

Medical devices industry calls upon government to empower domestic manufacture

02 September 2015 | News | By BioSpectrum Bureau

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Industry leaders participating in FICCI Heal 2015 have called upon the government to take strong measures to drive the consumption of medical devices in the country, bring clarity to regulatory policy, correct inverse import duties and provide fiscal incentives to give the domestic manufacture of medical devices a strong impetus for growth and turn India into a global innovation hub for medical technology.

Convening the 'Make in India' and its relevance to Healthcare, Mr Varun Khanna, MD, BD India, said, "The 'Make in India' campaign must be aligned with key government initiatives to create a strong impact on public health and provide safe medical care accessible to all. Therefore, it is important for the stakeholders in the medical devices and larger healthcare ecosystem to constructively engage in a dialogue to facilitate 'Make in India' for the country. The government should strengthen entrepreneurship and innovation to fulfil the clinical unmet needs leading to better patient outcomes."

Mr Ajay Pitre, co-chair of FICCI Medical Devices Forum & MD of Pitre Business Ventures, said, "The need for quality healthcare services is going to rapidly expand as the Indian economy evolves. A strong domestic medical technology industry is very much possible, considering India's strengths, to help meet the country's needs for medical devices meaningfully and cost effectively. From a net importer, India can transform itself into a provider of cost-effective medical technology solutions to the whole world; provided an enabling ecosystem is put in place by the government."

The experts were unanimous that the medical devices industry is poised to grow significantly in the coming years due to the huge unmet need, and it is no longer sustainable to continue with the current 80:20 import-export ratio.

They called upon the government to focus on the following initiatives to turn India into a powerhouse of medical devices manufacturing:

- **Market Expansion** - The current market of medical technology in India is an insignificant fraction of the global market. The

Government needs to facilitate access and drive consumption by increasing spending in healthcare from current 1% of GDP to at least 3%.

- **Regulatory Clarity** - The Act separating medical devices from drugs needs to quickly come into force. It should enforce risk-based classification and allow ease of clinical trials. Also, a nodal ministry has to be made responsible for end-to-end facilitation of the medical technology industry.

- **Fiscal Incentives** - To create a global supply chain and manufacturing in India, the Government needs to provide fiscal advantages to investors on the lines of countries like Ireland and China.

Said Mr Probir Das, MD, Terumo India, "It is very important for the Government to address the issue of inverse import duties and formation of manufacturing clusters. The import of components is often more expensive in India than the import of finished goods. Zero duty or very low levels of duty on component imports will facilitate local assembly or production of medical devices."

Added Mr Sunil Khurana, chairman of FICCI Medical Electronics Forum & CEO of BPL Medical Technologies, "The 'Make in India' campaign coupled with 100% FDI in this sector will provide a huge impetus in growing the medical devices sector in India. Indian medical devices companies must try attract international majors for their participation in the form of funds, technology and manufacturing partnership."

He further said, "Local manufacturing will help in development of custom products suited better to our disease pattern and patient demography thereby reducing the overall cost of delivery. Manufacturers would also benefit through government purchases giving preferential treatment for domestic production. Further, we also need to develop our own quality control standards specific to Indian context."