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Medtech & diagnostic sectors require Budget 2024-25 to pay attention on indigenous production & skill development

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Indian medical devices sectorâ??s contribution has become even more prominent since India supported the domestic and global battle against COVID-19 pandemic through the production of medical devices & diagnostic kits.



Empowering the medtech and healthcare industry as a cornerstone of the Indian economy requires a dynamic shift towards Atmanirbhar Bharat and innovation. The diagnostic and medical devices industry players lay down their expectations from Union Budget 2024-25.

“It is heartening to see that the government has placed affordability as one of its top priorities. However, the customs duties and taxes levied on medical devices in India are one of the highest in the world and highest among the neighbouring countries which directly impacts patient affordability; this is therefore contradictory to what the government is trying to achieve. As per government data, more than 80% of critical medical devices are imported into India to meet the rising demand for quality healthcare. We hope that as the preparation for the Union Budget 2024 gets underway, a correction on the tariff rates is urgently being considered”, said **Pavan Choudary, Chairman, Medical Technology Association of India (MTaI).**

"In the upcoming budget, the government could further support the medtech sector by reducing import duties and lowering GST on locally procured raw materials, particularly for critical medical devices such as stents, heart valves, knee and hip implants. Incorporating advanced treatment methods like TAVI/TAVR into the Ayushman Bharat – Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY) insurance scheme, and encouraging private health insurance companies to follow suit, can significantly enhance healthcare access for economically weaker sections",**Vivek Shah, Chief Executive Officer, Meril** voiced his opinion.

Sharing his perspective, **Mandeep Singh Kumar, Vice President and Country General Manager, Intuitive India** said, “With the need for adoption of modern technology in various aspects of healthcare, accessibility to advanced surgical technologies like robotic-assisted surgery (RAS) must be a continued focus in this year’s union budget. Streamlined approval processes for high-tech devices across various ministries, coupled with a fair and predictable policy regime, would accelerate patient access to life-saving technologies and improve clinical outcomes. A reduction in the high customs duties for medical devices will enable the industry to expand its distribution in India and help the industry grow to its potential. Abolishing the 5% health cess ad valorem tax on imported medical devices is imperative to help the country gain better access to advanced technologies in healthcare.”

“Through preferential treatment for homegrown companies in tender allocation and increased customs duties on readily available equipment, the nation can create the groundwork for a thriving ecosystem supporting the growth of local manufacturers. Furthermore, continued funding along with comprehensive technological and manpower-related assistance from the administration will establish a welcoming environment for Indian startups to flourish, leading to unprecedented technological advancements within the borders and beyond”, **Chander Shekhar Sibal, Sr. Vice President & HOD, Healthcare Business, Fujifilm India** further added.

Giving an overview on behalf of the diagnostic industry, **Chandra Ganjoo, Group Chief Executive Officer, Trivitron Healthcare said,** “The industry advocates for a comprehensive strategy: incentivising R&D and indigenous production, streamlining regulatory processes for faster product approvals, and enhancing infrastructure and skills. Tax incentives for investment in advanced technology, streamlining bureaucratic procedures, and fostering industry-academia collaboration can stimulate domestic manufacturing. This approach should align with global standards and ensure a stable regulatory environment to attract investments.”

Laying emphasis on the diagnosis of rare diseases, **Surajit Chakrabartty, Chief Financial Officer, MedGenome said,** “We would urge the Government of India to lead awareness campaigns that can educate and build trust around the effectiveness and benefits of genetic testing in identifying and managing the genetic diseases. Making prenatal genetic testing accessible across all socioeconomic backgrounds coupled with nationwide awareness campaigns on rare diseases, will empower early interventions. For further progress and building a robust genomics infrastructure, increased investment in research is crucial along with establishing strict regulatory guidelines and ethical frameworks which address aspects like partnerships, data storage, usage protocols, consumer protection, de-identification methods, potential discoveries, and outcome distribution."

"With the growing burden of non-communicable diseases (NCDs) and infectious diseases, we underscore the importance of comprehensive screening and diagnostics programmes, along with expanded skilling courses for healthcare professionals to attract and enhance talent in the advanced diagnostic field”, said **Gaurav Srivastava, Co-Founder & Chief Operating Officer, HaystackAnalytics.**

Adding another perspective, Sandeep Gulati, General Manager, South Asia, ResMed said, “Considering the dynamic healthcare landscape, there is potential for medical equipment and home healthcare using telemonitoring to be covered under insurance. We also encourage the inclusion of sleep-related disorders such as Obstructive Sleep Apnea (OSA) to the classification of Noncommunicable illnesses (NCDs). Additionally, there is a need to incorporate sleep testing in the category of diagnostics under National Diagnostics Essential List.”

Summing it up, **Jatin Mahajan, Secretary, Association of Diagnostic Manufacturers of India (ADMI)** said, "Even though the government has created a policy for purchase preference for Made in India products, unfortunately, this policy has not worked. In most government purchases, there is no preference for 'Made in India' as the state governments are not implementing this policy effectively. This policy is either ignored or side-lined."

"The government must work with the industry to identify the specific need-gap for timely addressal of the issue. Industry-academia linkages should be strengthened, and more professional courses that fully cater to the industry's skill requirements and ensure higher employment for the trained personnel need to be introduced", Mahajan concluded.