

INDIA OFFERS GREATER MEDICAL TECHNOLOGY MARKET OPPORTUNITY THAN EVEN ADVANCED NATIONS; INDUSTRY SET TO GROW FROM US\$ 2.75 BN. IN 2008 TO US\$ 14 BN. IN 2020: FICCI-PwC REPORT

NEW DELHI, November 27, 2010. 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 US\$ 2.75 billion in 2008 to US\$ 14 billion in 2020, says a FICCI-PwC report.

The *FICCI-PwC 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 viz, 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 -- USA, UK, Germany, France, Japan, Israel, India, China and Brazil—developed by PwC in association with AdvaMed, the epicenter 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 from venture capital, private equity, etc.

The report reveals that Medical Technology market commercialization 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 1% of GDP to 3% 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

- Increase the training for regulatory staff of both Industry and Government especially at the State Level to ensure consistent interpretation of regulatory approval processes in partnership with Industry.
- Make research a rewarding career option. Encourage greater collaboration between medical centres and technology universities. Increase the quality and enhance consistency of training received by medical and paramedical staff thereby providing creative resources for leading medical innovation efforts. Increase the supply of medical manpower especially doctors through reform of the medical education system. Include medical technology education within the medical curriculum with assistance from agencies like NIPER
- Evolve medical technology clusters with common facilities for calibration, testing, quality control, waste management etc for benefit of small entrepreneurs who want to set up companies focusing on medical technology
- Assist existing Indian companies to upgrade their quality systems to adhere to International Standards

The FICCI-PwC report states that Medical Technology Innovation requires a vibrant and participative ecosystem comprising patients, medical centres, universities, medical technology industry, health insurance companies and Government. All the stakeholders in the ecosystem have to act in concert for sustained growth of medical technology industry and to benefit the patients. How well the stakeholders work together will determine the future of the Indian medical technology industry, the report emphasizes.

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