Exploring the Medical Device market in India

Submitted by: Akshay Kumar
Submitted to: Dr. Sudhinder Singh Chowhan

Objective and Research Questions

Objective

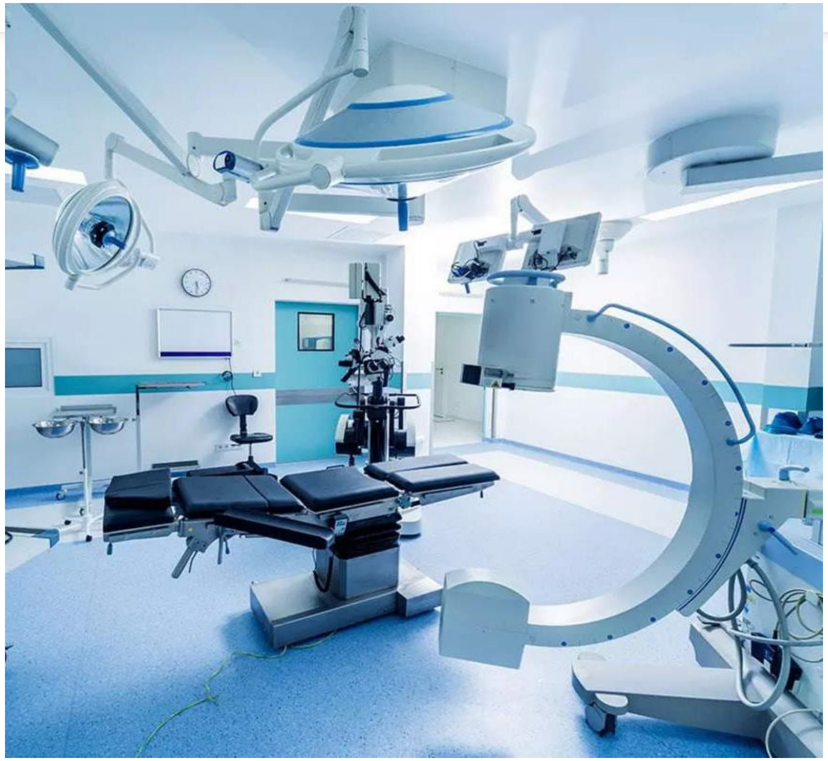
- To access the SWOT analysis of medical devices market in India.
- To explore the growth and potential of India’s medical device market.
- To identify the major players along with business segment and revenue of this industry in India.

Research Questions

- What are the key factors driving the growth of the medical device market in India?
- Who are the major players dominating the market in this industry?

What are Medical Devices ?

- All devices including an instrument, apparatus, appliance, implant, material or other article, whether used alone or in combination, including a software or an accessory, intended by its manufacturer to be used specially for human beings or animals which does not achieve the primary intended action in or on human body or animals by any pharmacological or immunological or metabolic means, but which may assist in its intended function by such means for one or more of the specific purposes of –
- Diagnosis, prevention, monitoring, treatment or alleviation of any disease or disorder;
- Investigation, replacement or modification or support of the anatomy or of a physiological process;



- The value of the Medical Devices industry in India is approximately USD 11 billion (Rs.90,000 Cr) in 2022 and is likely to reach USD 50 billion by 2030. Over the past three years, the industry has consistently grown at a compound annual growth rate of 15%.
- India represents not only one of the top 20 medical device markets in the world but also the fourth largest in Asia for medical devices, ranking after China, Japan, and South Korea.

