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Indian Med-Tech industryâ??s unwavering promise of Make in India for the world

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Indiaâ??s accelerating Med-Tech proliferation is being propelled by a convergence of demographic, economic, and policy forces



COVID-19 came at us like a freight train, but India? We didn't just hang on we charged ahead with pure backbone, turning into a worldwide force for health grit and breakthroughs, and nailing down our rep as the globe's medicine chest. PM Narendra Modi led the charge, fueled by our rock-solid healthcare backbone, those health warriors who pulled all-nighters, and policies that actually worked. We beefed up facilities, pumped out vaccines for our billion-plus population, and shipped bargain lifesavers drugs, jabs, supplies—to over 150 countries. That's the raw power of Indian Med-Tech, etched in history. And guess what? We're tougher and sharper than ever now.

A 2024 EY report puts the Indian Med-Tech market at $12 billion for 2023-24, with projections hitting $50 billion by 2030 at a 16.4% CAGR. India's slice of the global pie is expected to jump from 1.65% to about 12% over the next 25 years.

India’s accelerating Med-Tech proliferation is being propelled by a convergence of demographic, economic, and policy forces. Rising chronic diseases, rapid digitalization, an ever-expanding hospital footprint, and strong government support are rechristening demand patterns.

In FY24 the United States stood as India’s single largest export market, accommodating 21% of India’s Med-Tech exports (~$700 million in FY24). However, the scenario swirled in April 2025 when United States of America imposed a 26% reciprocal duty/ tariff.

This tariff dealt a severe blow to the cost-competitiveness of Indian Med-Tech exports. Tectonic tremors were felt by the high-volume, low-value consumables sub-sector that has been the mainstay for Indian export-oriented firms operating on rather thin margins. Profitability has been severely crippled since it is practically unviable to absorb the 26% cost increase on account of this tariff. Additionally, the US now has the option of choosing suppliers facing lower tariffs or switching to domestic producers within their country for that matter. Clearly these tariffs have stymied Indian Med-Tech Industry’s US market share and export led growth.

That’s not all. India is heavily import dependent to meet its domestic Med-Tech requirements, especially for advanced equipment and critical components. This dependency also extends to manufacturing inputs, leaving the sector vulnerable to global price fluctuations triggered by US tariffs on components imported from countries to the likes of China. This tariff induced uncertainty calls for a calibrated response mechanism by the Indian Med-Tech industry. While Government to Government diplomacy and advocacy efforts aimed at reducing trade distorting measures must be stepped up, Indian Med-Tech manufacturers must seriously diversify their trade destinations by gaining toehold in alternative markets like the EU, Middle East, Asia and Africa among others. This will de-couple our dependence on the US market and thus being pushed into their hegemony.

Here the pertinence of Make in India cannot be emphasized enough. Associated comprehensive policy support through initiatives like National Medical Device Policy 2023, Production Linked Incentive (PLI) Scheme incentivizing domestic manufacturing, Management Development Programmes (MDPs) focusing on entrepreneurship and skill development, clusters, export promotion, and PPPs are well poised to drive growth in India's Med-Tech sector. Further 100% FDI allowed in the medical devices sector in India also exerts strong policy impetus. It is worth noting that categories such as equipment and instruments, consumables and implants attract the most Foreign Direct Investment. Government of India has launched a Rs 500 crore ($59.24 million) scheme to boost India's medical devices industry, focusing on manufacturing key components, skill development, clinical studies support, common infrastructure, and industry promotion. FDI inflow in the medical and surgical appliances sector between April 2000 and March 2025 stood at Rs 27,458.82 crore ($3.91 billion). All these indicate towards a fertile policy landscape supporting Indian Med-Tech sector to flourish.

Indian Med-Tech Sector must up its game by accelerating the shift towards developing and exporting higher-value, complex products where innovation offers a conspicuous competitive edge beyond just price. To counter the complexities and vagaries that have sprung up in the aftermath of US' tariffs, Indian Med-Tech firms must aggressively capture market share relinquished by highly tariffed Chinese goods and attract FDI seeking diversified manufacturing hubs for global non-US markets. These efforts must match up with strategic investment towards Research & Development prioritizing innovation to develop higher-value products rather than relying on pure cost-based competition.

Every uncertainty opens the doors to newer possibilities. While tariffs imposed by the US have brought the Med-Tech Industry Players and Policy Makers to the drawing board, the following steps will help the Industry to emerge as more resilient and future ready.

Consolidate raw material and infrastructure ecosystems: The Indian Med-Tech Industry has a long way to travel down this street, hence India needs self-reliance in terms of domestic production of medical-grade polymers, electronics, and sensors, supported by Med-Tech parks that offer access to testing facilities, R&D centers, and prototyping labs for supporting fully integrated value chains.

Fortify policy frameworks and associated incentives: There is still much room for the PLI scheme to be strengthened through more flexible thresholds for MSMEs. Export-oriented zones with all its incentives can be expanded to make large-scale manufacturing more competitive on Indian soil.

Attract strategic partnerships and step up R&D efforts: Efficient single-window processes and predictable investment rules can encourage global companies to set up R&D and manufacturing hubs, creating opportunities for technology transfer in this highly competitive Industry.

Streamline regulations and global approvals: Global alignment and cross linking of classifications with US FDA and EU MDR can go a long way to simplify compliance, while faster and more transparent approval pathways can significantly reduce the time to market.

Not to forget that at the heart of this colossal metamorphosis of the Indian Med-Tech industry lies collaborative action across government, industry, investors, and academia that is potent enough to propel India's current momentum, positioning the country as a high-value and innovation-led Med-Tech hub.

As India stands at an inflection point, the Med-Tech sector is rapidly evolving from a dependency-driven market to a formidable global force with a firm and unwavering promise of Make in India for the World.

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