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A year inundated with growth opportunities

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The healthcare sector in India has grown exponentially over the last decade and has become one of Indiaâ??s largest sectors, both in terms of revenue and employment. In the medical devices and equipment segment, expansion of diagnostic and pathology centers as well as miniaturised diagnostics have a high potential for growth. Here is an overview of the way the industry fared in 2021.



The virus outbreak came as a shot in the arm for a host of Medtech companies that brought Indian Medtech to the epicentre. The crisis has opened up opportunities for Indian startups, many of whom have risen to the occasion and accelerated the development of low-cost, scalable, and quick solutions. Further, the pandemic is providing an impetus to the expansion of telemedicine, healthcare data-centric enterprises, and the home healthcare market in the country.

For the first half of 2021, hospitals were running at full capacity across the country due to the second wave of the COVID-19 pandemic. Most healthcare providers pooled in all their resources to battle the task at hand and elective procedures took a back step, creating an imbalance among various departments within the hospitals. The medical devices sector also experienced a similar imbalance with the demand for COVID-19 treatment-specific tools and diagnostics shooting up, while demand remained tepid for the rest of the sector.

Today, the healthcare industry is entering the era of accelerated digital innovation, as patients seek on-demand healthcare because of their busy schedules and apprehensions regarding physical visits to healthcare centers. People have simply become far more mobile in the past decade driving the growth of on-demand healthcare services across Tier 1 and Tier 2 cities. This trend is here to stay.

Supply Chain Complexities

While healthcare is a prioritised sector when it comes to supply chain issue mitigation, we noticed the sector facing some complexities this year. During the second wave of COVID-19, it became evident that India needs better transportation, distribution, and last-mile connectivity with consumers as the supply chain problem doesn't lie so much in manufacturing, provisioning, or procurement. Currently, the severe shortage of semiconductor chips is affecting the medical devices sector leading to an increase in prices of certain devices, with some facing stockouts across the country. Hopefully, the situation will change for the better in the coming year and these issues will be mitigated soon.

Data-Driven Healthcare

The Health Data Management Policy, first introduced in September 2020 as part of the framework for the National Digital

Health Mission (NDHM), is a bold step towards digitising the healthcare system across India. NDHM envisages the establishment of state-of-the-art infrastructure through which health data can be managed and personal records can be made accessible to individuals, healthcare professionals, and service providers via personal health identifiers or 'Health IDs.' This will definitely provide an impetus for healthcare data-based enterprises and startups to offer their services while healthcare providers can leverage data to offer better treatment to patients.

Governmental Push

The Indian Government has undertaken deep structural and sustained reforms to strengthen the healthcare sector and has also announced conducive policies for encouraging Foreign Direct Investment (FDI). The Aatmanirbhar Bharat Abhigyan packages include several short-term and longer-term measures for the health system, including Production-Linked Incentive (PLI) schemes for boosting domestic manufacturing of pharmaceuticals and medical devices.

Road Ahead

The Indian healthcare sector is much diversified and is full of opportunities in every segment, which includes providers, payers, and medical technology enterprises. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of the population. Besides, Indian medical service consumers have become more conscious of their healthcare upkeep. Medical device companies will continue to develop India as a manufacturing hub for domestic and international markets, undertake India-based innovation in combination with indigenous manufacturing, collaborate across the Make in India and Innovate in India schemes.

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