National Medical Devices Policy 2023

Why in news?

The policy aims to reduce India's import dependence to nearly 30% in the next couple of years.

Why was the policy proposed?

- **Large imports –** As per estimates, some 80–85% of the medical devices currently sold in India, mostly high end ones, and are imported.
- **Low quality –** The Indian players and manufacturers have centred their offerings in the low-cost and low-tech products, like consumables and disposables.
- **Reduce imports –** With the new policy in place, the Centre aims to reduce India's import dependence and become one of the top five global manufacturing hubs.

What is National Medical Devices Policy 2023?

- **Export driven –** The policy looks at an export driven manufacturing of medical devices.
- **Per capita spend –** The policy also aims to increase India's per capita spend on medical devices.
- India has one of the lowest per capita spend on medical devices at $3, compared to the global average of $47.
- **Affordable –** The policy will look to make costly medical devices affordable; and also easily accessible, ensuring larger use across hospitals.

Why a policy intervention?

- **Pre-independence Act –** India's medical devices sector is regulated by the *Drugs and Cosmetics Act of 1940* primarily.

  The Drugs and Cosmetics Act of 1940 regulates the import, manufacture, distribution and sale of drugs and cosmetics.

- **Request from industries –** The industry has been asking for a specific policy on medical devices.

How big is the medical devices sector pegged to be?

- **Market share –** India's current market share in the medical device category is 1.5% of the global space or $11 billion in 2020.
- **Dominant market players –** US dominates the global market with 40% market share, followed by Europe & Japan at 25 & 15% respectively.

Why not PLI schemes to push manufacturing in the sector?

- The National Medical Devices Policy 2023 will be in addition to the existing PLI schemes that are underway.
- The Government of India has already initiated implementation of PLI Scheme for medical devices and support for setting up of four medical devices parks.

The medical devices parks are located each in the states of Himachal Pradesh, Madhya Pradesh, Tamil Nadu and Uttar Pradesh.

How does the policy work?

- **Promote R&D –** It promotes R&D, establish Centres of Excellence in academic and research institutions, promote innovation hubs, plug and play infrastructures and support start-ups.
- **Private investments –** It will encourage private investments, VC funding and public-private partnerships in the segment.

What is the way forward?

- **Skilling –** Skilling, reskilling and upskilling of professionals in the medical device sector, to ensure availability of skilled manpower.
- **Foreign training –** Making partnerships with foreign academic institutes and industry organizations to develop med-tech.
- **Awareness –** Brand positioning and awareness creation through dedicated export promotion council for the sector so that there is greater market access.

References

1. The Hindu Business Line | National Medical Devices Policy 2023
2. The Hindu | Union Cabinet approves National Medical Devices Policy

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