

"Local manufacturing can turn medical tech into \$50 bn industry"

01 September 2014 | News | By Rahul Koul Koul

"Local manufacturing can turn medical technology into \$50 bn industry"



Speaking at the 7th medical technology conference organised by the Medical Technology Division of Confederation of Indian Industry (CII) in New Delhi on August 20, 2014, Mr Kant said "Therefore it is essential that the sector exploit the cost advantage, if it wants to compete with China in the global market."

Mr Kant, along with other union health secretary Mr Lov Verma and Dr K Vijay Raghavan, secretary, Department of Biotechnology (DBT) and leading captains of medical technology industry were present at the event to unveil the 'Vision Document - 2025', an extensive report on the Medical Technology sector jointly prepared by CII and Boston Consulting Group.

As per the Vision Document, getting things right could lead to a \$30 billion domestic market opportunity as well as setting up the right manufacturing capabilities could spur an additional \$20 billion manufacturing opportunity for the Indian medical technology space.

The CII director general, Mr Chandrajit Banerjee, said, "Due to its pleasure and potential, CII is happy to acknowledge the Medical Technology Sector as a sunrise sector"

Expanding on the theme of effective governance, Mr Pavan Choudary, chairman, Medical Technology Division of the CII and managing director, Vygon India, said "Classification of medical devices as drugs, burdens the process of investment with fiscal policy obstacles and regulatory hurdles. It impacts FDI, technology transfer, local investment, manufacturing, operations, innovation and exports."

"The Vision Document - 2025 highlights the need for a dedicated, separate and globally harmonised regulation for medical devices," added Mr Himanshu Baid, co-chairman, CII Medical Equipment Division and managing director, Poly Medicure.

Mr Rahul Guha, partner and director, Boston Consulting Group (BCG) India remarked that there was lack of investment, lack of regulation, less priority of the government and this was therefore a vicious circle. "The innovations and the licenses are something that unfortunately are not going in tandem with each other," Mr Guha said.

According to the CII-BCG report, global medical technology market is expected to be \$600 billion plus by 2025 and that India can capture 10 percent of that share if provided with adequate support and policy guidance.

To build up a roadmap for India to reach its full potential in medical technology, CII and BCG assembled a think tank of 40 plus industry participants to brainstorm and determine the key levers required to be able to unlock the true potential of India. BCG held a set of workshops across Mumbai and Delhi to discuss and debate the right focus areas and develop a roadmap to unlock this potential.

Among the key recommendations proposed by the CII-BCG Report are -

- Need for a separate regulatory act for Medical Technology
- Need for manufacturing incentives (for example-tax support, low cost funding to spur investments)
- "Single-window" clearance to ease the regulatory burden for the industry
- Creation of 'National Innovation Policy' to reward results in innovation
- Need for world-class Manufacturing Infrastructure
- Set up Collaborative Partnerships
- Invest in Capability Development and Training by setting up Centers of Excellence for medical technology training
- Global task force to promote India as a manufacturing and R&D hub globally
- Create industry sponsored programs between local and global industry on joint collaboration projects
- Industry - Academia Collaboration. To facilitate curriculum adaptation as well as cross-pollination of knowledge between students of Medical Technology and Business Management.