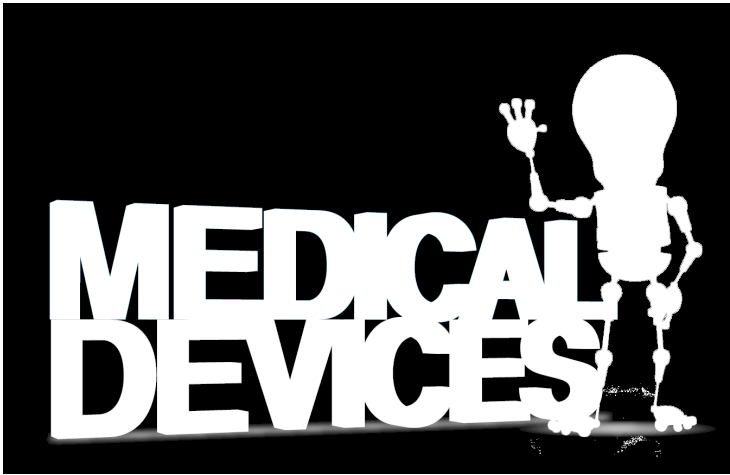


Post-budget Views: What's ahead for the medical device sector in India?

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Seema Arora, National Marketing Head – India, ResMed shares her post-budget views-

The medical device industry in India has undergone rapid transformations that have been propelled by the changing regulatory policies and the growing customer need driven by 'value' providing amalgamation of medical products and services. India, which is counted amongst the top 20 markets for medical devices in the world, is largely dominated by imported manufacturers. Third-party sources reveal that the medical device industry in India is valued at USD 5.2 billion, which is growing at a CAGR of 15.8% and slated to reach USD 50 billion by 2025 (Source: Invest India). Over the last few years, the Indian medical device industry value chain has also evolved greatly. To match future expectations and to maintain their stake in the evolving value chain, medical device companies will need to expand their business models and strategically focus on following a more 'connected' customer-centric approach. The growing demand for providing a holistic treatment to people in the near future is expected to bring about the much needed disruptive motivation required by the sector to grow.

The new interim budget for 2019-2020 rolled out by the Government of India strongly envisions providing a 'strong infrastructure and a comprehensive wellness system', especially for citizens residing in the rural parts of the country. In order to benefit the economically weaker patients, the government is looking to reduce the overall healthcare costs in India, which are greatly influenced by medical devices and medical technology. The government is focused on encouraging domestic production of medical devices under the 'Make in India' scheme, however, it requires a greater need for regulating the device safety and quality norms to desired standards that would ultimately benefit the end-user. The government's recent proposal to increase budget for Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY) to INR 64 billion, is expected to accelerate availability of health insurance for targeted 500 million patients at a faster rate. In effect, while the policies have made a marginal effect on encouraging growth for the medical device sector, the government's move to include 'Healthy India' as one of its 10 key priorities for the sector is symbolic of the need to push towards preventive healthcare measures for a healthy India.

Overall, the industry recognizes that there has been an increase in the number of non-communicable diseases (NCDs) spreading in the society, which can lead to several associated complications that can carry forward for a lifetime. In order to prevent such complications and improve the overall health environment of the people, medical device companies will need to

carefully evaluate their business and operating models in order to deliver value beyond the devices alone by 2030. They will need to improve integration of intelligence into the devices to collect real-time health data of patients. The manufacturers will have to prepare themselves to deliver more cohesive 'solutions' that are affordable and assisted by a team of trained professionals providing 'real-time engagement services' to treat the patients. Companies will need to device remote monitoring platforms and tools that can provide targeted care delivery for a value driven holistic treatment experience. Furthermore, while the demand for innovative devices such as smart watches and smart sleep monitoring apps continues to increase, government's vision to improve infrastructural facilities for health care also appear to be well placed to promote setup of more and more establishments like sleep labs throughout the country. As we all know that the fundamental principle for good health is 'prevention', to become future ready, the government too will need to lay down policies more precisely and collaboratively with the private sector. It is essential that both stakeholders work together to reform the sector positively to realize their common goal, which is to make quality healthcare services affordable and readily available for the people of India.