

## **Medical devices makers seek regulatory clarity, fiscal incentives, innovation hubs and correction of inverted import duty structure at 'FICCI Heal 2015'**

**NEW DELHI, 1 September 2015:** Industry leaders participating in a session on the 'Make in India' initiative at the **FICCI Heal 2015** conference have called upon the Government to take strong measures to drive the consumption of medical devices in the country, bring clarity to regulatory policy, correct the inverted import duty structure and provide fiscal incentives to give the domestic manufacture of medical devices a strong impetus for growth and turn India into a global innovation hub for medical technology.

Convening the '**Make in India' and its Relevance to Healthcare session, Mr. Varun Khanna, Managing Director - BD India**, said, the 'Make in India' campaign must be aligned with key government initiatives to create a strong impact on public health and provide safe medical care accessible to all. Therefore, it is important for the stakeholders in the medical devices and larger healthcare ecosystem to constructively engage in a dialogue to facilitate 'Make in India' for the country. The government should strengthen entrepreneurship and innovation to fulfil the clinical unmet needs leading to better patient outcomes."

**Mr. Ajay Pitre, Co-Chair of FICCI Medical Devices Forum & MD, Pitre Business Ventures Pvt. Ltd.**, said, "The need for quality healthcare services is going to rapidly expand as the Indian economy evolves. A strong domestic medical technology industry is very much possible, considering India's strengths, to help meet the country's needs for medical devices meaningfully and cost effectively. From a net importer, India can transform itself into a provider of cost-effective medical technology solutions to the whole world; provided an enabling ecosystem is put in place by the Government."

The delegates were unanimous that the medical devices industry is poised to grow significantly in the coming years due to the huge unmet need, and it is no longer sustainable to continue with the current 80:20 import-export ratio. They called upon the Government to focus on the following initiatives to turn India into a powerhouse of medical devices manufacturing:

- **Market Expansion** – The current market of medical technology in India is an insignificant fraction of the global market. The Government needs to facilitate access and drive consumption by increasing spending in healthcare from current 1% of GDP to at least 3%.
- **Regulatory Clarity** – The Act separating medical devices from drugs needs to quickly come into force. It should enforce risk-based classification and allow ease of clinical trials. Also, a nodal ministry has to be made responsible for end-to-end facilitation of the medical technology industry.
- **Fiscal Incentives** – To create a global supply chain and manufacturing in India, the Government needs to provide fiscal advantages to investors on the lines of countries like Ireland and China.

Said Mr. Probir Das, Managing Director, Terumo India Private Limited, "It is very important for the Government to address the issue of inverted import duties and formation of manufacturing clusters. The import of components is often more expensive in India than the import of finished goods. Zero duty or very low levels of duty on component imports will facilitate local assembly / production of medical devices."

Added Mr. Sunil Khurana, Chairman FICCI Medical Electronics Forum & CEO, BPL Medical Technologies, the 'Make in

India' campaign coupled with 100% FDI in this sector will provide a huge impetus in growing the medical devices sector in India. Indian medical devices companies must try attract international majors for their participation in the form of funds, technology and manufacturing partnership. Local manufacturing will help in development of custom products suited better to our disease pattern and patient demography thereby reducing the overall cost of delivery. Manufacturers would also benefit through government purchases giving preferential treatment for domestic production. Further, we also need to develop our own quality control standards specific to Indian context."

FICCI Heal is the flagship event of the Health Services Division of FICCI and is among the most eagerly awaited health conferences in India. This year's theme was 'India's Healthcare: Time for Paradigm Shift'. Over two days, the conference focused on the shift needed in the health policy structure and functional guidelines for achieving global standards of healthcare across the country. The conference saw large-scale attendance by policy makers and national and international leaders from healthcare and associated industries from India and abroad.

FICCI Heal 2015, with back to back sessions over two days from August 31 to September 1 on every aspect of the healthcare industry, concluded with a valedictory session on 'Disruptive Innovation and New Age Entrepreneurship in Healthcare.' It focused on the need for creating an enabling ecosystem to address cultural, infrastructural, financial and legal issues so that constant streams of indigenous innovations are available for market application. There was a strong emphasis on establishing a supportive regulatory system which is expected to play a vital role in encouraging start-ups in the manufacture of medical devices in the country.

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