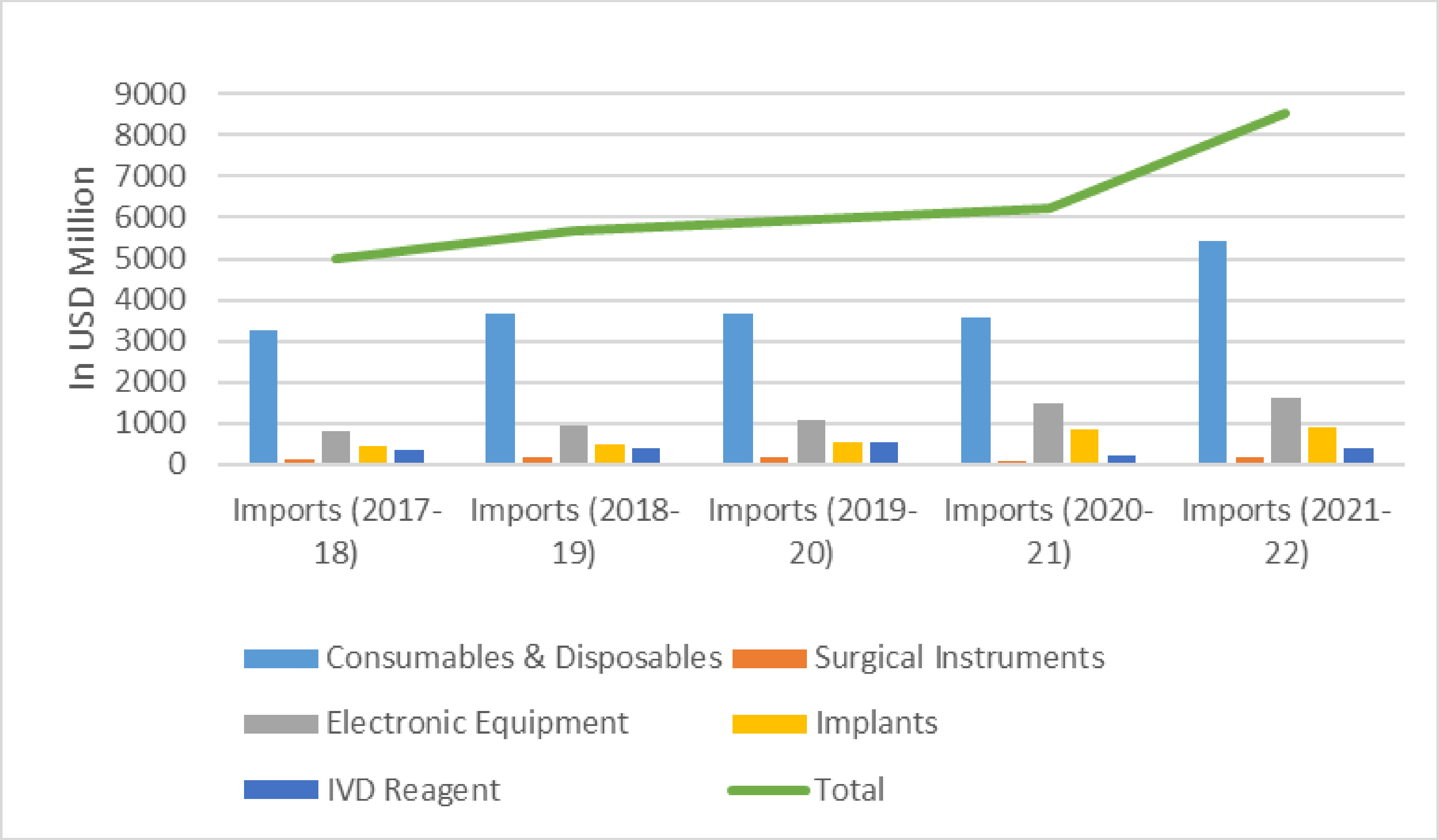
Demand side factors

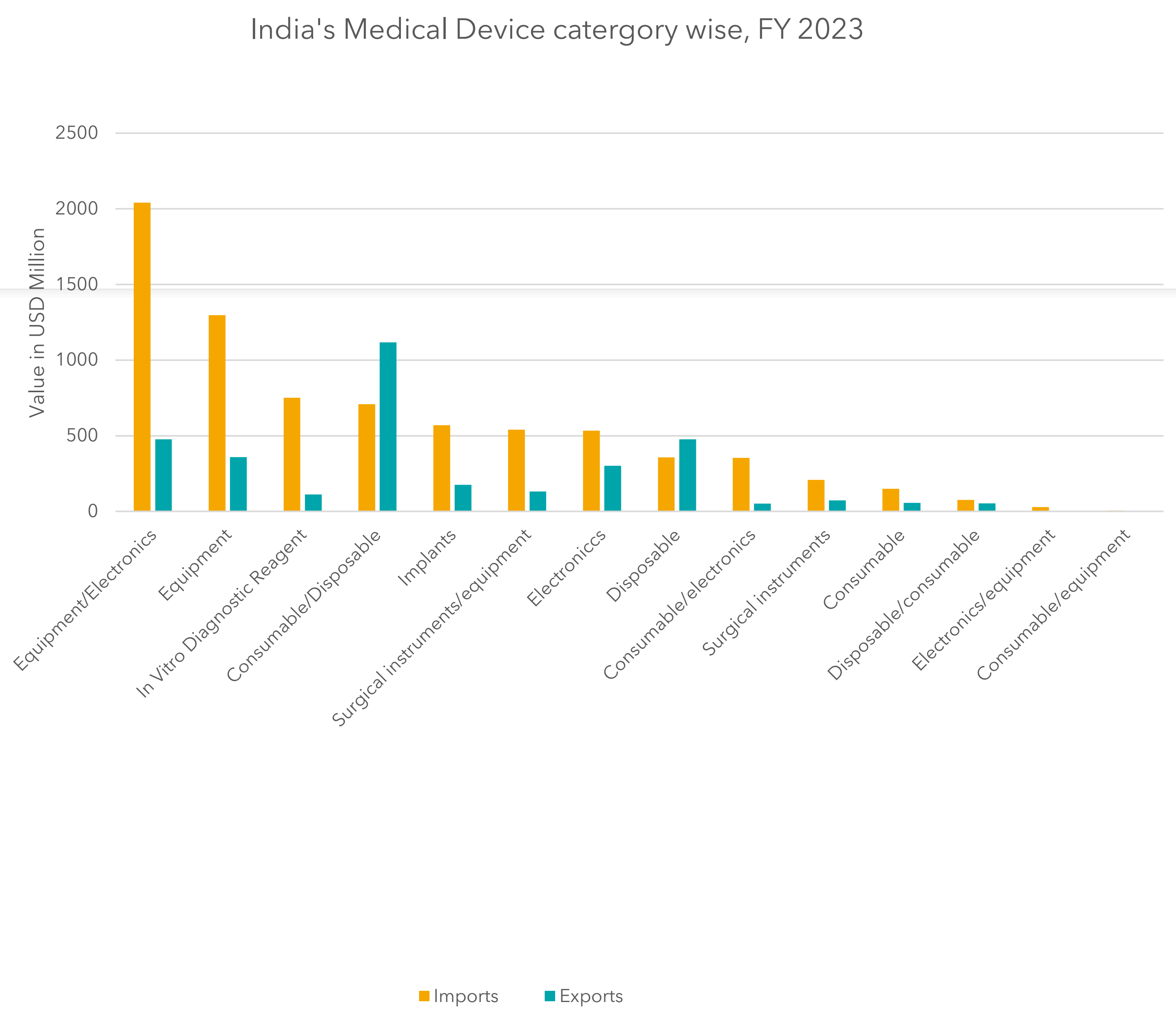
- **Rise in the prevalence of chronic diseases-** There has been an increase in the prevalence of chronic diseases, posing a significant challenge in public health. The factors contributing to the chronic diseases are due to lifestyle changes, urbanization, sedentary lifestyle. Major chronic diseases that are affecting the Indian population are cardiovascular diseases, diabetes, cancer, chronic respiratory, and hypertension.
- An estimated 36 million people die each year from chronic illnesses, with persons 60 years of age and beyond accounting for three-fourths of these deaths.
- CVDs are the leading cause of death globally.
- Type 2 diabetes affects an estimated 77 million Indians over the age of 18, of whom 25 million are prediabetic, meaning they have a higher chance of getting the condition in the near future
- In India the prevalence rate of diabetes is 8.5% and it affects 774,194,700 of adults annually.

- **Ageing population-** India's population is aging quickly, causing a change in demographics. The percentage of the population that is elderly is growing as life expectancy rises. The country's chronic disease prevalence will be significantly impacted by this change.
- By 2050, one-fifth of India's population will be above the age of sixty. In 2022, 149 million were 60 years of age or older, or nearly 10.5 percent of the population. By 2050, that will more than double again, to 20.8 percent—347 million.
- **A rise in the penetration of insurance**
