



The Indian MEDTECH INDUSTRY

MISSP is a facilitative platform led by Embassy of India, Berne, to connect Swiss SMEs, making up more than 99% of Swiss companies, with the vibrant New India. For further information, please write to missp2@missp.ch

ABOUT MOMENTUM IN INDIA: SWISS SMES PROGRAMME (MISSP)

India has made a jump of 79 positions to 63 in 2019 from 142 in 2014 in World Bank's Doing Business rankings. The World Bank has hailed India as one of the top 10 improvers for the third consecutive year. The Government of India is targeting US\$ 1.4 trillion infrastructure investment over 2020-25 to enable economic growth. Switzerland is an ideal partner for India as it is amongst the leaders in the world in innovation, international competitiveness and environmental performance.

India provides a great opportunity for the Swiss SMEs sector to invest and grow.

The Embassy of India, Berne, has been promoting India as an active economic partner and investment destination for Swiss SMEs, which make up 99% of the Swiss companies. In line with this, the Embassy of India, Berne, launched the 'Momentum in India: Swiss SMEs Programme' (MISSP) to facilitate Swiss SMEs explore, enter, and expand in the Indian market.

The MISSP programme responds to the need for an organized platform dedicated to assist Swiss SMEs establish successful business models across the value chain in India. The Business support services provided by the MISSP programme to Swiss SMEs India entry/expansion strategy include the following:

- Strategy consulting
- M&A
- Operational market entry support
- Tax & legal support
- Financial services
- Project financing
- Location services
- Technology collaboration
- Partner Search and Due diligence

As you would have noticed, the MISSP is a true one-stop source for Swiss SMEs requiring support services, with the additional benefits of:

- Participation in Specialized Common Workshops by subject matter experts
- Regular tax & legal updates
- Access to the MISSP Network and Exchange Platforms to facilitate member companies to share their experiences, best practices, success stories and network among themselves

The program is implemented with the support of Central and State Governments in India and other key Indian and Swiss industry partners, who assist the Swiss SMEs have a smooth experience in various aspects of doing business in India.

As on date, 83 Swiss companies from various sectors have onboarded on the MISSP programme.

The MISSP programme is implemented and monitored by the Embassy of India, Berne, with T&A Consulting as Knowledge Partner responsible for the day-to-day management of the program and Rödl & Partner as the Legal & Tax Partner.

The MISSP team wishes you a great read of this teaser and looks forward to having you join us as the next MISSP member company.

We also invite you to visit our website www.missp.ch and follow us on Twitter at @misspeoi



OVERVIEW

Industry Snapshot



Valued at **USD 10 billion**
in 2019

Source: Biospectrum

Growing at a CAGR of **15%**

Source: Biospectrum



80%
Medial devices used in India
are imported

Source: NCBI, Healthcare costs and medical devices



15%
of India's medical device
imports comes from the USA.

Source: NCBI, Healthcare costs and medical devices



4th Largest MedTech market in
Asia

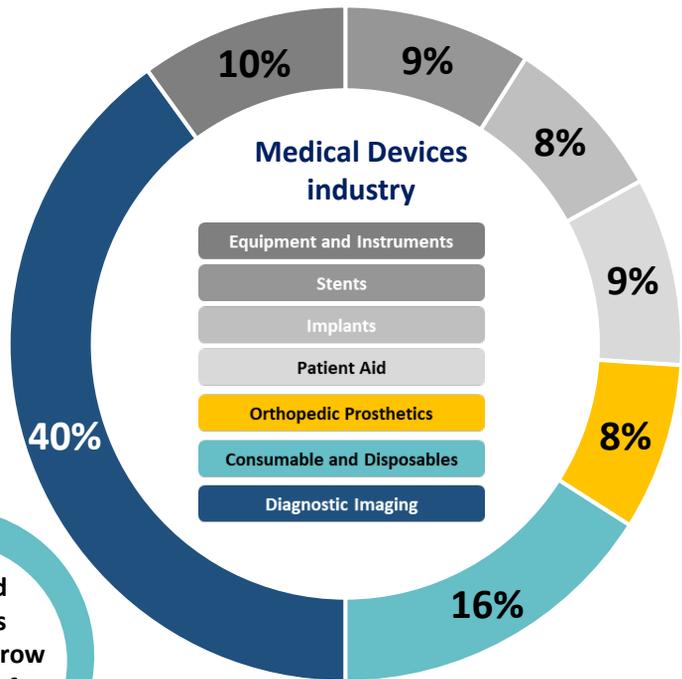
Source: FICCI

Key characteristics of the Indian medical device market

- The medical device industry was accorded the status of an independent industry in 2014 when it was included as one of the focus sectors of the Make in India program.
- The per capita spend on medical devices in India is the lowest among BRIC countries at USD 3—when China is at USD 7, Brazil is at USD 21 and Russia at USD 42. This current under-penetration of medical devices in India represents a sizeable growth opportunity.
- The consumable segment account for 65% of medical devices manufactured by 800 domestic medical device manufacturers in India

Market Segments and Share

The medical device industry accounts for 6% of the Indian healthcare industry.



