

“Budget” A big blow to 'Make in India' vision?

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This budget completely overturns the 'Make in India' vision especially for medical devices, said Mr Rajiv Nath, forum coordinator, AIMED. He further added that nobody including MNCs will invest in 'Make in India' if it remains cheaper to import than to manufacture the same products here, accompanied by all the difficulties of setting up a production unit and running the business.

He further suggested that the finance ministry and revenue department should work together with other stakeholder ministries like DIPP, DOP, DIETY, and DoC to drive domestic manufacturing of medical devices.

"Very partial and negligible token relief has been provided on pace makers and endoscopes. There is nothing structural to drive manufacturing of Medical Devices in India or make domestic companies competitive and expand market share from below 20-30 percent. There are a few tweaks on the inverted duty structure but limited to only 2-3 items like Pacemakers and Endoscopes by 2.5 percent reduction in Raw Material costs! Reducing CVD makes imports competitive as manufactures can't set off Modvat on inputs. Even the Economic Survey recommended doing away with Excise Duty concessions as Indian companies loose out to imports," he added.

Also, reduction of SAD is not going to help domestic manufacturing become more competitive.

