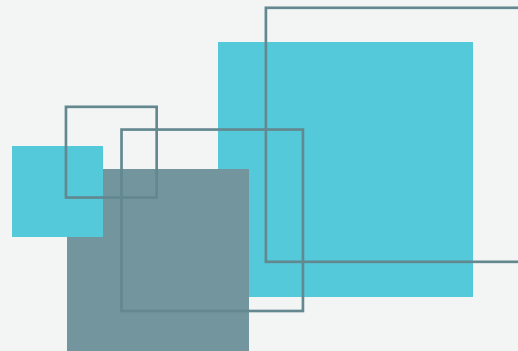


# INDUSTRY SPEAK – MEDICAL DEVICES



## Mr. Himanshu Baid

Chairman, CII-NMTF and  
Managing Director, Poly Medicure Ltd.

### “India’s MedTech Revolution: Poised to Become a Global Manufacturing Hub”

The global Medical Devices industry was valued at USD 455.3 billion in 2021 and is expected to grow at a CAGR of 6 per cent wherein Indian medical devices industry was estimated to be USD 12 billion in 2020 and is expected to grow at a CAGR of 15 percent. India is poised to become the 3rd largest economy by 2030. Its GDP is expected to grow at 7.8 percent in FY 23. This growth in its GDP is expected to percolate to some of the priority sectors like healthcare and medical devices.

Med Tech has catapulted India into the top 20 global medical devices market over the past decade. The recently launched government schemes such as PLI (Production Linked Incentive), medical devices parks, improved regulatory approval processes like single window clearance, perpetual license, etc. are steps in the right-direction to support domestic manufacturing.

The Prime Minister’s call for Atmanirbhar Bharat (self-reliant India), is just the right step for our domestic manufacturing. Self-reliance means strengthening the country’s competitive power in the long run.

Indian Govt. announced 4 MedTech parks to spur investment in medical devices manufacturing. Under Make in India initiative,

several state governments have taken up the onus of setting up medical device manufacturing parks in their respective states. These clusters would enable domestic manufacturing of high-end medical devices at a lower cost and significantly enhance job creation.

Also, 2 Product Linked Incentive schemes, 100% FDI and Export Incentive Scheme by the Govt. will attract companies to manufacture in India not just to meet domestic demand but also to export from India in the other markets.

The MedTech industry is import dependent on other countries for raw materials and now is the right time to challenge this arrangement, as companies are looking for alternative manufacturing hubs. The imperative to change the prevalent circumstances requires a robust strategy, a stable policy environment and a well-advised comprehensive plan. The need of the hour for med-tech industry is to closely work in collaboration with policy makers to revive the provision of healthcare in the context of the economic, demographic, and social transformations across the globe.

The past years saw many foreign players enter the Indian market under the automatic route bringing in Innovative products and setting up manufacturing units in the country.

Highly skilled & economical workforce both in the software & hardware space, Low-cost R&D infrastructure, World-class physical and digital infrastructure, and opportunity for all is a bold and exciting proposition for the country to transform into a global manufacturing hub.

This will also help attract foreign capital, latest technology, create jobs and boost our exports. Skill and Scale should be the primary focus to be both quality and cost competitive and serve a global customer base. Huge scope exists in MedTech sector, not only to be self-reliant but also capture a considerable share of the global supply chain.

Lately recognising the potential of the medical devices sector, the Indian government has introduced various new policy measures and other initiatives keeping in mind the needs of domestic manufacturers. Common platforms shared by different innovation-centric companies such as shared raw material supplier base, testing services, shared infrastructure etc., could also help promote domestic manufacturing.

The per capita income of the Indian population is expected to increase to USD 2,730 by 2025 from USD 1,875 in 2016. The rising income levels have led to increased spends percolating to healthcare & medical devices sector.

In India, the population covered under various health insurance schemes has increased from 17 percent in 2014 to 47 percent in 2020. Government sponsored schemes like Ayushman Bharat (universal healthcare scheme), Rashtriya Swasthya Bima Yojna (RSBY), etc. have been instrumental in increasing health insurance penetration especially in the low-income segments and rural population.

The new policy regime or new draft bill on medical device will drive the growth of Medical Sector. It proposes an overall structural change on import, manufacturing, sale, distribution and clinical investigation of medical devices, the authorities had set the stage for a quality-driven, safety-led, performance-oriented, and above all,

transparency-focused medical device sector in the country.

Under this bill, **relevant constitution of Medical Devices Technical Advisory Board has been proposed** to advise the government in technical matters. There is also a provision of **setting up of medical devices testing centres** for testing and evaluation of medical devices. Clinical trials or clinical investigations of medical devices will need compulsory permission from the central licensing authority.

With a futuristic and collaborative approach, India will be poised to exponentially grow its medical devices sector to its full potential not only to improve standards of healthcare in India but also to emerge as a trusted partner to the world for healthcare transformation.

The medical devices sector in India has the potential to grow 4x the current market size by FY30, backed by growing healthcare needs and government's commitment to facilitate growth.

Lastly, the roadmap should focus on innovation and research & development as a strong pillar of building India's best-in-class manufacturing ecosystem. I am sure India can emerge as a significant medical device manufacturer and become a factory for the World like the Pharma Industry.

