

# MAKE IN INDIA- A DREAM OR REALITY?



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**AS PRIME** Mntlster Narendra Modi's Make in India (MII) Policy turned 2 years old, the Indian manufacturing industry is on the move to set a firm foothold, globally. Elevating India to become a hub of manufacturing, the government of India has strategic plans put in place to pump in hefty investments to the country. Fostering innovation in all sectors, PM's MII pillars focus on the following aspects-improving the ease of doing business by de-licenstng and de-regulation; enabling infrastructure such as industrial corridors and opening up FDI. However, in order to bring in an adequate amount of investments and solicit robust growth in the manufacturing industry, the business environment in India itself needs to be more conducive. This policy, if implemented rightly, has significant scope for transforming the overall development of the country.

## Step in the right direction

Post the National workshop titled "Make in India- Sectorial perspectives and initiatives", which was held in 2014 in Delhi to prepare the plan of action for the first year and the succeeding three years to advance investments in 25 sectors, much progress has been noticed in this policy. With an increase in FDI, improvement in business environment and many companies already on board for this initiative, the prospective of India developing to a manufacturing nation has definitely surged. With many benefits for global investors; this policy has managed to grab international attention, which in itself is a laudable achievement. On the other hand, what we are still lacking is an axillary initiative to position India as a favored manufacturing destination, among the prospective stakeholders and buyers across the globe.



## Bleak picture

As far as the healthcare sector is concerned, the situation demands immediate deliberation. According to the World Bank, thrust on healthcare and education are considered to be the key to the success of the programme. However, the industry in itself is an ailing story of paradoxes. Even as Indian healthcare system boasts of having "best in class" service, the country is ranked 143rd among 188 nations on the health front. The country is ranked even below Comoros and Ghana. One of the major reasons for this is the near absence of a holistic healthcare

ecosystem to provide accessible and affordable healthcare to more than 60% of Indian population. With very low health insurance coverage, majority of the rural population can only manage to access the most basic healthcare services. In India, for every 1000 people there are only 7 doctors whereas in other countries it goes in the ranges of 300-500.

## Globally Competent

With the right intervention of advanced medical technology, which interestingly is manufactured within the country itself, this malady in

our system can be effectively addressed. Make in India primarily intends to make the labour force and the technology sector of the country become globally competent. But with inverted duty structures prevailing across the industries, most Indian medical technology firms are not able to use their capacities to the fullest. Manufacturing firms are compelled to buy raw materials at higher import duties that eventually force them to put their products in the market at a higher price. In stark contrast, Indian economy attracts corporate MNC players to set-up low cost manufacturing units in India thereby helping them to sell their products at much cheaper prices.

India's medical device industry is immensely import-driven. With 75% of the products imported, Indian manufacturers are compelled to ship their goods to international markets, converting them to traders from assemblers. A paradigm shift is the need of the hour. In order to build a healthy environment for domestic

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manufacturers, government needs to exercise special tax exemption on raw materials for promoting local production. With a wholesome improvement in India's business environment, the healthcare services can be made available at lower costs which will hugely benefit people across classes. Also, increased Foreign Direct Investments in medical devices industry increase the supply and encourage innovations to meet more domestic needs. Trivitron is one of the very few organizations which recognized, early on, domestic manufacturing is the best way to improve the healthcare landscape of the country.

## The Cost Doldrums

Even with the setting up of the infrastructure facilities in a hospital, half of the total expenses go for buying and installing advanced medical technology. With most of the technology imported, it becomes imperative on the part of hospital authorities to charge the patients higher fees for their treatments and services. With an effective realization of MII, domestic manufacturers are encouraged to emerge major players in the market, thereby consequently reducing the overall healthcare costs incurred from patients, the eventual end users.

Sustainability has to be the key factor for the successful realization of any new initiative. In order to penetrate medical technology into healthcare, we need to see a spur in innovation. Even from an academic perspective, we need to establish a system that urges one to constantly thrive for novelty. Along with supporting manufacturing, there has to be an equivalent focus on research and development, so that a league of new cohorts can come up with innovative ways to deliver affordable and efficient healthcare solutions.

## Quality essentials

Even as the focus shifts to supporting the domestic manufacturers, it is important not to veer away from quality standards. Therefore, sufficient quality standards have to be ensured in order to seize sustained opportunities for the Micro, Small and Medium size enterprises. With sufficient assistance and support from the government, local players need to scale up their plants to conform to the industry qual-

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ity standards. Policies like 'preferential policies for procurement' can be tapped to enhance the production and sales of goods produced locally, rather than importing finished goods from countries like China and Taiwan.

More than being a factor which touches everyone's lives, healthcare, is one of the fastest growing industrial sectors. In an era when brands drive consumption patterns, people are on the lookout for go-to brands in medical technology world as well. When the country can boast of brands, that hold high stakes in the industries of fashion, food, technology etc. it is imperative that healthcare also produces quality-driven brands. For that to happen, MII needs to act as a catalyst to fuel domestic manufacturing to an all-new level. [TII](#)

