

Capitalising on the power of Make in India

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It is pertinent to remember that healthcare reforms are built on four important tenets—address the most threatening disease burden, enable quality care, ensure affordability and enhance access to healthcare. In India,

there is a glaring burden of non-communicable diseases (NCDs). According to recent data from the National Health Mission, “nearly 5.8 million people die from NCDs—predominantly heart and lung diseases, stroke, cancer and diabetes every year. In other words, 1 in 4 Indians is at risk of dying from an NCD before they reach the age of 70.” As the Indian healthcare system continues to develop, it will need to focus on building healthcare infrastructure that targets the growing NCD burden while ensuring easy access for patients to quality healthcare. Given the scale and geographical spread of the population across India, this health infrastructure will need to be ubiquitous in order to be closer to where people live, require low out-of-pocket expenses to enhance affordability, and standardised to ensure optimal quality.

While the Union Budget 2024-25 increased healthcare expenditure by approximately 13% from last year, such large-scale healthcare infrastructure built to target the growing prevalence of NCDs will need to employ advanced Medical Technology (MedTech) for the purposes of efficiency and effectiveness. MedTech with AI, robotics and automation is already changing the way we treat patients by providing personalised, precision care,

at scale and often remotely, in order to improve patient outcomes. A strong health infrastructure will need more MedTech to reach the last citizen.

PRIORITISING THE SOURCING OF DOMESTICALLY MANUFACTURED MEDTECH

The MedTech sector still relies on imports to the tune of

approximately 70 to 80%. Due to the lack of economies of scale, inadequate incentives and the absence of adequate investment in research and development (R&D), India is heavily

import dependent. In addition, we are also importing expensive raw materials from other countries like China and Japan. Incentivising R&D, flexible regulatory policies and support for indigenous production will help address these challenges.

The government is investing in domestic manufacturing capabilities to address import dependence. From the National Medical Devices Policy (NMDP) 2023, Production Linked Incentives (PLI), Promotion of Medical Devices Parks, “with a total financial outlay of Rs 400 crore” to Brownfield clusters, the PM Gati Shakti and more, India is taking significant steps to encourage local manufacturing. These investments are expected to grow the MedTech sector to \$30 billion by 2030. The budget for the PLI scheme has been increased to approximately 41% from last year with the government’s ambitious expansion of the scheme. Recently, the PLI scheme was expanded from finished goods to key components such as PET CT detectors. If the PLI scheme is further simplified, with expansion to Brownfield facilities, including more

components and subcomponents for easy adoption, it will further encourage investments in this sector.

Additionally, offering rebates to healthcare facilities built in non-metros to buying locally manufactured MedTech products, will help taking high-end technologies to access-restricted cities. For instance, Madhya Pradesh offers a 20% rebate to healthcare facilities built in non-metro/rural areas for the purchase of MedTech products. All states should be encouraged to provide similar rebates, particularly in underserved areas, with lower rebates for imported medical devices of similar specifications.

UNIFORMITY IN MAKE IN INDIA ACROSS THE SECTOR

We must address roadblocks to procurement of locally manufactured medical devices. Case in point—the government allows the import of select products/technologies that are not locally manufactured. It is satisfying to see this list reducing every year indicating the ever-growing local capacity to supply advanced technologies. While products not on the list are expected to be procured from local manufacturers, this is not always followed. It is important to enforce this policy across all public procurement, including public private partnership (PPP) programmes where taxpayer funding is spent on delivering care to patients.

Lastly, public

procurement agencies across central government, state governments and PPPs should ensure that MedTech products sold in India abide by applicable regulatory, safety and data security laws prevalent in India. The land border order on public procurement orders (PPOs) must be adopted uniformly across central and state governments, autonomous public procurement agencies, and applied to PPP procurement by private players.

Indigenously designed, developed and manufactured technology by innovative local companies or multinationals can enable the healthcare reforms and capacity development needed in India. The next decade of India’s MedTech prowess is unfolding at an unprecedented pace. To achieve our aspirational healthcare goals, we need to embark even more aggressively on the path of Atmanirbhar Bharat and Make in India and the time is now!

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