



# MEDICAL DEVICE INDUSTRY OF INDIA 2023

# ABOUT US

One of India's leading consultancy and business management firms, Corpbiz provides personalised assistance and advisory services to businesses across India, including legal, audit, compliance and licensing assistance.

Our team of more than 200 experienced Chartered Accountants, Company Secretaries, CMAs, and Lawyers hold years of expertise in assisting entrepreneurs, MSMEs and large corporate houses with their growing needs - irrespective of their size, scale, geography and industry.

From the incorporation of business to government licensing, from compliance management to liaising with government authorities, we have provided peerless services to more than 10,000 clients Pan-India.

With a 'client-centric' business model, our motto is to serve our clients to the best of our capabilities and simplify business management for them.



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# OUR MISSION AND VISION



**We differentiate ourselves by providing exemplary services for our clients with accuracy and transparency.**



**To serve a technology driven business concierge for our clients, assisting them with their versatile business management and advisory needs.**

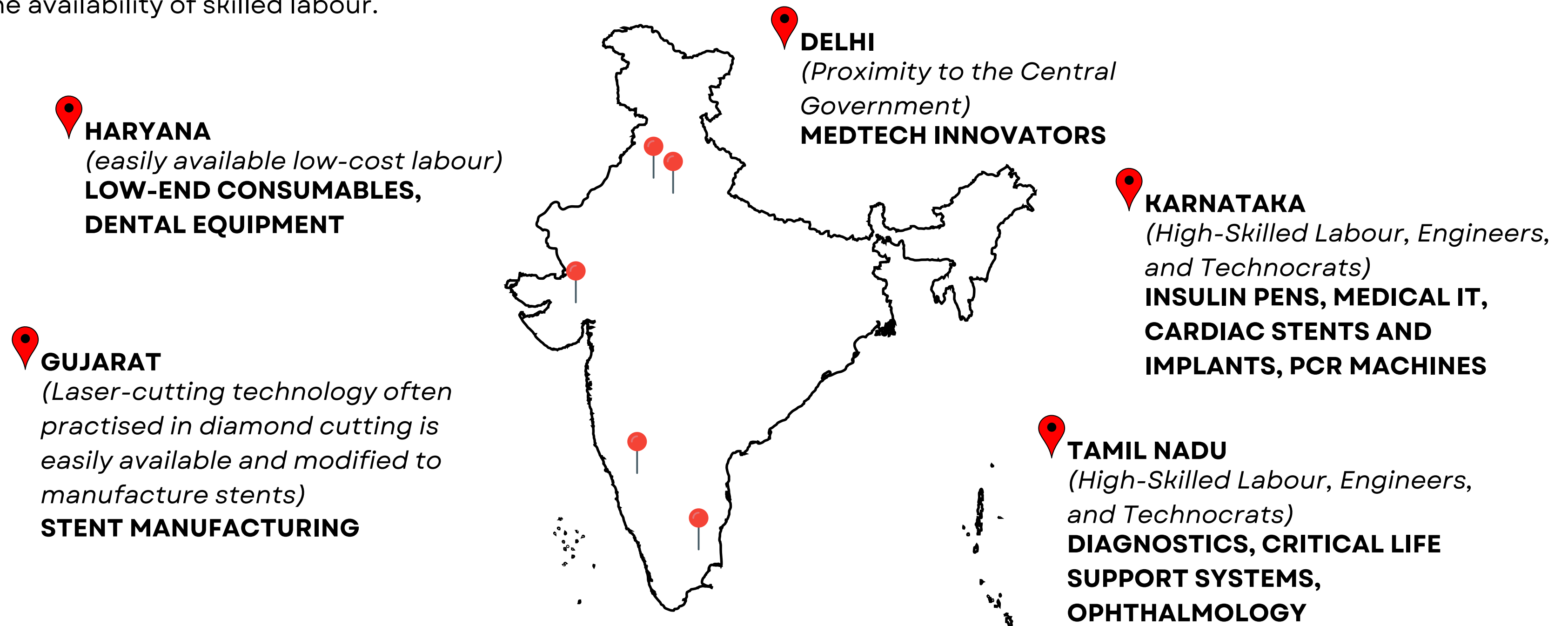
# AN OVERVIEW OF THE MEDICAL INDUSTRY IN INDIA

The Healthcare Industry of India is considered to be one of the nation's largest sectors, both for revenue and employment. In recent years, over the last decade, the country has faced the rapidly growing market demand for medical devices/products and services. The population of India is growing at an average of 1.6% each year, with the population of older adults being over 100 million. The continuous rising of the economy, the rise in income of middle-class families, and the increased market penetration of medical insurance providers are fueling growth in the medical industry. Along with that, the recent demographic shift from chronic to lifestyle diseases has majorly impacted the Indian Medical Industry.



