incentives offer units a choice between a CAPEX-linked Export Booster (up to an enhancement tied to the proportion of exports in total sales) or an annual export-turnover-linked incentive of 3% of export value, capped at 4.5% of eligible capital expenditure over five years. The policy also funds patent commercialisation (Rs 50 lakh per domestic patent, Rs 1 crore per international patent, subject to unit-level caps), green investments including carbon credits and captive renewable energy, and a one-time relocation grant of up to Rs 10 crore per unit for companies shifting manufacturing to Haryana from outside India.

Regulatory Simplification

Haryana pairs the fiscal package with process reforms already rolled out under its Enterprise Promotion Centre (HEPC) and Invest Haryana Single Window Portal: Consent to Establish and Consent to Operate timelines have been cut from 30 to 21 working days, self-certification now covers 14 labour-law clearances, three-shift and night-shift working has been permitted for women subject to safety conditions, and the government has committed to releasing 50% of any eligible incentive within seven working days of a preliminary scrutiny, with the balance disbursed within 45 working days.

POLICY IMPLICATIONS

For Policymakers

Haryana's stated targets - Rs 10,000 crore in investment and 20,000 jobs - are explicit and time-bound (five years from notification), giving the Department of Industries & Commerce a clear yardstick to report against. The policy's overall incentive ceiling, capped at 100% of Fixed Capital Investment across all state and Government of India schemes combined, will require close coordination with the Centre's PLI schemes to avoid units over-claiming or the state's fiscal exposure running ahead of budgeted provision.

For Industry

Units already benefiting from the Centre's PLI scheme for bulk drugs or medical devices can choose a 50% top-up on Central benefits instead of the state's standard CAPEX/OPEX package - but not both, and the choice, once made, is irrevocable. Companies relocating from outside India can access a distinct one-time grant of up to Rs 10 crore, over and above the standard CAPEX support, making this a genuine option for API and device manufacturers looking to de-risk supply chains away from China.

The VeK View: Haryana's Pharmaceutical and Medical Devices Manufacturing Policy provides one of the most detailed incentive frameworks among recent state industrial policies, with clearly defined eligibility criteria, reimbursement ceilings and implementation timelines. However, fiscal incentives alone are unlikely to determine investment decisions. As more states roll out sector-specific life sciences strategies and industrial clusters, Haryana's long-term competitiveness will depend on the speed of implementation, availability of skilled talent, quality infrastructure and its ability to integrate with national pharmaceutical supply chains rather than on incentives alone.

◆ POLICY WATCH

Telangana Approves Life Sciences Policy 2026–30 to Position Itself Among the World's Top Five Life Sciences Hubs

The Telangana Cabinet has approved the Telangana Life Sciences Policy 2026–30, setting an ambitious roadmap to establish the state among the top five global life sciences hubs. Building on Hyderabad's established strengths in pharmaceuticals, biotechnology, vaccines and medical devices, the policy aims to attract USD 25 billion (approximately ₹2.1 lakh crore) in investments and generate 500,000 jobs over the policy period.

The policy proposes a comprehensive incentive framework covering manufacturing units, research and development (R&D) centres and innovation-led enterprises. By extending support beyond conventional pharmaceutical manufacturing to research-intensive activities, Telangana seeks to strengthen its position across the entire life sciences value chain—from discovery and product development to advanced manufacturing and commercialisation.



The approval comes as Indian states increasingly compete to attract high-value investments in pharmaceuticals, biotechnology and medical technologies through sector-specific industrial policies that combine fiscal incentives with innovation infrastructure and skilled talent ecosystems.

POLICY IMPLICATIONS

For Policymakers

The policy reflects a shift from promoting manufacturing alone to developing an integrated life sciences ecosystem. Achieving the investment and employment targets will require coordinated implementation across industrial infrastructure, research institutions, regulatory facilitation and workforce development.

For Industry

The policy is expected to create new opportunities for pharmaceutical, biotechnology, medical device and research-intensive companies by expanding support for both manufacturing facilities and R&D investments. Companies seeking to establish or expand operations in India may benefit from Telangana's mature industrial ecosystem and specialised life sciences infrastructure.

The VeK View: Rather than competing solely on fiscal incentives, Telangana is positioning itself as a global innovation hub by combining manufacturing, research, talent and innovation within a single policy framework. The success of the policy will ultimately depend not only on attracting fresh investments but also on translating Hyderabad's established pharmaceutical strengths into leadership across emerging segments such as biologics, genomics, advanced therapeutics and digital health.

▲ DATA SPOTLIGHT

India's Pharma and MedTech Numbers: Scale Without Self-Reliance

INDICATOR	FIGURE	SOURCE / NOTE
Global pharmaceutical market (2025)	USD 1,999.24 billion	Fortune Business Insights. The market is projected to grow from USD 2,150.17 billion in 2026 to USD 4,035.35 billion by 2034
India's pharmaceutical market (2025)	USD 57.6 billion	IBEF estimates India's pharma market at USD 55-60 billion in 2025 and projects USD 120-130 billion by 2030
India's position in pharma	3rd globally by volume; 11th by value	Indian Brand Equity Foundation (IBEF)
Global pharmaceutical growth	5-8% CAGR to 2030	Fortune Business Insights
Global medical devices market	USD 572.31 billion in 2025 to USD 1032.66 billion by 2034	Fortune Business Insights
India pharmaceutical growth	10% CAGR by 2030	Indian Brand Equity Foundation (IBEF)
India's medical devices market	USD 12 billion in 2024 to USD 50 billion by 2030	Indian Brand Equity Foundation (IBEF)
Haryana Pharma & Medical Devices Policy target	Rs 10,000 cr investment / 20,000 jobs	Five-year target from date of notification (27 May 2026)
Telangana Life Sciences Policy target	USD 25 billion investment; 5 lakh jobs	Telangana Cabinet clears new life sciences policy 2026–30, The Hindu BusinessLine.

