

## Diversity of the Indian market is quite unique and challenging

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#### Can you explain the overall market scenario of medical diagnostics in India?

Mr Richard Guest: As per a recent study by Price water house Coopers, medical device industry including In-Vitro Diagnostics (IVD) and radiology is worth more than \$4 billion, growing at a CAGR of 15 percent. But this can only be an estimate, since healthcare is probably one of the most challenging industries to accurately forecast. Growth depends on several factors like urbanization, government spending, and exchange rate.

The IVD industry in India is still in its early stages, yet, it is quickly expanding. The current market is experiencing steady double digit growth and once a highly-fragmented competitive IVD manufacturer landscape continues to consolidate. Additionally, the market is rapidly implementing advanced laboratory automation solutions in the high-end segments. These signs coupled with the fact that healthcare in India is becoming more accessible and affordable to the general population is exciting.

#### With ever changing trends and expansion, what are the latest trends in medical diagnostic market?

Medical diagnostics today is all about quality, speed, and accessibility. Talking about quality, years ago, clinical images were pictures of blurry grey; thus they are very difficult to read. 3D-Imaging, functional imaging or visualizing molecular information was unthinkable. Today, we are close to delivering a "digital copy" of the patient, showing structures less than one millimeter in high resolution and 3D. Not only diagnosis but image-guided therapies are also possible today. In terms of speed, our flagship CT scanner SOMATOM Definition Flash performs a heart scan in split second.

Finally, accessibility has significantly improved. Today, millions of people in India have access to clinical imaging, which is also a result of more affordable imaging solutions. Additional drivers forcing this upward trend include broader access to healthcare insurance, accreditation, more public-private partnerships, market consolidation and changing disease patterns. India's established clinical laboratories are also beginning to more aggressively elevate their quality standards and maximize productivity of their existing lab footprint.

**Looking at the potential growth in India, can you elaborate on the opportunities and challenges in medical diagnostic markets?**

India offers a number of opportunities, along with some challenges, towards further growth of its diagnostics market. The opportunities are clear: a noticeable increase in government healthcare spending, coupled with rising income and education levels, are priming the country for a major influx of diagnostic solutions, made available to a much larger population segment than ever before.

Leveraging our strong reputation and installed base across the country, we see opportunities to further expand the range of Siemens solutions and services for our Indian customers, particularly in areas like microbiology, hematology, and point-of-care IVD testing.

The diversity of the Indian market is quite unique and challenging. On one hand, you have high-class hospitals and on the other, there is a vast and fast growing market for entry and mid-level products. Siemens tries to serve both markets with innovations that equally cater for quality, effectiveness and price-efficiency. However, obstacles do remain that may limit India's IVD growth potential. They include a volatile healthcare insurance network, fluctuating currency exchange rates, and shifting import rules.

**How do you visualize the company's strategy on expansion?**

Siemens Healthcare's global initiative of Agenda 2013 entails objectives like expanding our regional presence in the fast-growing emerging markets and further extending our portfolio of systems in the middle price segment. Agenda 2013 also focuses on driving innovation leadership and people development. With this strategy in place, we will continue to bring M3/M4 innovative products to India. Moreover, our Corporate Technology and Development Center located in Bangalore with its talent pool of over software professionals will continue to play a significant role in R&D.