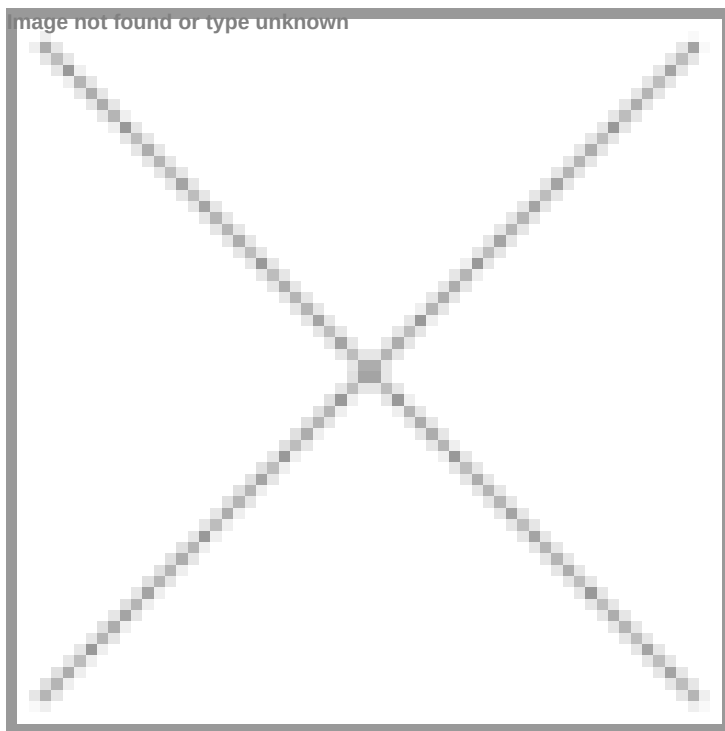


MediTech Stackathon 2024 to Drive Explosive Growth

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India's MedTech industry holds immense potential, with projections estimating a growth rate of 28 per cent annually, and hitting \$50 billion by 2030. India is the fourth largest market for medical devices in Asia and among the top 20 globally. Net imports for 2022-23 stands at \$4.101 billion with an import coverage ratio of 0.45. The sector has witnessed a surge in imports, driven primarily by countries like the US, China, and Germany, however, India's robust policy ecosystem presents opportunities for exports and reducing import dependence through domestic manufacturing. Exports have overtaken imports in consumables and disposables during the last year. The industry now needs to continue with the momentum in other pillars of the medtech sector. Against this promising backdrop, the Department of Pharmaceuticals rolled out MediTech Stackathon 2024, in a bid to harness the collective expertise of stakeholders to ultimately propel the industry towards unparalleled heights of innovation and self-reliance. Let's explore how the Indian medtech industry is prepping for the big leap.



India's medtech sector has shown a promising growth trajectory over the past decade. It is a fast-growing industry today, holding strong potential for technological innovations and making unique industrial transformative strides. Being the world's second most populous country with a rising number of diseases, effective healthcare delivery to improve health outcomes is important. While India hosts an impactful healthcare professionals' ecosystem and is home to an excellent pharmaceutical domain, there is a wide gap in healthcare delivery to patients. The development and incorporation of medical devices and technology in healthcare can be a key factor in bridging this gap.

In the past few years, new dedicated policies and initiatives have been introduced to boost the growth and development of

India's medtech sector. Some of the significant ones from the recent past include the National Medical Devices Policy from April 2023, the Production Linked Incentive (PLI) Scheme for medical devices, under which new medical device manufacturing parks will be developed to foster indigenous manufacturing of medical devices; and, in August 2022, the Department of Pharmaceuticals reconstituted the National Medical Devices Promotion Council (NMDPC) under the Chairmanship of the Secretary of the Department of Pharmaceuticals.

Continuing the momentum and supporting this niche space, the Meditech Stackathon initiative launched on May 7, 2024 by the Department of Pharmaceuticals (DoP) in collaboration with the Confederation of Indian Industry (CII) is an important one. During the launch of the Meditech Stackathon, **Dr Arunish Chawla, Secretary of the Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers** emphasised the importance of policymakers and industry coming together to draw up a sturdy policy stack for the growth of the medical devices industry in the country.

The Meditech Stackathon is 'designed to catalyse transformative change within India's burgeoning medtech sector by undertaking a comprehensive value chain analysis of select medical devices'. It will serve as a platform to bring together policymakers, industry players, healthcare professionals, and experts to strategise the growth of India's medical devices sector.

