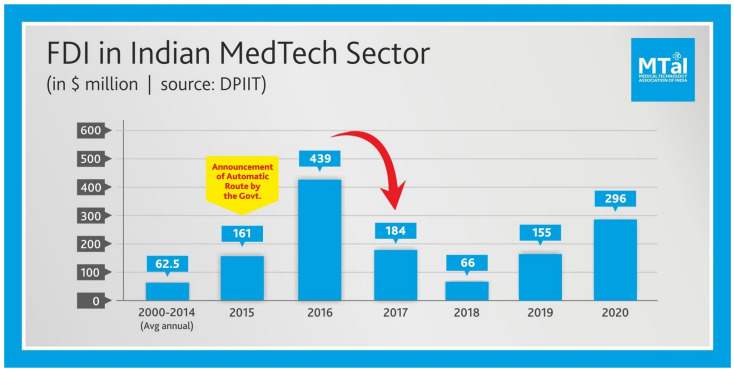
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MTaI voices concern on public procurement policies leading to chaos, confusion

30 March 2021 | News

A blanket declaration is made that 19 HSN codes will be procured from only class I local suppliers, overlooking the fact that these codes are not monolithic



MTaI feels disappointment that despite the assurance of the Ministry of Commerce that no PPOs will come without proper analysis of local market capacity, they are still seeing such a notice, which on first reading, seems to be made without doing a proper due-diligence on.

A blanket declaration is made that 19 HSN codes will be procured from only class I local suppliers, overlooking the fact that these codes are not monolithic. Each of these codes may comprise of many categories several of which may not even be manufactured in India.

MTaI has also observed that the list of manufacturers that are indicated in the order, fails to mention some of the globally renowned manufacturers who already have a strong manufacturing foot-print in India as well as a significant share of the market.

MTaI prima facie feel that this will be a regressive step, as this could further push down FDI investment which has just picked up pace primarily due the undespairingly spirit of the global investors. The global companies contribute most of the investment which comes into manufacturing in India.

Another important reality that needs to keep in mind is that many medical devices have a high value but are produced in low volumes. It may therefore not be economically viable to manufacture all devices in a single geographical area. That is why even countries where medical device manufacturing is highly developed have significant percentage of import dependence.

MTaI would also like to underline the fact that central government hospitals also cater to the under privileged. And changing the quality of inputs that they have been getting without a high-quality due diligence puts all their clients to avoidable risk.