



INDIA'S MEDICAL DEVICES

INDUSTRY STEPS ONTO
THE GLOBAL STAGE



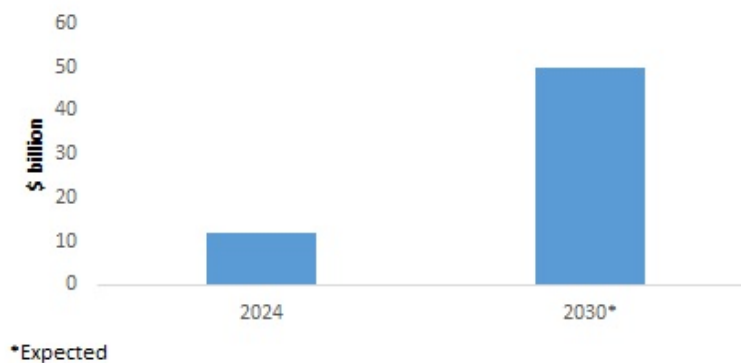
DECEMBER - 2025



INDIA'S MEDICAL DEVICES INDUSTRY STEPS ONTO THE GLOBAL STAGE

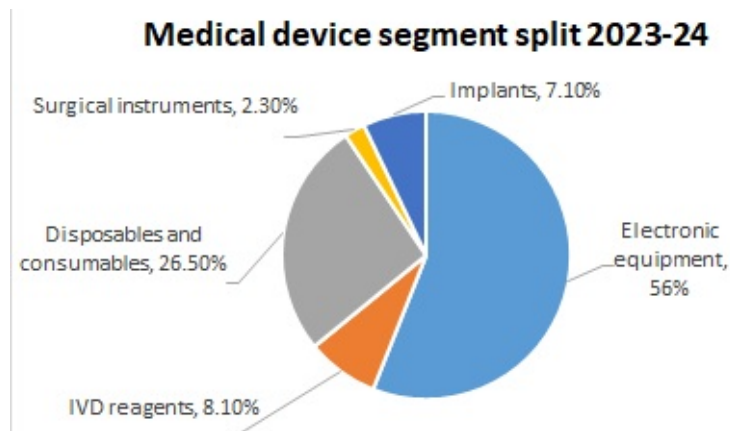
Medical devices sector in India is a crucial and integral constituent of the country's healthcare industry, particularly for prevention, diagnosis, treatment & management of all medical conditions and disabilities. The medical devices sector is a multi-disciplinary sector. India is one of the fastest growing markets in the global medical devices industry. It is the fourth largest medical devices market in Asia, after Japan, China & South Korea, and is among the top 20 global medical devices markets in the world. India exports ventilators, personal protective equipment (PPES), diagnostic kits, surgical gloves, coronary stents, radio-imaging equipment, body implants, etc. The medical devices sector in India is a sunrise sector because of its immense growth potential driven by the country's increasing healthcare needs, technological innovations, government support, and emerging market opportunities. Currently valued at \$12 billion in 2024, this sector is likely to more than triple in size, potentially reaching \$50 billion by 2030. This growth is not only due to an increasing focus on innovation and cost-effective production, but also to the proactive role of government initiatives like Make in India & Aatmanirbhar Bharat. These initiatives steadily build India's reputation as a hub for high-quality, affordable MedTech products.

Market size of medical devices sector





The medical devices sector is categorized into five primary segments: electronic equipment, IVD reagents, disposables and consumables, surgical instruments, and implants. Digital technology plays a transformative role within each segment, enhancing the precision, functionality, and effectiveness of medical devices. The sector is primarily dominated by the electronic equipment and disposables and consumables categories, which together constituted 82.5 per cent of the combined import and export market in 2023-2024. Of this significant portion, electronic equipment commands the majority with a 56 per cent share, and disposables and consumables contribute 26.5 per cent. The remaining 17.5 per cent of the market is shared among IVD reagents at 8.1 per cent, implants at 7.1 per cent, and surgical instruments at 2.3 per cent.