Prospects and obstacles

The World Health Organisation (WHO) defines a medical device as 'any instrument, apparatus, implement, machine, appliance, implant, reagent for in vitro use, software, material or other similar or related article, intended by the manufacturer to be used, alone or in combination for a medical purpose.' Such a multi-faceted industry spanning several segments, the medtech sector can present its fair share of challenges and opportunities. Streamlining industry operations and establishing strong market growth could enable better accessibility of quality healthcare and affordability to a larger proportion of India's population. Medical technology innovation can be a significant tool to make this possible by lowering the cost of the product or delivery.

The key focus of the Stackathon will be to identify critical challenges and opportunities and carry out a comprehensive value chain analysis of the various segments of the MedTech industry. In addition, the Stackathon initiative will also focus on targets of reducing import dependence and building a strong and self-sufficient domestic manufacturing of medical devices.

Dr Arunish Chawla, during the launch of Meditech Stackathon, highlighted the critical need to focus on quality to ensure that India becomes globally competitive. Through the Stackathon, Dr Chawla said, the participants will delve into the complexities of different product segments within the medical devices industry to gain insights into their unique challenges and opportunities, analyse and map value chains across various segments of the medical devices industry to identify key stakeholders, processes, and dependencies, identify critical issues hindering the development of the medical devices industry, such as import dependence, regulatory hurdles, and technological gaps.

Regulatory landscape

Focusing on the quality of medical devices and related regulatory frameworks will be instrumental in increasing the market penetration and trust factor at the consumer end for indigenously manufactured medical devices and equipment. Gauging the ground reality through primary and secondary healthcare providers, and driving effective and continuous dialogue between the key stakeholders – from doctors to industry leaders and policymakers – would be crucial in ensuring the highest quality and safety standards are met in the medical devices sector. Initiatives like Meditech Stackathon could help streamline regulatory policies and quality standards and provide a simultaneous boost to domestic production of innovative medical devices; a factor that can prove crucial for the holistic growth of India's medtech sector.

This is especially important in view of reports around India being at the receiving end of refurbished medical devices and equipment. According to recent reports, the Patient Safety and Access Initiative of India Foundation (PSAIIIF) has filed a writ petition, in the nature of a Public Interest Litigation (PIL). The PIL arises from concerns regarding the laxity in the regulatory framework concerning the quality, safety and efficacy assessment of second-hand or used medical devices, which are compromising the standard of health services in the country. The cause of action also arises in view of refurbished medical devices posing an inherent safety risk to the life of the general public at large. Some of the overseas multinational companies are importing refurbished/ reconditioned medical devices, such as robotic surgical systems. The cause of action in the nature of a PIL inter alia also arises from the risks associated with India being made a dumping ground for such pre-used/refurbished/reconditioned medical devices.

A wholly indigenously operating medtech company, Gurugram-based SS Innovations has been developing cutting-edge, first-in-India robotic surgical systems, with a dedicated goal of making advanced robotic surgeries cost-effective and accessible to a global population. SS Innovations is also driving innovations in Telesurgery. **Dr Sudhri Srivastava, Founder and CEO of SS Innovations** shared his views on how the Meditech Stackathon can address issues of domestic manufacturers and increase the overall trust in Indian brands in the medtech sector. "The whole initiative of 'Make in India' must become a reality. We continue to import a majority of devices, nearly 80 per cent. Refurbished devices and equipment are imported. Government should take actions in the direction of discouraging imports in general, especially in reducing imports of refurbished equipment."

Stressing the fact that India not having the kind of technology yet increases dependence on this kind of import, Dr Srivastava added, "The only way to address these issues is to build the technologies in India by fostering innovations. Innovations take time and money and boosting investments in the sector will be the key to encouraging advanced medical technologies in India. He added that the government's help to the medtech sector in this regard would also be needed to reduce the duty on some imported devices to make affordable healthcare delivery accessible to a larger percentage of our population. He also emphasised that there is a huge need for the right kind of governmental support to build an enabling and holistic infrastructure in the medtech sector to achieve a collective goal of equitable healthcare, especially in rural areas.

Speaking about how initiatives like Meditech Stackathon can help address such issues, **Prof Dr Somashekhar SP, Chairman – Medical Advisory Board, Aster DM Healthcare (GCC & India) and Board of Director, SS Innovations International** shared that the right laws are in place to prevent import of refurbished and outdated devices, but their implementation is the main problem. He also added that there is a bias among healthcare professionals in using indigenous medical devices even now. Further elaborating on the 'Make in India' initiative, he opined that India is a leader in technological advancements, and domestic manufacturing of advanced, technology-heavy medical devices needs to be boosted.