- In the life insurance industry, India has emerged as the sixth most promising market among the developing insurance markets globally and grown at an annual growth rate of 32–34%. Insurance Regulatory and Development Authority, IRDA, with vigilance and further advancement in view, aspires to turn the vision into action of "Insurance for all" by 2047.
- Ayushman Bharat provides Rs. 5 lakh health coverage, annually, to every family for the hospitalization expenses incurred towards secondary and tertiary care

TRADE

- India imports over 80% of its advanced medical equipment from outside producers. This includes PCR, ultrasonic scanning, medical imaging, and cancer detection equipment. India is mostly dependent on imports from the US, Singapore, China, Germany, and the Netherlands.





India's Medical Device catergory wise, FY 2023
Value in USD Million
2500
2000
1500
1000
500
0
Equipment/Electronics
Equipment
In Vitro Diagnostic Reagent
Consumable/Disposable
Implants
Surgical instruments/equipment
Electroniccs
Disposable
Consumable/electronics
Surgical instruments
Consumable
Disposable/consumable
Electronics/equipment
Consumable/equipment
Imports
Exports

GOVERNMENT INITIATIVES

2024- : In March 2024, PLI Scheme was officially opened to 13 medical device manufacturing plants and 27 new bulk drug park projects. Thus, promoting domestic manufacturing, making it less dependent on imports, and increasing competitiveness with respect to the global market.

2023-The National Medical Devices Policy, 2023, is to increase the domestic medical devices sector of India through domestic manufacturing coupled with innovation and R&D, and strengthening the regulatory framework.

