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Aatma Nirbharta in MedTech need more measures: MTaI

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Spending on healthcare can increase GDP by increasing productivity with reduced loss of man-days due to sickness



The government has expressed its intention to create a surplus capacity in healthcare infrastructure. The plan to increase public expenditure on healthcare and ramp up health and wellness centres in remote areas will certainly help the needy in availing health services, especially since India's spend on healthcare is only 1.3 percent of its GDP and needs severe bolstering.

There is a need to carve out a concrete plan on building healthcare infrastructure at tertiary levels both in the government & private sectors, create more diagnostic centres and increase procurement of antibiotics, medical devices etc.

The entire healthcare continuum from providers to medical device suppliers have been hit by cash crunch due to increase in import duty, rupee devaluation against dollar, increased transport cost in the COVID situation due to surge prices, reduced cash flow due to non-payment of dues and decrease in revenue due to stoppage of elective procedures. We urge the government to provide some relief and help the healthcare sector sustain in these testing times.

Medical Technology Association of India (MTaI) believes that spending on healthcare can increase GDP by increasing productivity with reduced loss of man-days due to sickness. Also healthcare investment can increase employment opportunities in service provider segment like hospitals with increased number of clinicians/paramedics/ nurses. The employment opportunities in the industries supporting it like medical technology and pharmaceuticals will also be increased with more spend on manufacturing, supply chain and R&D. It is clearly established that countries with higher spend on healthcare have better per capita income with higher productivity.

Pavan Choudary, MTaI Chairman and Director General said, "In our opinion, Aatma Nirbharta (self- reliance) in medical technology sector would be achieved, when we can make competitive products in India, when People of India can be treated in India without having to travel abroad & spending precious foreign exchange, when the tertiary care facilities will expand in the government sector too, when R&D flourishes to handle our problems as well as respond to global opportunities, when every Indian healthcare workers gets trained as well as his best global counterpart."

MTaI requests the Government to:

1. Commit a definitive package on developing healthcare infrastructure and procurement and to increase fiscal spend to 2% of GDP in 2020-21 and 3% by 2021-22.
2. Announce special fiscal package to release all pending payments to maintain cash flow to the providers and suppliers.
3. Increase patient affordability by reducing customs duty, health cess and GST on medical devices which cannot be made in India in the short and medium term, with a view to handle the Covid crisis.
4. Restart the elective surgeries in all zones, with special initiative for transportation of patients and ensuring stringent safety guidelines.
5. Bring down aviation fuel cost, so that cost of logistics in shipping devices across the country is reduced.