



Department of Industrial Policy and Promotion  
Ministry of Commerce and Industry  
Government of India

## MEDICAL DEVICES - SECTOR OVERVIEW

### Current Scenario

- USD 1.57 Billion in Medical and Surgical Appliances between Apr 2000 and Mar 2017
- Represent 0.47% of the total inflow during the period.
- Last year, FDI flow in Medical and Surgical Appliance was USD 153 Million
- Indian Medical Devices sector growing at 15.8% CAGR; global industry growing at 4.1%
- Top-20 markets globally, 4<sup>th</sup> largest in India, after Japan, China and South Korea
- Highly Import Dependent: India imports nearly 80% of its medical devices
- Multiple Medical device parks planned across the country; HLL Chennai, for e.g., is a 330-acre area dedicated to electronic medical devices

### Future Potential

- Market Size \$ 50 Billion by 2025
- Focus States: Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Haryana
- 60% output by domestic players exported, market remains import-dominated
- Exports grown from \$ 0.78 Billion in 2012-13 to \$ 0.68 Billion in 2016-17
- Diagnostic Imaging & Consumables form 86% of total medical device exports (16-17)
- Domestic firms specialize in low-price-high-volume segment; MNCs focus on sophisticated, high-end devices

## DEMAND DRIVERS

- Dual burden of communicable and chronic diseases, lack of adequate health infrastructure, and ageing population – opportunity for home-based care
- Under-penetration of medical devices in India represents a sizeable growth opportunity – current per capita spending lowest in the world
- Policy Push is being given to promote the medical device industry – includes allowing 100% FDI under the automatic route, issuing Medical Device Rules (2017), manufacturing-favored GST regime.

## POLICY SUPPORT & INCENTIVES

- 100% FDI allowed under the automatic route, for Brownfield & Greenfield set-ups
- New Medical Device Rules – conformity with Global Best Practices – notified by Ministry of Health & Family Welfare – regulatory bottlenecks to be removed
- National Medical Device Policy is soon to be released
- Most medical devices fall under 5% or 12% bracket under GST regime – manufacturing encouraged
- Government encouraging 'Make in India' through cluster development – setting up

of 3-4 medical device parks