Source: National Healthcare Federation of India

Diagnostic imaging is expected to grow at a CAGR of **13%**.

Patient aid segment is expected to grow at a CAGR of **19%**.

Consumables and disposables is expected to grow at a CAGR of **14%**.



Source: Media releases, Economic Times, National Healthcare Federation of India

Current Market Space

Medical device manufacturing parks in the states of Andhra Pradesh, Telangana, Gujarat and Maharashtra.

Start-up ecosystem built by Innacel's SinuCare, Forus Health and Archira Lab, develop affordable products and cater to the needs of India's low-income population.



MRI and CT scan machines are highly demanded due to the expanding nature of the diagnostic service market in India.

Increasing R&D in the medical device sector. For example, Smith & Nephew's ReSTOR Prosthesis was conceptualised and manufactured in India. It is now sold all over the world.

Increasing demand of refurbished medical devices in the Tier II and Tier III cities.

Make in India allowing India to be a part of the Global Supply Chain. ECG machines introduced by GE Healthcare is an example.



Source: Media releases, Economic Times, BioSpectrum, National Healthcare Federation of India



GROWTH DRIVERS



Growth in non-communicable and chronic diseases

Non-communicable diseases—46 million diabetes patients, 62 million heart disease patients and 23 million patients of Chronic Obstructive Pulmonary Disease—are expected to comprise more than 75% of India's disease burden by 2025.



Ageing population

India's old population is expected to reach 200 million by 2025 and 300 million by 2050.



Increasing health insurance coverage

Health insurance coverage is expected to reach 655 million by 2020. As a result, household expenditure on healthcare is expected to increase by 13% by 2025.



Focus of Make in India

Medical device is one of the 25 focused sectors identified by the Indian government as a part of the Make in India initiative.



Increasing medical tourism in India

A campaign like 'Heal in India' provides synergies to Make in India. It has allowed significant expansion and upgradation of healthcare infrastructure in the country.



Increasing Income and awareness

The rise of the middle-income group with a higher discretionary income along with increasing level of awareness for better and healthier lifestyle has been a driving force.



Opportunities in India

Existing clusters for consumables in Haryana, stent in Gujarat and Karnataka, and diagnostic in Tamil Nadu clubbed with Indian's Make in India and rising rank in the Ease of Doing Business list allows companies to consider India as a manufacturing hub.



India's impetus on Make in India and Heal in India induces a demand for automation industry, AI systems and precision industry in the Indian manufacturing ecosystem, creating a scope for foreign companies to enter the market.

Nearly 50% of utilisation of devices in diagnostic is noted for MRI/CT scan machines across India. GE Healthcare, Phillips, Siemens are the companies which are most preferred in India. Indian healthcare market looks for quality and after sales support. Companies producing MRI and CT scans can hence find an opportunity to enter the Indian market.

The growth of point-of-care testing induces an opportunity for companies producing portable instruments—blood glucose meters, nerve conduction study device—and test kits—CRP, HbA1c, homocysteine, HIV salivary assay—and plastic cartridge manufactures companies to enter the Indian market.



The growth of Medical Parks across states like Andhra Pradesh, Telangana, Maharashtra, and Gujarat allows companies to invest in R&D in India along with manufacturing. Success stories of GE Healthcare, Phillips in the domain holds testament for the available prospects in India.

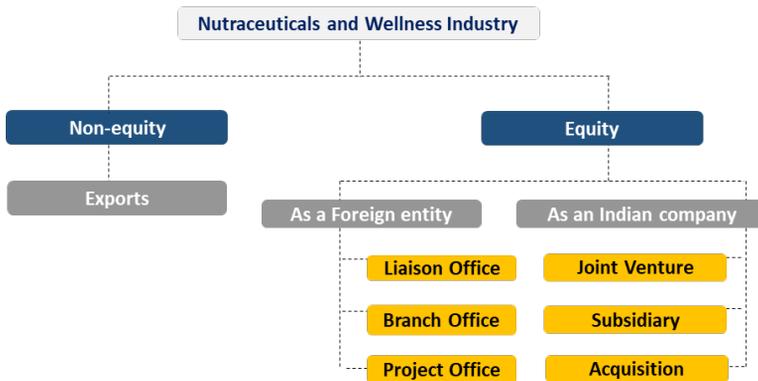


Healthcare delivery companies to see an option to enter the Indian healthcare market. With companies moving towards manufacturing high end products in the future, the demand for healthcare delivery companies will increase in the sphere of formulating new innovations, support manufacturing ecosystem, and improves accessibility and reach leveraging business models.