# MEDICAL DEVICE CLUSTERS IN INDIA

Over the years, various medical device clusters have emerged across India. States have drawn strength from the availability of skilled/unskilled labour, and the state governments have developed state-level policies accordingly. The northern part of India primarily concentrates on low-end consumable manufacturers due to the availability of low-cost labour and policy incentives. In contrast, most companies in the southern region manufacture high-end devices or develop technology due to the availability of skilled labour.



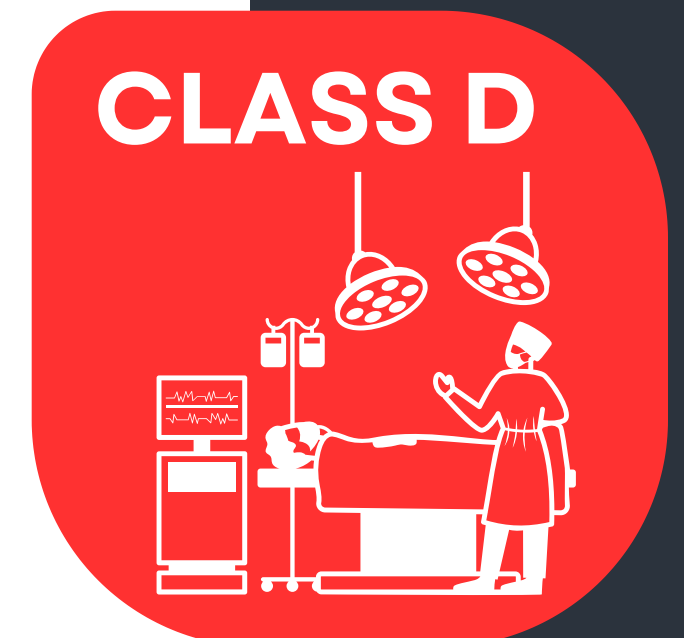
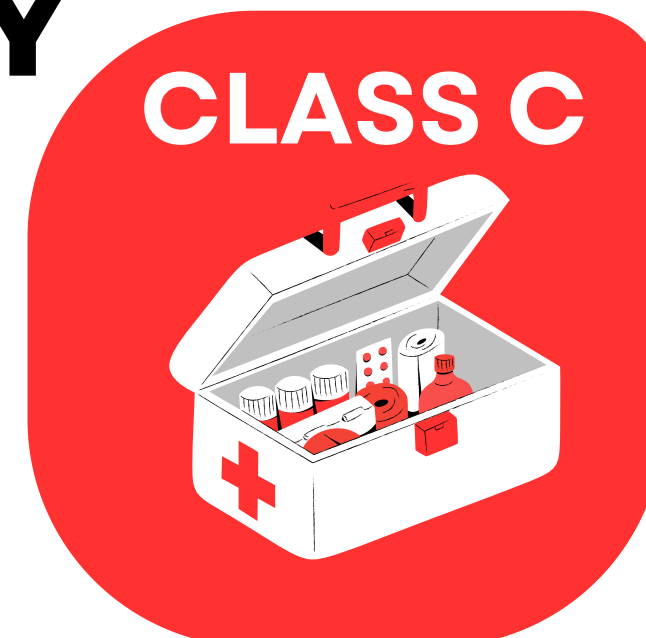
# REGULATORY BODY OF MEDICAL DEVICES INDUSTRY IN INDIA

The Medical Device Industry is regulated under the Central Drugs Standard Control Organisation (CDSCO), authorised under the Directorate General of Health Services in the Ministry of Health & Family Welfare which acts as the National Regulatory Authority (NRA) of India.

## LAWS GOVERNING THE MEDICAL DEVICES INDUSTRY

Acts and Rules that govern the Medical Device Industry in India are stated as follows -

- Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945
- Medical Devices Rules, 2017
- Medical Devices (Amendment) Rules, 2020



# MARKET OVERVIEW

As per the current market scenario, India's pharmaceutical, biotech and healthcare industry is at a significant level of investor interest. In 2022, there was a massive spike in deal value, reaching almost 6.14 billion dollars, whereas, during 2021, the investment spike was 3.69 billion.

