

## Medical electronics market to be worth US \$11.7 billion by 2017 : Report

11 March 2014 | News | By BioSpectrum Bureau

### Medical electronics market to be worth US \$11.7 billion by 2017 : Report



India's burgeoning population, higher middle-class incomes, and increasing awareness about the benefits of healthcare delivery system has catalyzed growth of the medical electronics market. In addition, rise in lifestyle diseases, increasing urbanization, healthcare facilities' expansions, has increased the demand for medical care, boosting medical electronics industry volumes. Government schemes to provide basic healthcare facilities in rural and remote areas have also played a key role in driving adoption of medical equipment that are ultimately boosting the medical electronic industry.

Total healthcare expenditure in India is nearly 4 percent of the GDP, which is less than half of countries like Australia, Brazil, the UK, and US. Government expenditure on healthcare remains around 1.2 percent of GDP. This is again less than one-third of spend as a percentage of GDP in countries like the US, UK, and Australia. With a population of nearly 1.25 billion, an increased spending on healthcare is not an option but an imperative for India. The Government plans to increase public spending on healthcare to 2.5 percent of GDP in its 12th Five Year Plan.

According to Frost & Sullivan, the medical electronics market in India was valued at US \$6.5 Bn in 2013 and is likely to grow at a compound annual growth rate of 16 percent to reach US \$11.7 Bn by 2017. However, indigenous manufacturing in medical electronics is still lacking in India. The Government has aided in the form of tax and duty exemptions to boost local manufacturing of medical electronics. The National Policy on Electronics has medical electronics as one of the thrust areas and provides for financial incentives for medical electronics manufacturing not only for new units but also for units relocating from outside India. The Drugs and Cosmetics (Amendment) Bill, 2013 is now considering recognizing medical devices as separate from pharmaceutical products in the regulatory structure. A strong framework that provides for medical devices standards in India is an imperative to boost domestic manufacturing, bring in reliability, and better time to market new technologies in medical electronics.

According to Niju V, Director, Automation & Electronics Practices, Frost & Sullivan, "In India, medical devices need to be made for Indian operating conditions. Focused policy on medical devices factoring in all industry stakeholders including

technology developers, manufacturers, healthcare providers, insurance providers, and patient groups can give a big boost to the sector."

According to Frost and Sullivan, for providing healthcare, which is universal, affordable, and preventive in nature, the Indian medical electronics industry will shift towards developing miniaturized, multifunctional, ultra-low power, portable, and reduced cost devices that could be used for patient monitoring, imaging, implantable, therapeutic, and surgical requirements. The wearable devices category, which is still a developing field in India, can potentially aid physicians to offer extended care outside the clinical environment. This will bring higher efficiency and increased access across Tier 2, Tier 3 cities, and rural India, while providing improved healthcare delivery to urban India.

According to Niju V, "Five aspects including miniaturization through System on Chip (SoC) designs, wireless integrated circuits, efficient power management, intelligent sensors, and connected IT infrastructure will dominate future technology landscape of the Indian medical electronics industry."