

"Regulatory changes will make India favorable for manufacturing"

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How do you define medical outsourcing? What is its relevance in the Indian context?

Outsourcing is definitely not a new phenomenon and with the healthcare industry experiencing an accelerating growth, medical device outsourcing is the new found appeal. Medical devices outsourcing domain includes services to targeted functions including product design, research and development, production, engineering services, and supply chain management.

With the new technologies, advanced manufacturing processes, intense competitive marketplace and complex regulatory environment, more and more medical device manufacturers are considering outsourcing as a way to help lower costs, reduce time-to-market, increase agility, and boost their return on investment. In addition, product re-targeting for emerging markets like India and Africa is also a factor.

How big is the medical tech sector in India? What can propel growth?

The medical tech sector in India is currently valued at \$6.3 billion (CII Report). Growth can be propelled both from the internal and external factors. Improvements in healthcare infrastructure and technology, innovation of low cost medical devices for the emerging markets and establishments of Indian captive centers by global leaders in this business can propel growth internally.

What kind of services does your company provide to medical tech companies?

Tata Elxsi provides product engineering and regulatory compliance services to medical devices companies. The product development includes electronics, software and the industrial and mechanical designing part of medical devices. The portfolio of services includes concept generation and validation, product development, verification and validation, and sustenance engineering for medical devices. Tata Elxsi also provides regulatory compliance services.

Can India build upon ideas to promote indigenous medical technologies manufacturing here in the country? Are there any such initiatives?

Currently, China is a preferred destination for medical manufacturing services, but India is also gaining pace. India seems to be a cost effective destination for such services and as more and more multinational firms are looking at customizing their products to suit country specific requirements, the segment is only likely to grow in the coming years. For that matter, the global medical devices manufacturing services outsourcing market is likely to grow at around 12 percent CAGR through 2013-2018. In India, the growth rate can be expected to be better.

How do you look at the regulatory scenario?

India Regulatory environment is seeing major changes which will impact the medical technology industry. The recently tabled 'The Drugs and Cosmetics Amendment Bill, 2013' is expected to recognise the uniqueness of medical devices, equipment, consumables, and diagnostic products. With this disengagement of medical devices from drugs, there will be significant reduction in timelines for approvals or licenses for medical devices. This will help local manufacturers to grow significantly and compete on a global scale.

What are your future plans in healthcare business?

We plan to grow to a 1000 persons year capacity by 2016 and continue to focus on providing value added services for emerging markets