MARKET ENTRY

Market Entry Route



Foreign companies are suggested to access the Indian market through an indirect route. Companies can enter the India market by exporting their products by establishing contacts with national or regional distributors. This allows companies to analyse the market—the demand of customers, the response of the customers—and gauged what the future opportunities will look like.

Medical device companies that have already been approved in USA, Europe, Canada, Japan or Australia can legally sell in India. Prior to exporting, firms must file a technical dossier with the CDSCO clearly stating the type of devices and their associated risks. Devices with high level risks require a longer dossier.

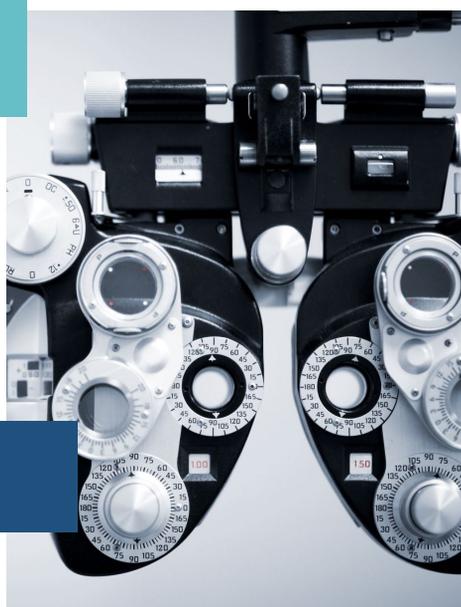
In order to export to India, foreign companies can either set up a branch office to oversee operations or seek help of a distributor to catch a hold of the market channels and customer base. Once the company has established a strong customer base, it can further establish stronger hold by partnering with an Indian company (joint venture).

The foreign companies are required to navigate through the Drugs and Cosmetics Act, 1940, the Drugs and Cosmetics Rules, 1945, and the Medical Device Rules, 2017, before exporting to India. Certain medical devices—Disposable hypodermic syringes, cardiac stents, heart valves, orthopedic implants, ablation devices and more—are considered Notified Medical Devices by the Drugs and Cosmetics Act, 1940 and are subjected to additional scrutiny.



T&A's POINT OF VIEW

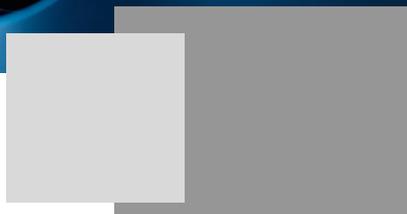
The focus on design-to-cost and a robust manufacturing ecosystem makes India a suitable destination for design-led-manufacturing of medical devices.



So far, Indian players have developed expertise in manufacturing products in consumables and implants. India is slowly shifting focus from manufacturing of low and mid-tech products towards developing capabilities for design and manufacturing of high-tech products. As India continues to innovate and develop new technologies, global demand and potential provide India with an opportunity to become a major participant in the global supply chain of medical devices.



Healthcare delivery companies will play an important role in the future growth of the medical sector. Going forward, the Indian medical device industry will depend on healthcare delivery companies for innovations, designing, support in manufacturing ecosystem and business models for better reach.





About Us

Business with India starts here

T&A Consulting is a global advisory firm, with extensive experience of working with overseas enterprises towards achieving successful and accelerated entry into India.

We work with various international Investment Attraction agencies where India is a key market and have been delivering a range of programmes to identify outward investment opportunities from India.

Incepted in 2006 in the capital city of New Delhi, T&A currently has 4 offices in India and global operations in Toronto, Canada, and Zurich, Switzerland.

Today, within its different verticals, the company caters to international economic development agencies, overseas enterprises, higher education institutions, and tourism boards.



India Market Entry:

Opportunity assessment, feasibility studies, targeted market research reports, competitor analysis, price bench-marking, location identification & Partner identification



Outward Foreign Direct Investment (OFDI):

Targeted analysis of outward investment, trends and opportunities to assist international inward investment agencies with lead generation.



Client Engagement and Business Development:

Relationship management with foreign Economic Development and Trade Promotion Organizations, organizing trade and reverse trade missions



Tourism Representation:

Promoting Indian outbound tourism and providing representation to tourism boards and destination management companies



Education Representation:

Student recruitment support and representation to international education institutions and assisting in forging partnerships for research and student and faculty exchange

Looking at India market?

Get in touch

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