The Healthcare Industry is expected to have a growth of over 8 to 10% in 2023. Businesses are to reassess the risk of their dependencies on the global supply chain along with seeking for organic and inorganic opportunities in India, which reduces their supply chain dependency on a single jurisdiction.

Due to the impact of the Covid 19 Pandemic, Indians have become very health conscious, aiming to lead a healthier lifestyle leading to a stretched healthcare infrastructure and service delivery to their limits, broadening the scope for more investments along with including advanced technology for combating any unpredictable future pandemics or any existing life-threatening diseases.

## SIGNIFICANT TRENDS IN THE MEDICAL INDUSTRY OF INDIA 2023

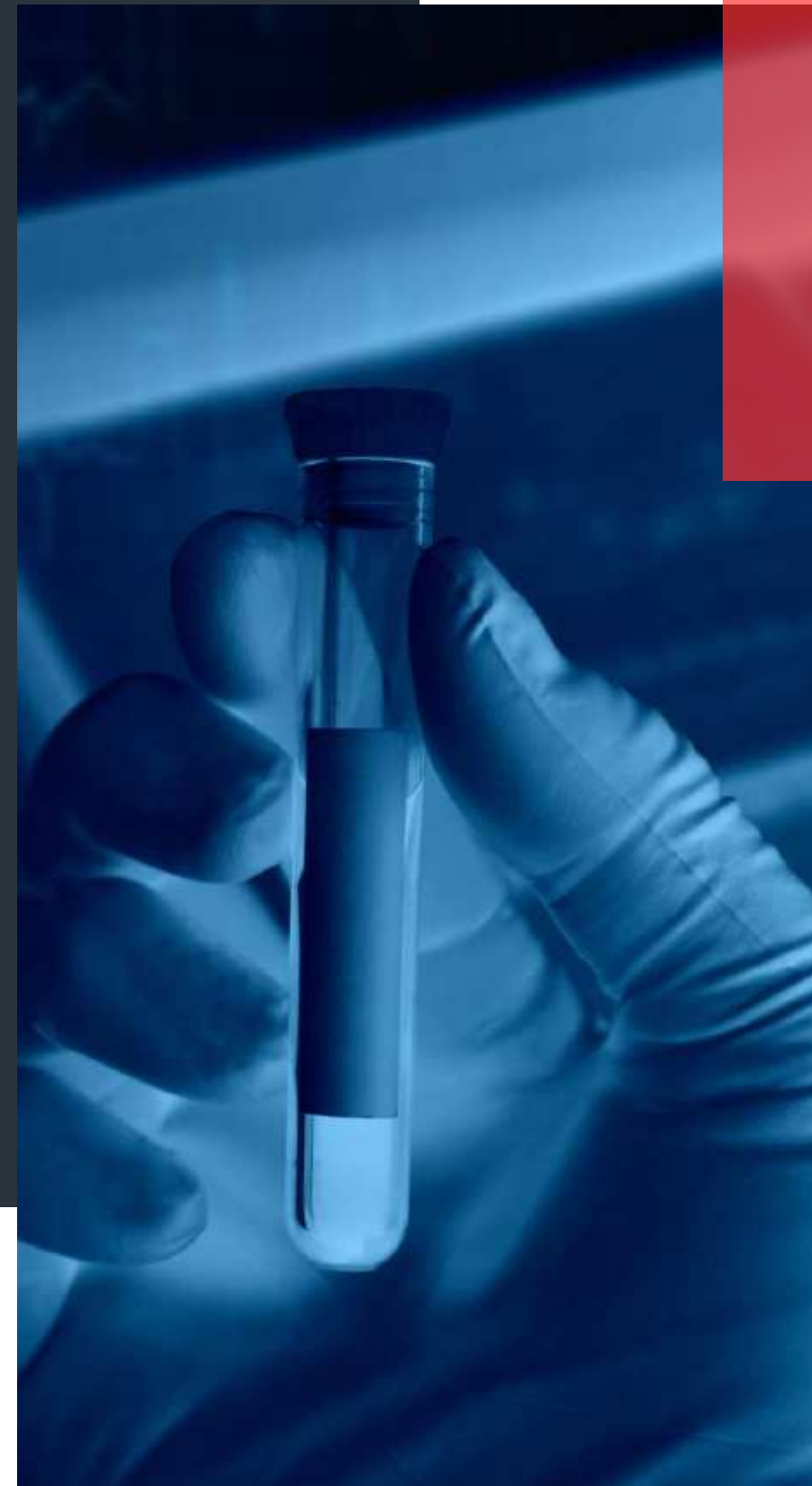




# SIGNIFICANT TRENDS IN THE MEDICAL INDUSTRY OF INDIA 2023

- The rapidly growing burden of lifestyle diseases is to bring opportunities for a proactive POC-enabled diagnostics, preventive DTx and OTC Pharmaceuticals.
- With E-Pharmacy entering and proliferating in the Indian Market, from telehealth to DTx, the digitalisation of the health industry is expected to be in high demand in 2023, with customisable global solutions beneficial for local use.
- Pharma and MedTech manufacturing is expected to bring billions in 2023 investment encouraged by the PLI Scheme and China Plus One Strategy with customisable R&D in India.
- Growth in healthcare SaaS Unicorns due to the booming startup ecosystem, which catalyses the SaaS revolution with the advancements in Digital Health Stack.
- Due to the continuous change in patient and provider preferences along with technology access and affordability, it is expected to amplify opportunities for non-traditional healthcare in the Home Health Industry Sector.