2022-: A programme on the "Promotion of Medical Device Parks" has been approved by the Department of Pharmaceuticals in August 2022. This would be operational from FY21 to FY25, and it would entail a total financial investment of Rs. 400 crore, with a maximum support of Rs. 100 crore for each Medical Device Park.

2021- The Rs. 15,000 crores PLI Scheme for Pharmaceuticals was announced in March 2021 with the stated objective of increasing investment and output in the pharmaceutical and medical device industries to strengthen India's manufacturing capability. Twenty-six projects for medical devices have been approved with a committed investment of Rs 1,206 crore under the PLI scheme so far.

- September 2021, Medical device park, Nalagarh, Himachal Pradesh, Rs 5000 crore.
- September 2021, Medical device park, Oragadam,Tamil Nadu, Rs 3500 crore , jobs for about 10,000 people.
- July 2021, Medical Park, Uttar pradesh, Rs 500 crore.

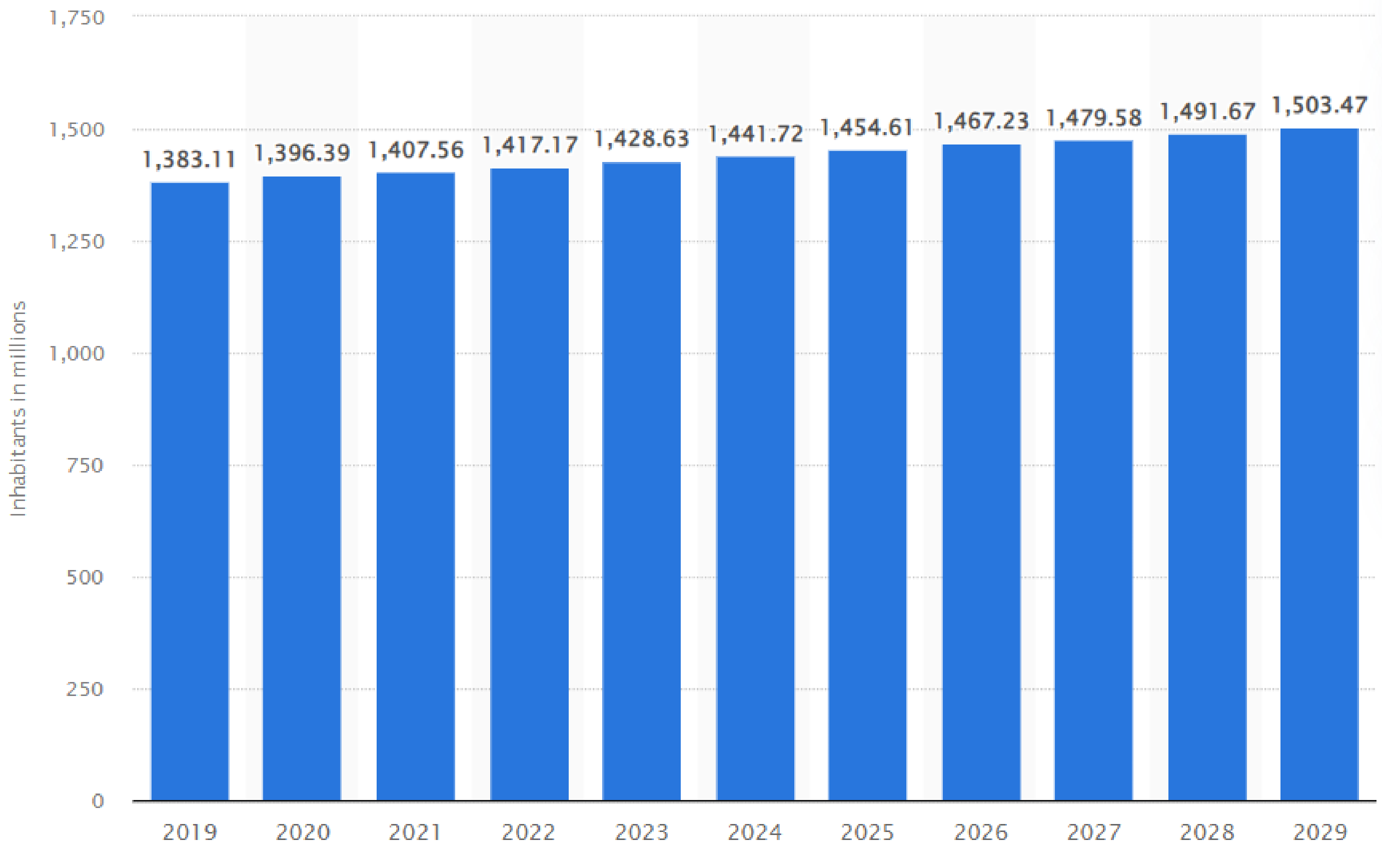
INVESTMENT

- **2023**- Medtronic declared in May 2023 invested USD 350 million, or roughly Rs. 3,000 crores, to expand the Medtronic Engineering & Innovation Center (MEIC) in Hyderabad. The largest research and development (R&D) facility for Medtronic located outside of the US is called MEIC.
- The Japanese manufacturer and distributor of personal healthcare goods, Omron Healthcare, stated in **May 2023** that it would establish a medical device manufacturing facility in Tamil Nadu at a cost of Rs. 128 crore (USD 15.5 million).
- **March 2023**, Siemens Healthineers, a medical technology company to invest Rs. 1,300 crore (USD 157.2 million) in Bommasandra, Bengaluru, to establish a campus.
- **2022**- Wipro to collaborated with Boston Scientific, a manufacturer of medical devices, to offer complete and state-of-the-art cardiac interventional care solutions in India.
