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MedTech Industry seeks immediate and complete roll back of import duty increase

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Indian Medical Device and Equipment sector is largely supported by Imports for meeting the healthcare needs of the country. FICCI welcomes Government's recent move to relax import duty on spare and parts used to manufacture and maintain medical devices in India. This was long awaited to give necessary impetus to Indigenous Industry. However, a simultaneous hike in import duty of medical equipment and devices and the resultant cost implications on care provision are likely to affect affordability of medical care in the country.

This sector being highly technology - intensive, thrives on innovations which require an ecosystem for development and manufacturing complex medical devices and equipment. The 7 percent increase in duty hike coupled by high foreign exchange related pricing pressures puts med tech industry under stress as it endeavours to deliver affordable, quality medical access to all sections of population.

Mr Milan Rao, chairman-FICCI Medical Electronics Forum (MEF) suggests that, "High end and complex equipment and devices such as MRIs, CTs, Cyclotrons, new generation heart valves, grafts, oxygenators, etc. require technology transfer, ecosystem for manufacturing , manpower skills and robust supply chain, all of which are time consuming. Hence, any such duty increases for technologically advanced equipment and devices must be introduced in a phased manner over 3-5 years."

India is facing a tremendous opportunity in scaling up Med-Tech sector from US$ 5Bn to $10 billion by 2020. "In order to maintain this growth trajectory and encourage investments in indigenous manufacturing the sector should be incentivized. In light of Make in India's realization and continued affordable healthcare access in country the increase in Customs duties should be reviewed," said Mr Probir Das, chairman FICCI Medical Devices Forum (MDF).

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