# INSIGHTS OF THE MEDICAL INDUSTRY

Importing of Medical Devices to India constitutes approximately over 75% of Medical Device Industry Sales. There is a range of factors that contribute to this high percentage share of imported devices in India. In order to bridge the gap that exists between medium to high-end technologically up-to-date products, numerous multinational companies are focussed on establishing their presence in India. Almost the top 40 Global Medical Device Companies have made their presence in the country. From the share of multinational firms is around 40% to 50% in consumables and instruments and appliances and 80% to 90% in all other sub-segments. Most of the multinational companies have their production base situated abroad and import their products to the Indian market.

By 2027, it is expected that the Medical Device Industry's Market in India is to reach INR 4,358.64 Billion, simultaneously expanding at a compound annual growth rate (CAGR) of ~41.93% between the FY 2023-27 period.

# IMPACT OF THE PANDEMIC (COVID-19) ON THE MEDICAL DEVICE INDUSTRY

Towards the end of 2021, almost all medical device industries across the globe recovered entirely from the significant dip in device sales caused by the pandemic. Although in India, due to the increasing number of cases of the Omnicron variant, at the beginning of 2022, a lot of elective procedures were postponed. However, the associated medical device sales in 2022 were impacted much less than expected in comparison to the prior consecutive year. Financial Statements throughout 2022 by some of the most significant medical device companies also showcased a substantial recovery for most of their business units, although the period and sustainability of their recent growth remain volatile.