- Boston Scientific expanded their research endeavors in India in 2022 when it opened a new research and development facility in Pune. The new R&D center is dedicated to research projects in a variety of therapeutic domains, such as peripheral treatments, cardiac rhythm management, and interventional cardiology.

- **2021-** In India, the medical equipment industry is open to 100% FDI. The most FDI is drawn to categories including implants, consumables, and equipment and instruments.
- In September 2021, Siemens Healthineers revealed that their Vadodara facility in Gujarat will commence manufacturing molecular testing kits.
- **2020-** Siemens Healthineers declared in 2020 that it will build an innovation hub in Bengaluru with investments of USD179.7 million (EUR160 million) between 2020 and 2025
- In order to grow its Medtronic Engineering & Innovation Centre (MEIC) in Hyderabad, Medtronic has committed over USD500 million since 2020

Growth Drivers

- Growing population

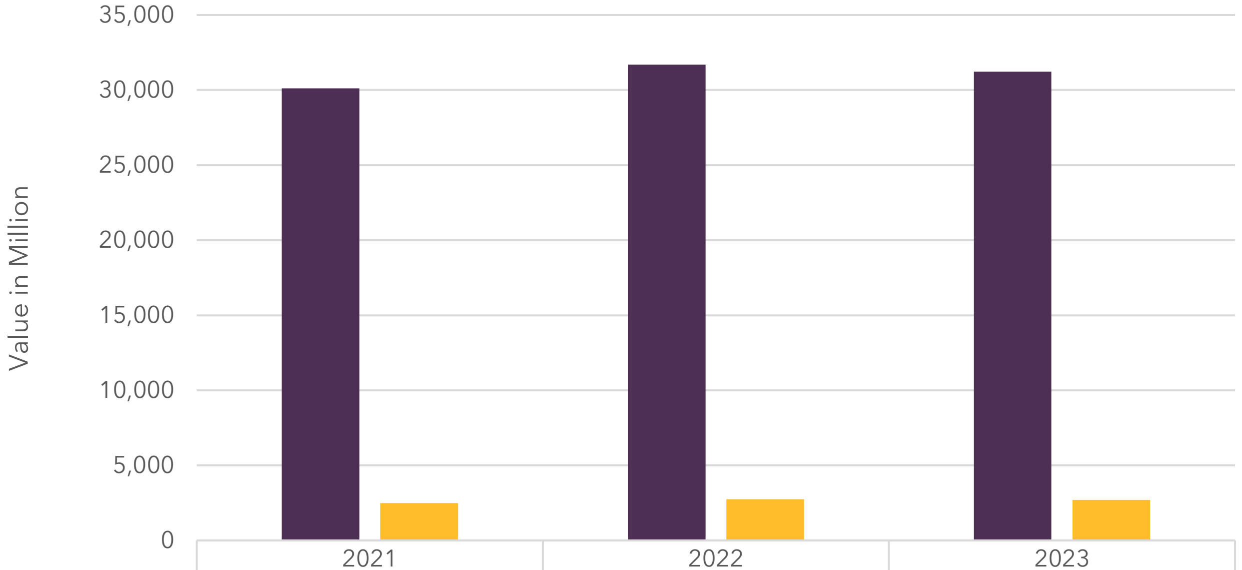


- **Life expectancy** - The life expectancy of Indian women is predicted to increase by 2.4 years by 2030 and 6.5 years by 2050, from 73.3 years in 2022 to 75.7 years in 2030 and 79.8 years in 2050. Male life expectancy is also expected to rise; it will grow by 2.4 years by 2030 and 6.6 years by 2050, from 69.6 years in 2022 to 72.0 years in 2030 and 76.2 years in 2050.
- **Changing the Burden of Disease:** In India, non-communicable diseases (NCDs) cause 60% of all fatalities and 50% of the illness burden.
- **An increase in travel for medical purposes:** The medical tourism industry is projected to reach a value of USD13 billion by 2026, which is expected to drive up demand for, medical equipment, appliances, and high-end electronics
- **Infrastructure Development:** Four Medical Device Parks are slated to open in Uttar Pradesh, Madhya Pradesh, Tamil Nadu, and Himachal Pradesh. Under the PLI Plan, 13 manufacturing plants and 27 new bulk drug park projects were opened in March 2024 for medical devices.

