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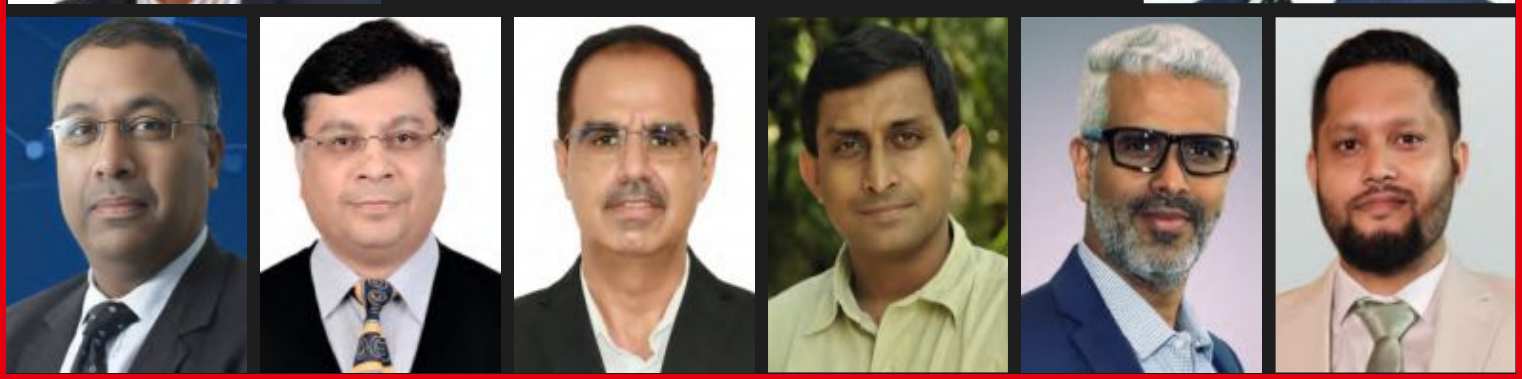

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OUTLOOK 2023

Featuring India's Top Bioscience Leadership

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India's MedTech industry thinks global: Preparing for the giant leap forward

The Indian medical device industry is poised to see a significant revolution with best-in-class goods and production facilities

The market for the MedTech industry for India has the potential to increase by 28% annually to $50 billion by 2030. India is the fourth-largest market in Asia for medical devices and has the best development potential of all the sectors of the healthcare industry. In light of this situation, the Indian medical devices sector has the potential to significantly contribute to the country's healthcare system, much like the pharmaceutical sector has.

Let's examine some of the major figures to gain a better understanding of the potential. The market size, which is currently at $12 billion, is anticipated to grow to $50 billion by 2025. Although these figures are excellent and indicate a robust development trajectory, the disadvantage is a heavy reliance on imports, which account for 80–85% of the total market. The only solution, if dependence on imports must be decreased and exposure to unpredictable supply chains must be minimised, is to boost domestic manufacturing capacities and boost the nation's competitiveness in the long run to become a hub for MedTech manufacturing.

During COVID 19, the contribution of the Indian medical devices sector has increased and India has produced medical devices and diagnostic kits like Ventilators, Rapid Antigen Test Kits, RT-PCR Kits, IR thermometers, PPE Kits, and N-95 masks to aid in the domestic and international fight against the COVID-19 pandemic, the contribution of the Indian medical devices sector has become even more noticeable. If we see the potential in the next coming years, the Indian medical device industry has the potential to become the world's manufacturing and innovation leader.

Indian MedTech can be a hub for global manufacturing if local manufacturers may step up to satisfy the expanding demand for crucial medical devices and consumables for the nation by combining the latent opportunities of

this industry with the "Make in India" policy. There are a few issues that the government will need to address in order to boost indigenous production in this sector and make it a win-win situation for everyone.