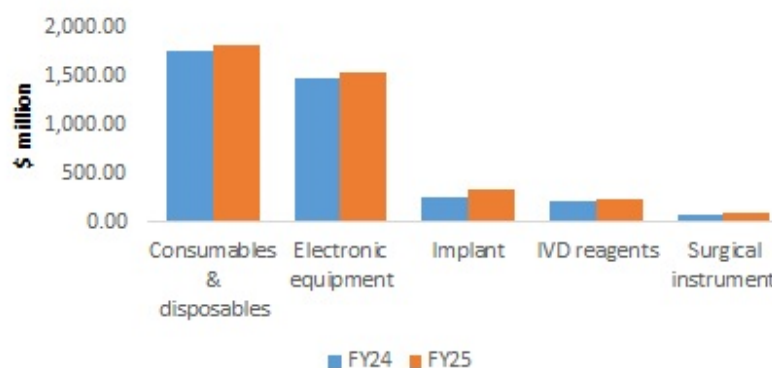


EXPORTS OF MEDICAL DEVICES

The country's total exports of medical devices increased by 6.13 per cent to \$4,017.58 million in the April-March 2024-25 (FY25) over \$3,785.65 million FY24. Category-Wise exports of Consumables & Disposables increased by 3.50 per cent from \$1,752.03 million in FY24 to \$1,813.30 million in FY25. Electronic equipment exports rose 4.22 per cent to \$1,534.44 million in reporting period over \$1,472.32 million in the corresponding period of previous year. Moreover, implants (\$334.29 million), IVD reagents (\$231.72 million) and surgical instruments (\$86.20 million) exports jumped 32.68 per cent, 7.39 per cent and 8.56 per cent in FY25, respectively, over the FY24. The United States stood as the top export market, receiving 19.52 per cent of India's medical devices exports. This was followed by Germany at 5.17 per cent, France at 4.13 per cent, China at 3.99 per cent and Netherlands at 3.82 per cent. Together, these five countries constituted around 36.63 per cent of India's total medical devices exports.

India's export portfolio includes products across various segments, such as PPE, diagnostic kits, sanitizers, surgical gloves, X-Ray tubes and implants. In 2023-24, the 'disposables and consumables' category represented nearly half of India's medical devices exports driven by India's competitive edge in producing high-volume, low-cost medical devices within this segment. The 'electronic equipment' segment was the next largest in terms of the total medical devices exports.

Exports of medical devices



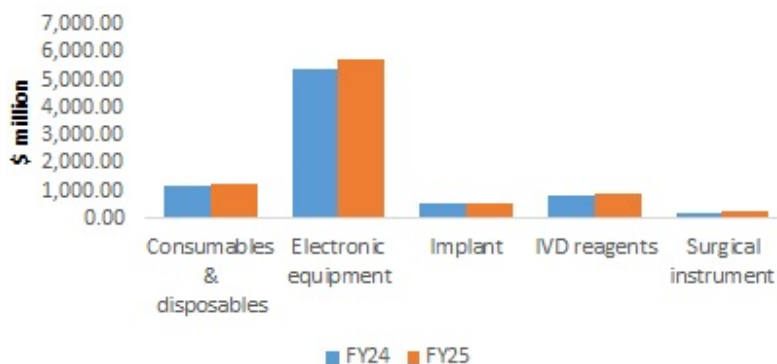


IMPORTS OF MEDICAL DEVICES

India remained a net importer of medical devices, relying on imports for nearly 70 per cent of its domestic requirements, despite growing export capabilities. This reliance stems from the complex and highly regulated nature of medical devices manufacturing, where domestic capabilities and regulatory frameworks are still in the process of evolving to meet global standards. In FY25, India's medical devices imports reached \$7,964.22 million from \$7,374.75 million in FY24, marking a 7.99 per cent rise. The surge in imports is attributed to the growth of top-tier hospital chains, which are investing in advanced infrastructure. Category-Wise imports of Consumables & Disposables rose 5.66 per cent from \$1,185.08 million in FY24 to \$1,252.11 million in FY25. Electronic equipment imports surged 6.51 per cent to \$5,750.96 million in reporting period over \$5,399.62 million in the corresponding period of previous year. Moreover, implants (\$580.19 million) and IVD reagents (\$915.43 million) and Surgical instrument (\$237.86 million) imports advanced 9.95 per cent, 14.01 per cent and 28.89 per cent in FY25, respectively, over the FY24.