MEDTRONIC, INC.

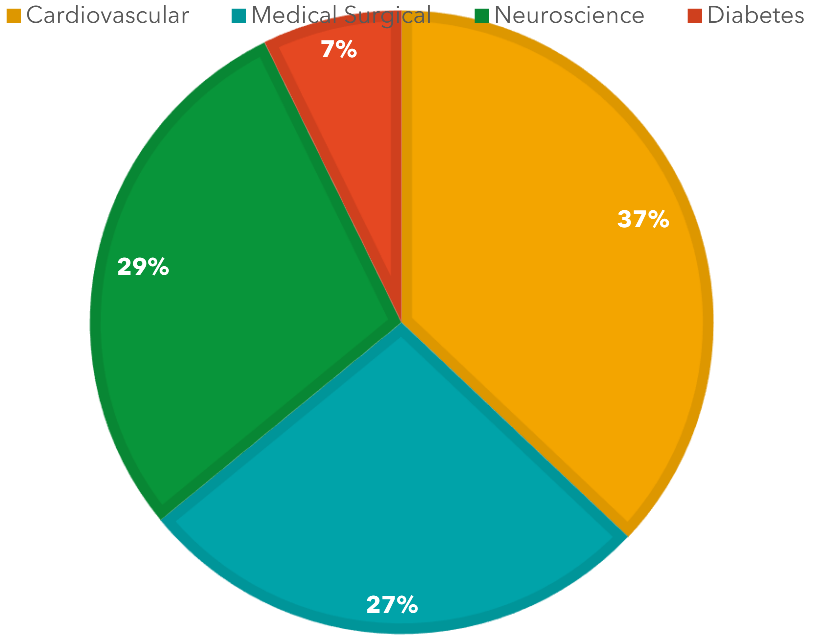
- Founded- 1949
- Headquarter- Ireland
- Company financial overview and business segment

COMPANY BUSINESS REVENUE



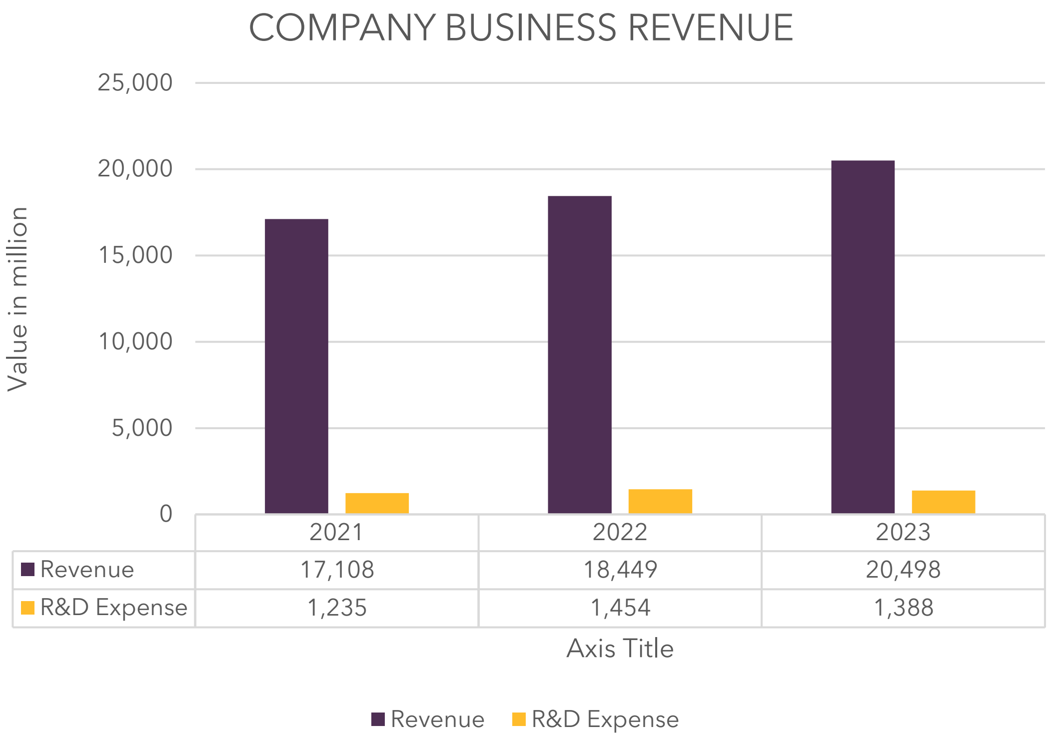
	2021	2022	2023
Revenue	30,117	31,686	31,227
R&D Expense	2,493	2,746	2,696