The indicators presented above reflect the growing strategic importance of the life sciences sector across research, manufacturing and industrial policy. Globally, sustained growth in pharmaceutical and medical devices markets continues to drive investments in innovation and advanced manufacturing, while India's expanding pharmaceutical industry remains an important contributor to global medicine supply. At the same time, recent policy initiatives by states such as Haryana and Telangana demonstrate an increasing emphasis on attracting investment, strengthening manufacturing capacity and developing innovation-led industrial ecosystems.

Taken together, the data suggests that policy priorities are extending beyond production capacity towards broader ecosystem development encompassing research, technology, infrastructure and skilled talent. As governments continue to position life sciences as a strategic sector for long-term economic growth, investment outcomes, innovation capacity and ecosystem development are likely to become increasingly important indicators of policy effectiveness.

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UK's Modern Industrial Strategy Puts Life Sciences at the Centre of Long-Term Industrial Growth

The UK Government has unveiled its Modern Industrial Strategy, a ten-year roadmap designed to strengthen the country's competitiveness across eight high-growth sectors, with Life Sciences identified as one of the strategic industries expected to drive productivity, innovation and long-term economic growth. The strategy aims to make the UK Europe's leading life sciences economy by 2030 and the world's third-largest life sciences economy by 2035, behind only the United States and China.

To support this ambition, the Government has announced a package of policy measures focused on increasing business investment, accelerating research commercialisation and strengthening innovation ecosystems. Key interventions include £86 billion in public investment for research and development, the creation of a £600 million Health Data Research Service to develop an AI-ready health data platform, regulatory reforms to speed market access for innovative products, improved access to finance for high-growth sectors and targeted investments in skills, infrastructure and advanced manufacturing.



The strategy also adopts a cluster-based approach, seeking to strengthen regional innovation ecosystems, attract globally mobile investment and build resilient supply chains through closer collaboration between government, industry, universities and research institutions. By providing long-term policy certainty, the UK aims to position itself as a preferred destination for investment in pharmaceuticals, biotechnology, medical technologies and emerging healthcare innovations.

Why It Matters for India

The UK's strategy reflects a broader global shift from offering standalone fiscal incentives towards building integrated innovation ecosystems that combine research, advanced manufacturing, digital technologies, skilled talent and regulatory agility. This mirrors recent initiatives by Indian states such as Telangana, which are increasingly focusing on life sciences as a strategic growth sector. As global competition for pharmaceutical and biotechnology investment intensifies, India's competitiveness will increasingly depend not only on manufacturing capacity but also on its ability to strengthen research infrastructure, commercialisation pathways and innovation-led industrial ecosystems.

The VeK View

While many governments continue to compete through production-linked incentives and industrial subsidies, the UK's strategy places equal emphasis on research capability, health data infrastructure, regulatory efficiency and long-term policy certainty. The comparison highlights an important evolution in industrial policy: future leadership in life sciences will be determined not only by manufacturing scale but by the ability to integrate innovation, talent, digital infrastructure and commercialisation into a cohesive ecosystem.

VeK PERSPECTIVE

Life Sciences Is Increasingly Being Shaped Through Multiple Policy Pathways

The Shift

Recent policy developments indicate that governments are increasingly approaching life sciences through a combination of science, technology, industrial and innovation policies rather than through a single sector-specific framework. While the policy instruments differ, there is a growing emphasis on strengthening research capabilities, manufacturing competitiveness, innovation ecosystems and long-term industrial development.

Uttarakhand's Science, Technology and Innovation Policy focuses on institutional capacity, research and technology-led development. Haryana's Pharmaceutical and Medical Devices Manufacturing Policy seeks to expand manufacturing through targeted fiscal incentives and ease of doing business measures. Telangana's Life Sciences Policy adopts a broader ecosystem approach encompassing research, manufacturing, investment and innovation. Similarly, the United Kingdom's Modern Industrial Strategy identifies life sciences as one of its priority growth sectors, linking industrial competitiveness with research, skills, advanced manufacturing and technological capability.

These initiatives illustrate that life sciences is increasingly being positioned as a strategic economic sector with linkages extending beyond healthcare into industrial policy, research, advanced manufacturing and technology development. While jurisdictions continue to adopt different policy models reflecting their respective priorities, the broader direction points towards greater integration of science, innovation and industrial development within long-term growth strategies.

The actionable question for policymakers and industry leaders: As governments adopt different policy models to strengthen the life sciences sector, what common indicators should be used to assess whether these approaches are translating into stronger innovation ecosystems, globally competitive industries and sustained long-term economic value?

VeK is a policy advisory and research firm, distinguished by data-driven approach to analyse policy and regulatory developments in India and globally.

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