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Indian medical devices sector to reach $50B by 2025

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Gujarat to strengthen pharma, medical devices sector by setting up dedicated parks

India Pharma and India Medical Device 2020 took place in Gujarat recently. It was jointly organized by FICCI with the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Govt of India.

D V Sadananda Gowda, Minister of Chemicals and Fertilizers; Vijay Rupani, Chief Minister, Gujarat; Mansukh Mandaviya, Minister of State (I/C) for Shipping and Chemicals & Fertilizers; Dr P D Vaghela, Secretary, Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers; M K Das, Principal Secretary, Industries & Mines Department, Government of Gujarat; Pankaj R Patel, Past President, FICCI & Chairman, Zydus Cadila; Badhri Iyengar, Chairman, FICCI Medical Device Forum along with policy makers, national and international leaders from medical technology industries, academic and research fraternity were part of this conference.

D V Sadananda Gowda said that the Indian pharmaceuticals and medical devices sector has the potential to become the world leader and government will provide all necessary support. Indian medical devices sector can reach $50B by 2025, he added.

India today is a major hub for medical devices and diagnostics. There has to be certain interventions by the government as far as polices are concerned. Affordability of the medicines is one of the prime concerns of the society. “In developing countries where a large section of population is poor and out of pocket expenses are very high, affordability of the medicines is one of the prime concerns of the society,” he added.

He emphasized that government is making all efforts to boost the Indian pharma and medical devices sector and added, “In countries where R&D are taken care of, where academia and industry collaborate in order to build a strong R&D eco-system. In India, we need to follow this. Government has initiated various steps for strengthening the Indian pharma and medical devices sector.”

Speaking on the COVID-19, he said that it is challenging times and we should all stand together at this time. Govt has and is taking all necessary steps in this direction. There is no shortage of medicines. We have sufficient medicines and sufficient APIs so that for another three months to ensure there is no shortage in producing medicines.

Vijay Rupani while highlighting the state's contribution to the national GDP said that Gujarat is one of the few states in the country to provide all necessary support to strengthen the pharma and medical devices companies. He said that the state government is planning to come up with two dedicated parks, one for bulk drugs manufacturing and other for medical devices.

"In India, pharma and medical devices sector is growing rapidly. Gujarat has become a hub in manufacturing sector, agriculture and social sector. Now, Gujarat is ready to take the lead in pharmaceuticals and medical devices sector," added Rupani.

Mansukh Mandaviya said, "When the world is in recession, Indian pharma sector is growing at 10 percent and Indian medical devices sector is growing at 20-25 percent. India has lot of opportunities and this is not only encashed by Indian companies, but also global players are also investing in these sectors."

He further added that government is working on bringing new policy to strengthen the Indian API market.

Dr P D Vaghela said, "Government will be setting up a 'Pharma Bureau', which will help facilitate both foreign as well as domestic investment in the Pharmaceutical and Medical devices industry in India. Pharma Bureau will act as a policy think tank to support the Government as well as the Industry."

M K Das highlighted the growth of Gujarat's economy and enumerated various policy initiatives which enabled the state to attract 51% of the country's FDI.

Pankaj R Patel, Past President, FICCI & Chairman, Zydus Cadila while highlighting the current challenges of the sector said that this is a wake-up call for the sector.

Badhri Iyengar said, "India contributes to 1.2 percent of the global medical device market and about 6 percent of the total healthcare market globally."

FICCI-EY report 'Reshaping India into a life sciences innovation hub' was also released during the event.

Key highlights of the report:

1. India has come a long way in becoming a hub for manufacturing and supply of generic drugs and is today touted as the pharmacy of the world.
2. The country is still at a nascent stage in terms of its activities in commercially oriented R&D and innovation. Despite being the third largest seller of medicines in the world, India has been able to produce only a handful of novel commercially viable drug molecules.
3. The report examines what it will take to replicate this success to novel products and medical devices:

i. Establishing top-down governance structure:
Creating a Centre of Excellence (CoE), where stakeholders are able to provide thought leadership and direction to innovators to create commercially viable projects

ii. **Enabling access to quality infrastructure and talent:**
Geographical proximity between universities supplying high skilled talent and R&D hubs of industries
Enhancing industry-academia collaboration
Improving the education level of the workforces based on industry needs Building sustainable clinical trial infrastructure
Constructing dedicated zones or mega drug parks

iii. **Creating sound and effective IP, legal and regulatory framework:**
Establish transparent and predictable IP laws and policies
Facilitate knowledge transfer

iv. **Ensuring availability of financing for research and purchase of medicine:**
Adopt healthcare financing policies to increase availability and usage of pharmaceutical innovation
Risk sharing models are needed to incentivize PE/VC funds for making investments in high-risk life sciences R&D for long-term

Innovative financing models (e.g., debt-type instruments) need to be institutionalized by partnering with central banking organizations in the country

v. Streamline and fast-track regulatory approval process:

To boost the innovation in emerging areas such biosimilars and biologics, initiatives such as decreasing the number of authorities involved or specifying a maximum time-limit for approvals and simplifying the documentation and submission requirement, can help facilitate growth