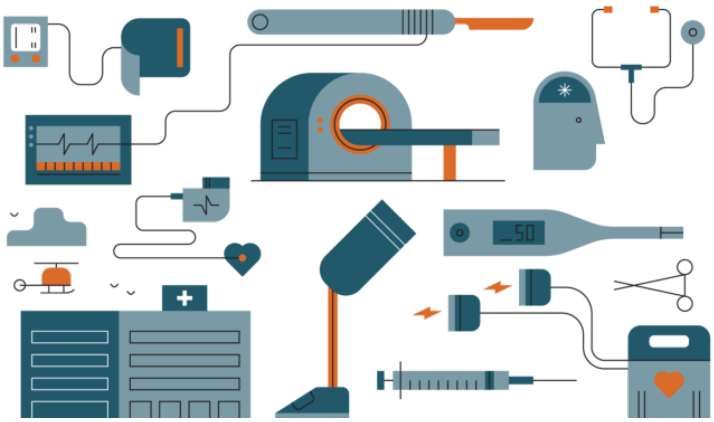
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Buy Indian Policy for Medical Devices- Lacks Boldness, Lost Opportunity

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It is a clear case of a lost opportunity to promote indigenous manufacturing of medical devices to boost â??Make in Indiaâ?? initiative



Mr Rajiv Nath, Forum Coordinator, (AIMED) Association of Indian Medical Device Industry has expressed deep concern over the Guidelines for implementing the provisions of Public Procurement (Preference to Make in India) Order (PPO) issued by DoP.

“Government of India has the intent but lacks boldness - halfhearted attempts will get halfhearted results. It is a clear case of a lost opportunity to promote indigenous manufacturing of medical devices to boost ‘Make in India’ initiative,” said Mr. Rajiv Nath .

If lowest price of tender bid is imported - Indian Manufacturers (who meets criteria of Domestic Content) has option to match lowest price and seek 50% of tender. If lowest is Indian, no added advantage of course.

DiPP/ DoP need to do a study of gains made (if any) by any MSME in winning Tenders in past by matching L1 Pricing of imported Chinese products to win 20% of Tender under the MSME Policy .

If an Indian manufacturer finds it unsustainable to match L1 of lower priced Chinese Imports to get 20% of the business as was earlier too possible then what is the use of this Policy to get 50% of the tender?

We can match prices of any country other than China as it has no global market economies but a subsidized state sponsored eco system.

How can we compete with low priced imports from china with non- remunerative, non- sustainable pricing unless Indian Govt. has supportive Policies, Mr. Nath asked insisting India needs to follow the UN system of procurement based on sustainable costs and not based on L1 Lowest pricing that motivates some manufacturers to cut corners in regard to quality and service delivery of product and give poor image to Brand India.

Regretfully to compete with low priced Chinese imports that are flooding the market, there is No Preferential Pricing for Indian Devices - World Bank provides for this. GoI is strangely shy - though GFR (General Financial Rules) of Ministry of Finance permits.

The guidelines issued by DoP in its present form does not provide Preferential Pricing for Indian Devices, no incentives on maintaining and improving Quality, indigenous development and no redressal / no penal action based disallowance to use exclusionary 3rd Country Regulatory Approvals like USFDA approval in Tenders.

It doesn’t provide preference for ICMED certification by Quality Council of India to promote quality and no stated preference for India Design Mark to promote indigenous product development.

The following suggestions made by us to give encouragement & boost Manufacturers producing in India over imports have not been considered e.g.,

- Preferential Pricing for Domestic Manufacturers based on World Bank norms.
- Preference for ICMED / ISO Certified Manufacturers to boost quality.
- Preference for Design India Certified Manufacturers to boost indigenous development.
- Timely payment against Govt. Supplies.
- Penal provision against Hospitals that keep exclusionary compliance Clause of USFDA Certification as 3rd Country Regulatory approval.

What's meant by Preferential Pricing? How does World Bank support Indigenous manufacturers in a developing country?

World Bank has a clause to support domestic manufacturers by adding 15% to import CIF price of imported goods for the sake of bid comparison and thereafter the lowest price is winner. So if Indian manufacturer wins he will supply at his bid price, not at a higher price

By denying preferential pricing to genuine Indian manufacturers, the policy guidelines can be said to be bordering on encouraging ‘Pseudo manufacturing’, he felt. It is sad that genuine concerns and suggestions of Domestic Medical Device Manufacturers are being repeatedly sidelined.