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Government scheme and policy: In the wake of India's Atmanirbharta initiative, the industry must closely cooperate with the government to resuscitate the healthcare ecosystem in light of global economic, demographic, and social transformation. With a focus on R&D and 100% FDI under the automatic route for both brownfield and greenfield medical device establishments, the Indian government has launched a number of efforts to strengthen the medical device industry. The government has introduced two additional programmes, PLI for domestic medical device production, and four medical device parks, totalling Rs 400 crore, to boost domestic manufacturing and draw significant foreign investment, with a total outlay of money worth Rs.3,420 crore (US$ 468.78 million) over the period FY21-FY28. In addition, the government has established a National Medical Devices Promotion Council to support domestic production of expensive medical equipment and draw investment to the industry. These programmes have increased investor confidence even more and attracted significant FDI inflows to reflect the increased confidence of international players.

Opportunities to become a preferred manufacturing hub: The Medtech industry is heavily dependent on other nations for the supply of raw materials, so we need to explore for fresh alternatives to combat this situation. India can develop into a centre for global manufacturing that offers a friendly business environment given the resources available and the existing political climate. a system that enables the development of a strong manufacturing ecosystem by providing streamlined land and labour laws, a solid supply chain, improved infrastructure, and one window clearances. This will also help in bringing in foreign investment, implementing cutting-edge technology, creating jobs, and boosting exports.

Fostering Innovation: To develop items that stand out from the competition, innovation must remain the main focus of growth and expansion. Only a public-private partnership, capital subsidies, and tax incentives in medical device parks can make this happen.

Increasing domestic production: To play a significant part in the global supply chain and boost independence, the current environment needs more reforms. A lower GST rate has also been requested by the sector in order to lessen reliance on imports. If approved, the relaxation will encourage more domestic producers of top-tier medical equipment to work domestically.

Giving exports a boost: The strategy for merchandise exports from India needs to provide incentives for exports (MEIS). A greater push for exports will be made possible by facilitating single-window clearances for

government approvals for local businesses, rebates for costs associated with product registration in foreign markets and exhibition participation, and keeping exported goods out of the reach of price controls.

Decreased input cost: Reduced input costs are required since it is impossible for manufacturers to achieve economies of scale because labour and electricity costs are far too high when making components. To enable manufacturers to lower input costs and produce goods at a competitive price, the government must offer a strong infrastructure and logistical assistance.

Availability of trained personnel: For the development and construction of high-performance equipment, a skilled and knowledgeable team is also required. One of the largest engineering workforces in the world, India's engineers possess a wide range of abilities, including demonstrated domain expertise, knowledge of the product lifecycle, comfort with emerging design and technical tools, and awareness of current manufacturing challenges and the specialised technologies to address them.

A robust environment that facilitates production: The use of autonomous robotics, augmented reality/virtual reality, and other smart manufacturing technologies has grown. Manufacturing facilities' shop floors are evolving to become more creative, efficient, and secure. Utilizing proactive maintenance programmes to improve equipment performance and proof-of-concept testing to identify the optimal ratios of technical procedures and human interventions can both increase productivity. Supply chain management has benefited greatly from IoT's ability to improve asset tracking. Incoming raw materials are coordinated with production plans to effectively meet delivery commitments. Businesses can benefit from experienced staff, data analytic know-how, tried-and-true techniques, and a manufacturing ecosystem that is constantly developing by working with an Indian end-to-end engineering firm.

The Indian medical device industry is poised to see a significant revolution with best-in-class goods and production facilities thanks to a cooperative and proactive strategy. All participants will benefit from government support in the form of comprehensive groundbreaking policies that level the playing field. In addition to allowing the nation to become a top-tier healthcare destination, our strategy for addressing the current issues will help us carve out a position for ourselves in the global medical equipment industry.■

Satyaki Banerjee has 19 years of astounding experience in the healthcare and pharmaceutical industry with extensive experience of managing operations, strategic alliances and research and development collaborations in North America, European Union and emerging markets. After becoming a part of the leadership team, Satyaki held the responsibility of formation of Strategic Alliances, Regulatory Affairs and Intellectual Property functions within the Trivitron Group. He also takes care of the global commercial operations of Kiran Medical Systems in addition to managing the North America, APAC, Russia and Eastern European business of Labsystems Diagnostics Oy.