## MARKET DRIVERS

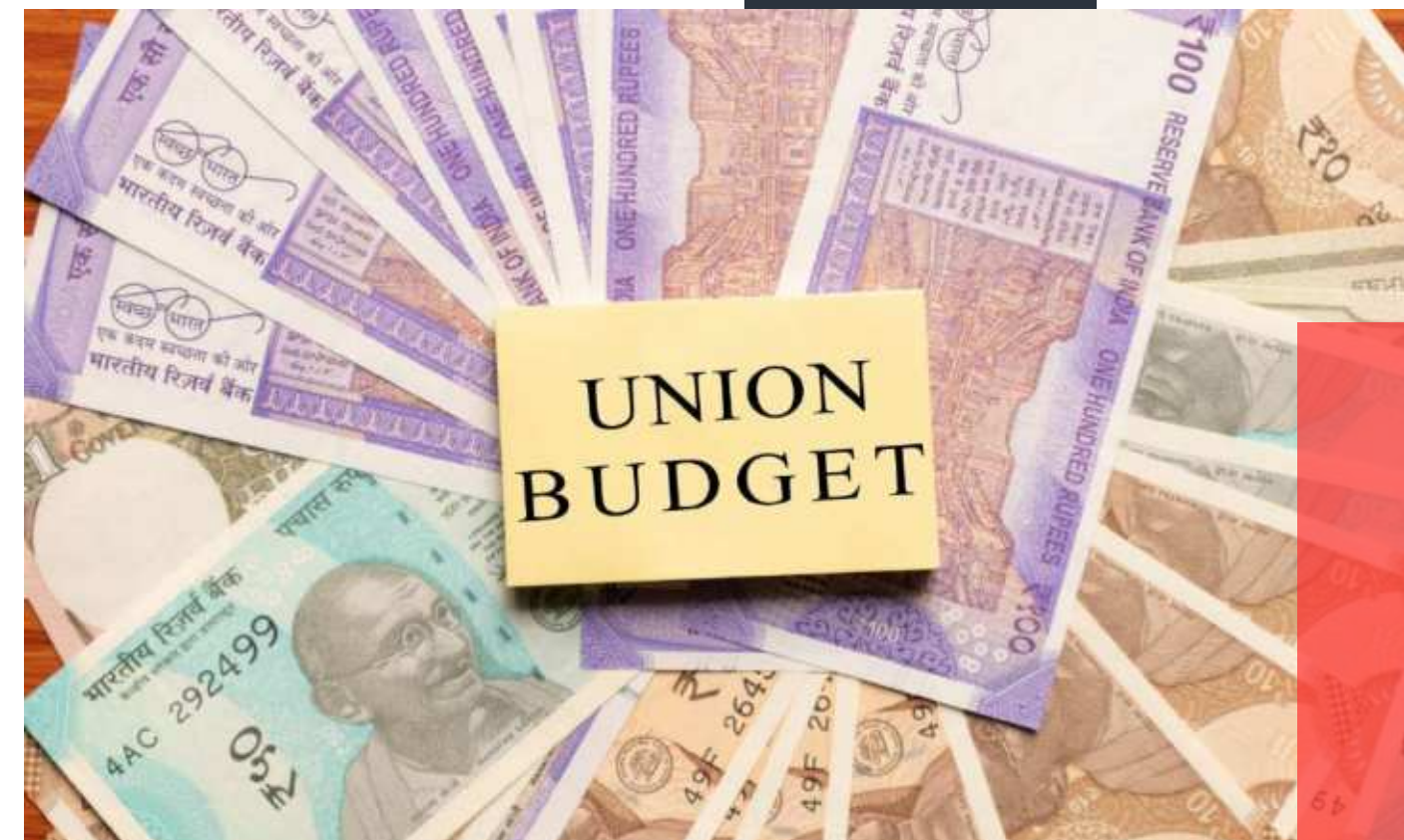
In India, there is a significant rise in the growth of chronic disorders, which include diabetes, cancer, and other infectious diseases leading to the adoption of sedentary lifestyles. Along with this, the medical industry of India is currently focused on improving their diagnosis and treatment rates via numerous awareness programmes. Resulting in which with the rising prevalence and awareness of such conditions among the population in India, the patient population requiring diagnostic procedures and tests is also increasing. The rapid rise in the geriatric population is increasing the demand for ophthalmic and orthopaedic procedures due to the increasing incidence of impaired vision and joint fractures in the elderly population.

# IMPACT OF UNION BUDGET 2023 IN THE MEDICAL INDUSTRY

The Amrit Kaal Budget, referred to as the Union Budget 2023, focused on laying the groundwork for a more elaborated healthcare infrastructure, technologically assisted solutions, and the eradication of diseases through wise public health management.

The government has taken into consideration the R&D in healthcare by expanding facilities in the Indian Council of Medical Research (ICMR) Labs in response to the epidemic and the need for joint public health management. The Union Budget specified the target of establishing 157 new nursing colleges and incrementing medical education and research.

The Finance Minister strongly urged increasing the tax deduction cap under Section 80D of the Income Tax Act. This cap is a significant contributor to the rising expense of healthcare and health plan prices. An increase in disposable income as a result of a more significant tax deduction will encourage consumers to get adequate health plans for every member of their family, increasing the penetration of healthcare financing.

