BioSpectrum
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

Can India become a global hub for innovation in biotech and medtech?

31 October 2023 | Views | By Kamal Bansal, Managing Director, GVFL

India has an immense potential for biotech and medtech startups to transform healthcare and make substantial contributions to the nationâ??s progress. There are many challenges as well before these startups. They can overcome the challenges and thrive with the support of regulatory authorities, investors and the government. By recognising and addressing the unique challenges inherent to these sectors, the country can firmly establish itself as a global hub for innovation in biotech and medtech.



In the thriving world of technology startups in India, startups from the biotech and medtech sectors stand out as unique. Known as DeepTech startups, they dive deep into the fields of science and technology and create innovations that hold the potential to revolutionise healthcare, offering ground-breaking solutions that can enhance lives and contribute to the nation's growth. Their influence, especially biotech, extends well beyond healthcare. They also have applications in other sectors, including the food industry.

Challenges

However, these sectors also have to deal with unique challenges due to their complex and heavily regulated nature. Let's look at some of the hurdles these startups face and propose simple yet effective solutions to promote growth and innovation in this critical sector.

One of the most significant challenges faced by biotech and medtech startups in India is dealing with the complex regulatory aspects. Because of safety concerns and ethical considerations, these sectors are understandably subject to rigorous regulations. Even in developed countries, the regulatory landscape is still evolving.

To address this challenge, encouraging collaboration between startups and regulatory bodies is essential. There is a need to establish platforms where startups can work closely with regulators to help streamline the compliance processes. Through open communication and cooperation, regulatory requirements can evolve in sync with technological advancements, reducing the regulatory burden on startups and enabling them to focus on their core strengths.

Another important step is providing dedicated support and guidance to startups in understanding and adhering to these regulations. Innovative ideas can be tested in a controlled environment ensuring compliance. Such an approach can enable startups to refine their products and services while remaining in compliance with the regulations.

Biotech and medtech startups also often face unique financial challenges due to the nature of their products and services. The products they are working on typically require extensive research and development and rigorous trials before they can be taken to the market. Few startups are capable of sustaining themselves during such prolonged gestation periods. This challenge can be mitigated by establishing grant programmes and venture funds tailored specifically to support biotech and medtech startups. These initiatives can provide the much-needed financial support during the lengthy development phases, reducing the financial burden on startups.

There is also a challenge of public perception and awareness, particularly in the food industry, which can lead to scepticism and even opposition to the technology. It is essential to educate the public about their benefits to address any concerns that they may have.

This is all the more necessary since investors often perceive biotech and medtech startups as high-risk investments. Uncertainties related to product development, regulatory approvals, and market acceptance contribute to this perception. To attract more investment, startups can focus on building strong evidence of efficacy and safety through well-designed pilot studies and clinical trials.

Creating a nurturing ecosystem for DeepTech startups in biotech and medtech is also crucial for their growth and success. Establishing specialised incubators and accelerators focused on biotech and medtech sectors can provide such startups with the mentorship, resources, and networking opportunities they need. These initiatives can help startups refine their ideas, develop robust business plans, and pave the way for connecting with potential investors.

Promoting collaboration between startups and academic institutions can also go a long way in driving innovation. It can also ensure a platform for young innovators to flourish. Offering grants and incentives for joint research projects can enable startups to access cutting-edge technologies and expertise, further giving a boost to their existing resources.

Market access, workforce and industry-academia cooperation

Another formidable challenge for all startups, particularly those in niche areas like biotech and medtech, is accessing the markets. To a great deal, this is because of the dominance of players who have already established themselves. The government can step in and create procurement policies that favour innovative startups. This approach can provide startups with an initial market to showcase their products. Adopting such policies in procurement by the government, government agencies, and Public Sector Undertakings (PSUs) through the procurement portal have already proven successful in supporting women-led businesses and MSMEs and can be extended to include startups.

One of the biggest factors for the growth of biotech and medtech startups is the availability of a highly skilled workforce. Systems need to be put in place to ensure a steady supply of highly skilled and industry-ready professionals. Collaborative efforts between the government and industry can result in the establishment of skill development programmes tailored to the specific needs of these sectors. These programmes can include training programmes, scholarships, and incentives to encourage individuals to pursue careers in biotechnology and medical technology.

Additionally, building strong partnerships between universities and industry can also facilitate the transfer of knowledge and skills. This can be achieved through joint research projects, internships, and industry-sponsored educational programmes.

Tapping the inherent potential

By addressing these and other challenges through strategic policy measures, targeted funding, and the creation of a supportive and collaborative ecosystem, the country has the potential to emerge as a global leader in the biotech and medtech sectors. These startups have the capacity to drive innovation, enhance healthcare outcomes, and contribute significantly to economic growth. India, with its vast demographic dividend and technological capabilities, is uniquely positioned to excel in these critical sectors.

In the end, I would like to reiterate the immense potential of biotech and medtech startups to transform healthcare and make substantial contributions to the nation’s progress. These startups can overcome the challenges they face and thrive with the support of regulatory authorities, investors, and the government.

By recognising and addressing the unique challenges inherent to these sectors, the country can firmly establish itself as a global hub for innovation in biotech and medtech. It is also important that the country is successful in this endeavour since these startups are not just businesses or potential unicorns in the making; they have the potential to transform the healthcare and food sector and create a healthier and better future for all of us.

Kamal Bansal, Managing Director, GVFL (formerly known as Gujarat Venture Finance Limited)