COMPANY BUSINESS SEGMENT

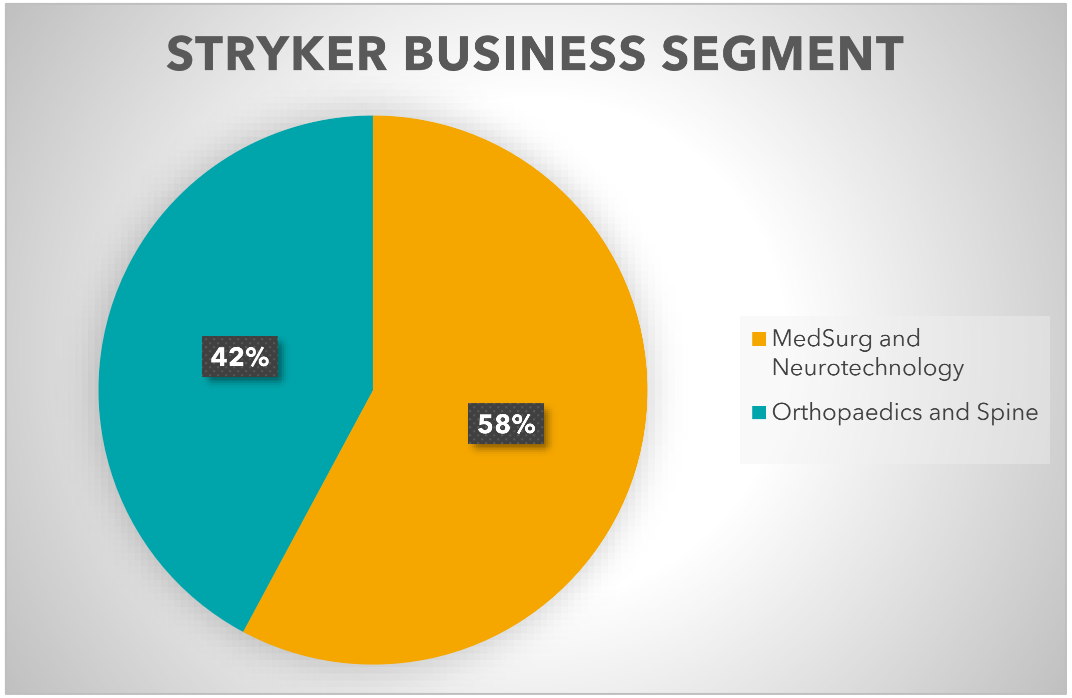


STRYKER CORPORATION

- Founded- 1946
- Headquarter- Michigan, US
- Company financial overview and business segment