Sharing his views **Pavan Choudary, Chairman, Medical Technology Association of India (MTAI)** said, "As we navigate the evolving landscape of medtech in India, harmonising Indian regulations and standards with global best practices will be the keystone which will not only attract international investment in the sector but will also enable Indian manufacturers to get greater acceptability of their products in global markets, furthering the 'Make in India' objective of the government and keeping India aligned to global supply chains. We feel that domestic and international trends will together help carve out key policy recommendations that will be instrumental in furthering the medtech industry in India."

'Make in India' ventures

Aligning to initiatives such as 'Atmanirbhar Bharat' and 'Make in India', supported by the government's schemes such as the Production Linked Incentive (PLI), global medtech leading companies have taken strides in advancing their footprints in India aligning with the direction of domestic manufacturing and overall indigenous advancements in medical technology in India.

Dublin headquartered medtech leader, Medtronic, has significant operations in India, including manufacturing facilities. Over the past few years, Medtronic has introduced plans for advancing medical technology in the Indian market. In 2020, the company opened a Medtronic Engineering & Innovation Center (MEIC) in Hyderabad to support their global operations; and in May 2023, Medtronic announced an investment of approximately Rs 3,000 crore (\$362.8 million) to expand the MEIC centre in India. The MEIC is Medtronic's largest R&D centre outside the USA. Additionally, in 2023, Medtronic announced a partnership with Qure.ai to integrate artificial intelligence (AI) for advanced stroke management in India. In 2021, Medtronic India introduced a surgical robotics experience centre in Gurugram to help clinicians with robotic-assisted surgery technology

In 2022, Wipro GE Healthcare, announced the launch of its new manufacturing facility in Bengaluru, under the Indian government's PLI Scheme. The new facility was launched to further boost local manufacturing of medical devices in India.

The company has invested around Rs 100 crore in this facility. Wipro GE Healthcare has also launched its next-generation Revolution Aspire CT (Computed Tomography) scanner in 2022, an advanced imaging solution designed and manufactured end-to-end in India.

With the government emphasising early diagnosis of Non-Communicable Diseases (NCDs) and self-reliance, through 'Ayushman Bharat', there is an increased demand for advanced medical devices. The Revolution Aspire CT aims to address this need and enable access to quality medical equipment across India, including tier 2 and tier 3 cities. Commenting on this development of end-to-end manufacturing in India, **Dr Devi Shetty, Founder and Chairman of Narayana Health** said, "Access to healthcare has been deeply asymmetric in India and innovative medical technology products will help bridge this gap. We are witnessing this change with cutting-edge, locally manufactured, and affordable products such as the Revolution Aspire CT scanner helping democratise the market, taking quality healthcare to tier 2 cities and beyond. It is critical for all health centres, big and small, to have access to quality diagnosis."

Additionally, earlier this year Wipro GE Healthcare strides towards further strengthening a 'Make in India' initiative. The company signed an MoU with IISc, Bengaluru to advance medtech innovation from India – 'for India and the world'. The company also announced an investment of over Rs 8000 crore in manufacturing output and local R&D over the next five years.

In 2020, Siemens Healthineers announced an investment of \$179.7 million for five years till 2025 to establish an innovation hub in Bengaluru. The innovation hub will focus on the design and development of entry-level products. Expanding its manufacturing footprint in India, it has launched a new production line of Computed Tomography scanners approved under the Government of India's PLI scheme. Additionally, the company also inaugurated an MRI facility at Bengaluru, under the Government of India's PLI scheme. In 2022, Stryker inaugurated a neurovascular research lab at Stryker's Global Technology Centre (SGTC) in Gurugram to develop innovative solutions for brain stroke.

Expressing his views on how the Meditech Stackathon initiative is poised to boost the medtech industry, **Falgun Jani, Business Head – India, Freudenberg Medical** said, "Meditech Stackathon is a much needed and timely initiative that will definitely help to propel the growth of India's medtech industry. Thoughtful selection of 8 chosen medical device segments will encourage more collaborative activities amongst various stakeholders that are involved either directly or indirectly with these segments. Such initiatives will help foster domestic manufacturing, reducing import dependence, and positioning India as a frontrunner in the global medtech arena. Some of the important aspects are the analysis of import-export dynamics & supply chain of these devices, the formation and implementation of industry-friendly policies, and streamlining of the regulatory framework. Through close collaboration and concerted efforts, the initiative aims to address critical challenges, stimulate innovation, and unlock the full potential of India's medtech industry."

