

Medical devices industry puts up its budget wishlist

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According to AdvaMed, an association of medical device manufacturers, which provides 40 percent of the medical technology used across the world, the medical devices market in the BRIC countries today accounts for nearly \$10 billion, and this figure is growing at an average CAGR of 8 percent. It is somewhat startling that less than \$2.50 (approximately Rs 155) is spent on medical technology per person. The under-penetration of medical devices in India provides a compelling opportunity for medical device manufacturers to increase their presence in the country, and expand access to healthcare under a conducive regulatory framework.

It has suggested setting up Medical Technology Parks, where a cluster of manufacturers of medical devices are fostered through provision of basic infrastructure, which would encourage innovation. The association has also called for the inception of benefits such as reduced Customs duty on raw material, excise duty concessions, VAT holidays, IT holidays, etc.

Said Dr Vibhav Garg, vice-chair of AdvaMed's India Working Group, "The global medical device industry has, over the past decade, shifted its focus from traditional developed markets to emerging markets. The increased demand from these new markets is due, in large part, to the rise in non-communicable diseases."

Furthermore, there is a need for R&D grants and subsidies in the Medical Technology space to promote Domestic Innovation initiatives. "To ensure that there is thrust in the Research and Development area for design as well as innovation of these products, special incentives must be offered to get more participants in this," Ms Abby Pratt, vice president of AdvaMed said. "As the benefits to society from such projects would be significant, the medical device industry is suggesting that incentives in the form of Income Tax write-offs for up to 250 percent of the value of investment for R&D and innovation of Medical Instruments, Diagnostics Instruments, Consumables, Devices, etc. be offered."