

## 'Med tech industry to grow to \$14b'

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NEW DELHI, 27 NOV: Strong economic growth, increased burden of disease, higher public spending and private investments in healthcare, increased penetration of health insurance and emergence of new models of healthcare delivery are the key drivers of the Indian medical technology industry which is expected to grow from \$2.75 billion in 2008 to \$14 billion in 2020, says a Ficci-PwC report.

The report on 'Medical Technology in India: Enhancing Access to Healthcare through Innovation' notes that success in medical technology innovation would be dependent on five pillars — powerful financial incentives, creating capacity for quality research, supportive regulatory system, demand and supply of health services and a supportive investment community.

According to a medical technology innovation scorecard for nine countries — the USA, UK, Germany, France, Japan, Israel, India, China and Brazil — developed by PwC in association with AdevMed, the epicentre of the innovation ecosystem is shifting towards emerging economies, in general and India and China, in particular, since the advanced economies do not have the need for frugal innovation. Also emerging economies will have a higher spending on R&D in future which will provide the trigger for innovation. These economies will also have the human capital needed for multi-disciplinary research needed for medical technology innovation and will also see more support from the investment community through funding.

The report reveals that medical technology market commercialisation opportunity in India (both current and future) is the highest among the countries surveyed indicating a pressing need for medical technology innovation to meet the demands of the local market.

It notes that governments have to take a lead role in addressing the bottlenecks which plague medical technology innovation. Some of the steps which the government can take include:

- Increase public spending in healthcare from one per cent of GDP to three per cent of GDP to radically alter the provision of healthcare services.
- Usher further reform in the insurance sector to stimulate health insurance thereby providing the financial incentives for medical technology innovation.
- Set up a venture investment fund to address the lack of early stage venture capital.
- Ensure a level playing field for all companies with a distinct regulatory pathway for medical technology free of ambiguities. Work towards making legislative amendments to enable comprehensive medical device regulations.

*Delhi*