A robust domestic market

Increasing penetration of medical technology into the Indian healthcare ecosystem to grow the medtech market can be a key factor in the overall development of this fast-growing sector. Frugal innovations across the value chain in areas of product development, technology, marketing, business modelling, service delivery, etc. to increase market penetration and drive the growth of the indigenous market.

Given that the Stackathon initiative is designed to drive transformative change in India's growing medtech sector, catering to the needs of domestic businesses to boost market growth will be a crucial factor.

Speaking about factors that can help to create and drive strong market demand for innovative medical devices within India, **Amit Gandhi, Founder & CEO of Insight Tribe**, said that government initiatives like incentivising domestic manufacturing can help in creating a more robust ecosystem for innovative devices and potentially lower costs for consumers. In line with this crucial factor, he added, "Innovation tailored to Indian needs by developing cost-effective, yet high-quality, medical devices suitable for the Indian market will be crucial for wider adoption. A focus on innovation in devices for the prevention, diagnosis, and management of India's specific disease burdens/health conditions, will be a particularly attractive factor. Also, encouraging the use of locally sourced materials and components can further reduce manufacturing costs and create a more sustainable supply chain."

"Growing public awareness about health issues and preventive care will create a market for innovative devices for early detection and treatment. An untapped rural market, where expanding healthcare access to rural areas, presents a significant opportunity for affordable and portable medical devices", said Amit Gandhi.

He further added that a rising disposable income, increased insurance penetration, and increased health awareness; in addition to important government initiatives are some factors that can accelerate a strong market demand for innovative medical devices within India. He said, "As insurance coverage expands, patients become more open to considering advanced medical procedures that were previously cost-prohibitive. Some insurance plans cover the cost of certain medical devices, such as pacemakers or insulin pumps. This makes these devices more accessible to patients, further stimulating the medtech market."

Harmonious to this, leveraging on the opportunities presented by the development and streamlining of a holistic infrastructure needed for boosting India's medtech sector growth can also aid in driving the sector's growth and expansion.

Sharing his views on how the Meditech Stackathon initiative is poised to boost the medtech industry, **Dr Rajiv Chhibber, Vice President External Affairs, Sahajanand Medical Technologies** said, "The Meditech Stackathon is a much-needed step as India becomes a net exporter in the long run, and also significantly reduces import dependency on high-end medical devices. The fact that Dr Arunish Chawla emphasised the necessity of anchoring the policy stack on a solid foundation, encompassing precise economic classifications such as HSN and NIC Codes, meticulous assessment of tariffs and taxes at each stage of the value chain gives an impetus to manufacturers and helps them to overcome obstacles within the medtech domain including the need for standard harmonisation, supply chain, raw material and even post-market surveillance and streamlining the regulatory landscape so that better and ease of doing business can be enhanced, side by side, making India a net exporter in earmarked devices."

Further adding on what needs to be priority areas of focus for the With optimal support and participation from all stakeholders, initiatives like Meditech Stackathon are set to make this a reality in the coming years, as India continues to grow its global standing as a leading country in Science and Healthcare innovations and technology. Meditech Stackathon, Dr Chhibber said that the industry had highlighted the imperative of identifying and mitigating policy arbitrage, spanning price, quality, taxation, incentive structures, and regulatory frameworks that need to be relooked at when discussing Ease of Doing Business.

"From the industry we requested the DoP to organise segment-wise workshops to build on the Stackathon findings, bridge the gaps and strengthen the value chain analysis to decide on the production-linked and research-linked incentive schemes, which will give a major boost to domestic manufacturing in India, making us more Atmanirbhar, and joining forces with the Government of India towards a Viksit Bharat", added Dr Chhibber.

All in all, India's medtech sector is a fast-growing industry poised to achieve exponential progress. Several policies and initiatives are in place or expected to be introduced, and key stakeholders at all levels of the medtech sector seem to be carrying the torch forward to see India through to the pinnacle of a global medtech hub. The government's help through initiatives like the Meditech Stackathon and a robust policy and regulatory framework will be instrumental in orchestrating this progress. A growing medtech sector fuelled by innovations and collaborations could bridge the gaps between critical healthcare delivery, including accessibility and affordability, in India. It remains to be seen how this eventuates.

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