Executive Summary

Healthcare related goals form a sizable component of the Millenium Development Goals to which India is a signatory. Medical Technology plays a vital role in delivery of healthcare services in India. Medical professionals rely on medical technology for accurate diagnosis and efficacious therapy.

Medical Technology Innovation in the 20th century was primarily led by United States with its strong ecosystem supportive of innovation. The innovation model for the medical device and technology industry is its core. Being unique and productive the impact of policy, regulation, government focus, and payment is significant. As a recent initiative, an innovation scorecard for nine countries viz USA, UK, Germany, France , Japan, Israel India, China and Brazil was developed, with a purpose to better inform stakeholders of the innovation models being pursued and critical factors for its sustenance.

The Medical technology innovation scorecard indicates that the epicenter of the innovation ecosystem is shifting towards emerging economies in general and India and China in particular since the advanced economies in general 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. Emerging economies will also have the human capital needed for multi-disciplinary research needed for medical technology innovation. Emerging economies will also see more support from the investment community through funding from venture capital, private equity etc

The Indian Medical technology industry is expected to grow from # 2.75 Billion in 2008 to $ 14 Billion in 2020. Strong drivers for this robust growth of medical technology industry exist in India. There is also a strong need for innovation in the medical technology market given the ground realities of the Indian market. Many Indian and overseas medical technology companies are coming out with innovative products for the Indian market. 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
- Supportive investment community

Innovation in medical technology however faces a lot of challenges which need to be addressed by the Government. Some of the steps which the Government can take include

- Increase public spending in healthcare from 1% of GDP to 3% of GDP
- Usher further reform in the insurance sector to stimulate health insurance
- 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.
- Make research a rewarding career option.
- Reform the medical education system to include medical technology education
- Evolve medical technology clusters with common facilities for the benefit of small entrepreneurs who want to set up companies focusing on medical technology
- Assist existing manufacturers to upgrade their quality systems to International Standards

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.