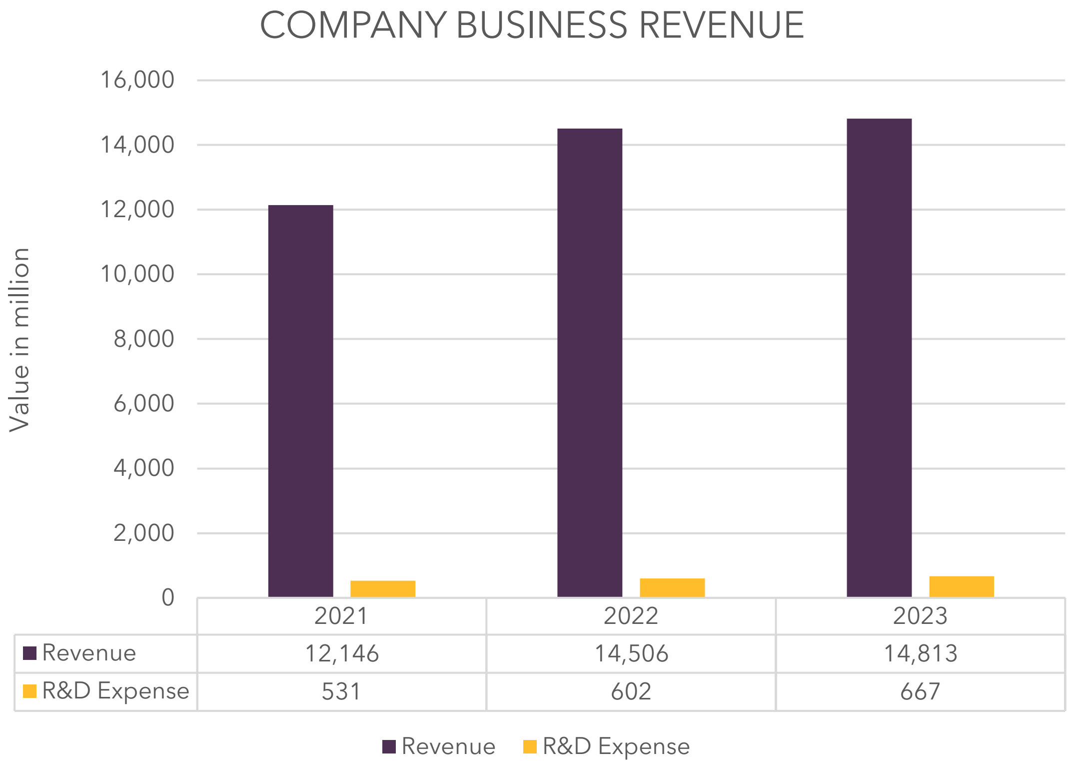


	2021	2022	2023
Revenue	17,108	18,449	20,498
R&D Expense	1,235	1,454	1,388

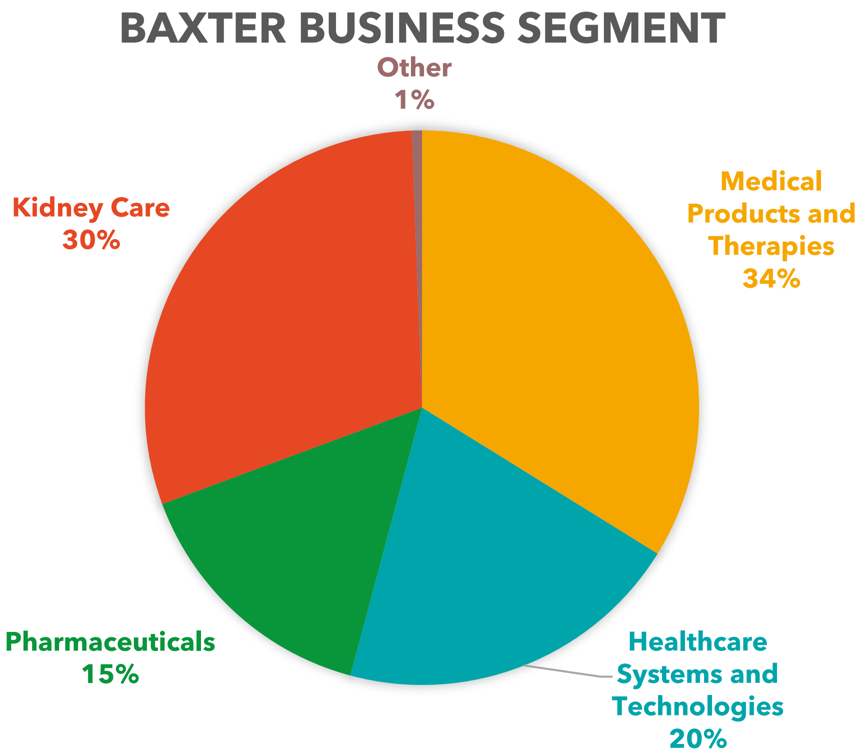


BAXTER INTERNATIONAL INC.

- Founded- 1931
- Headquarter- Delaware, US
- Company financial overview and business segment



	2021	2022	2023
Revenue	12,146	14,506	14,813
R&D Expense	531	602	667



SWOT

Strengths:

A favorable policy environment, allowance of 100% FDI.

There is a vast untapped market and significant potential for import substitution.

Increase in the number of health technology start-ups.

Boost by government initiatives, such as med-tech parks

Weakness:

Low investment in R&D.

Large import dependency.

Lack of dependable raw material and parts.

Lack of participation in international trades and export marketing tours.

Opportunities:

Schemes such as PLI, med-tech park, purchase policy, FDI policy.

Implementation of Ayushman Bharat, increase in insurance coverage lead to increase in market demand.

The government is highly committed to supporting and promoting Indian medical device manufacturing, showing policy flexibility and a willingness to adapt policies as needed.

Threats:

Competing nations are heavily investing in research and development.

Lack of global presence.

Dependence on global supply chains for raw materials and components can lead to vulnerabilities.

Heavily dependence on global imports of medical devices.

Conclusion

The medical device market is rapidly changing as a result of advancements in research, development, and invention that enhance the range of issues that medical devices may solve as well as the patients quality of life.

Government initiative like PLI scheme strengthen India's manufacturing capability

While lots of effort has been made to encourage the production of medical devices in India, need to encourage its domenstic manufacturing of medical devices.

India is heavily dependent on exports, need huge investment for domestic companies, focusing on Research and development.

THANK YOU