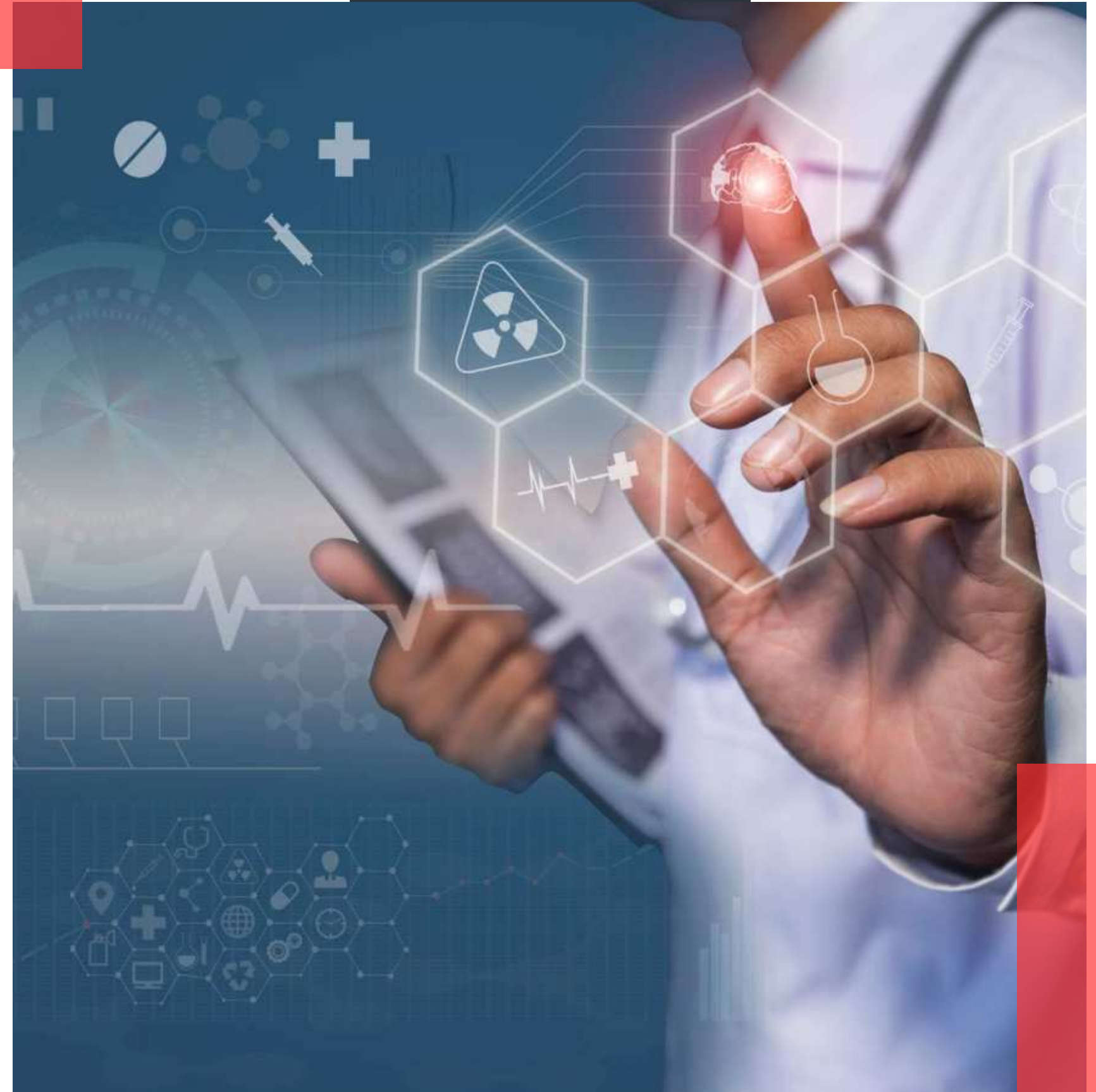


# CHALLENGES FACED IN THE MARKET

The medical devices market has seen notable growth over the past decade as a result of new technological implementations along with design modifications. The devices are expensive, including a comparatively higher acquisition cost and maintenance, thereby leading to increased device cost and ownership.

The challenges can be tackled given that the following are taken into consideration -

- Providing adequate access to healthcare services
- Having a decent budget set by the government
- Providing decent Preventive Care
- Giving attention towards improvement Medical Research
- Better Policymaking
- Paying attention towards shortage in Professionals in the country and the paucity of resources





## CONCLUSION

The Indian Medical Device Industry will certainly witness growth, as the sector is expected to be buoyed by a robust regulatory framework. In the current market scenario, the regulatory framework acts as a catalyst for growth with the laws and policies implemented.

Although the industry is currently dependent on importing devices with limited access to technology, with the government's recent initiatives, domestic production is deemed to help grow. It is to give tough competition to MNCs in varied product categories. Many MNCs have initiated manufacturing in India and are bound to grow, giving this industry ripe and attracting investments across segments.



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**THANK YOU**



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