India imports primarily from the US, China, Germany, Singapore and Netherlands, which constituted around 18.79 per cent, 15.88 per cent, 10.93 per cent, 10.35 per cent and 5.30 per cent of total imports, respectively, in FY25. The imported devices are typically high-value, low-volume items such as hematology analyzers, gas analysis apparatus, immunoassay processors, and treatment planning and robotic navigation solutions.

Imports of medical devices





UNDERLYING DRIVERS SHAPING THE FUTURE OF MEDICAL DEVICES SECTOR

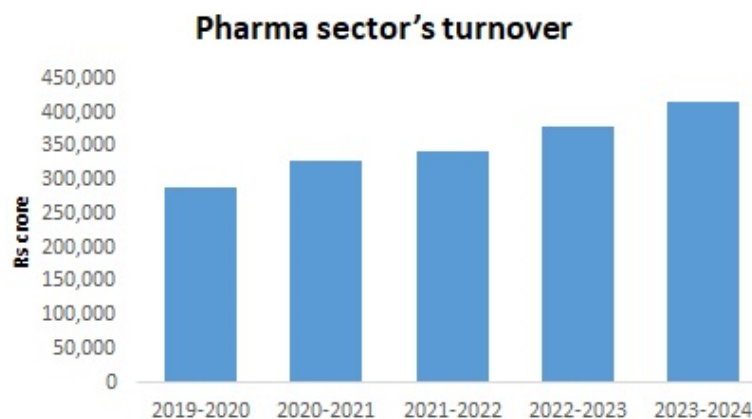
Improving foreign inflows: The sector is witnessing strong Foreign Direct Investments (FDI) inflows, which reflects the confidence of global players in the Indian market. In order to attract investments in this industry, the Government has allowed 100 per cent FDI in medical devices industry. Recently, the Indian medical devices industry's contribution has become even more prominent as India supported the global battle against COVID-19 pandemic through the production of medical devices & diagnostic kits, e.g., Ventilators, RT-PCR kits, IR Thermometers, PPE Kits & N-95 masks. During FY25, FDI inflows in medical and surgical appliances increased by 29.86 per cent to \$626.99 million, as compared to \$482.83 million in the corresponding period of the previous year. Prior to this, FDI inflows in medical and surgical appliances were \$397.20 million in FY23 and \$208.05 million in FY22. Meanwhile, in the current fiscal year (FY26), FDI in medical and surgical appliances for the period April to June stood at \$51.6 million.

FDI in medical and surgical appliances





Steady growth in pharm sector: Indian medical devices sector is closely linked with the growth of pharmaceuticals. By providing affordable and high-quality medicines and vaccines, a strong pharmaceutical sector significantly boosts access to treatments, lowers costs through generics, and encourages innovation in fields like biotechnology and medical devices. The Indian pharmaceutical sector has been witnessing decent growth over the past few years and is expected to grow to \$130 billion in value by the end of 2030. The total annual turnover of pharmaceuticals in 2023-24 was Rs 4,17,345 crore, registering a growth of around 10 per cent over Rs 379,450 crore in 2022-23. Previously it was Rs 344,125 crore in 2021-22, Rs 328,054 crore in 2020-21 and Rs 289,998 crore in 2019-20. Growth in the Indian pharmaceutical sector is being driven by metropolitan cities, Tier I cities, and rural markets, each accounting for around 30 per cent of the market share.



Increasing medical tourism to create demand for high-end equipment: India's medical tourism sector has been on an upward trajectory, with the country becoming an attractive destination for patients across the globe seeking quality healthcare at affordable prices. India is now the second largest medical tourism hub in Asia. Medical procedures in India are over 60 per cent to 80 per cent less expensive than in developed countries. A cardiac procedure that costs around \$100,000 in the US or around \$40,000 (around 30,760 pound) in the UK can be performed for merely around \$5,000 (around Rs 420,396) in India with similar clinical success. The growth of medical tourism in India will create a demand for high-end equipment across different care sites, including hospitals, outpatient care settings & home healthcare to cater to the diverse needs of international patients.



Growing elderly population to generate demand for assistive devices: India is undergoing a rapid demographic transition, with the elderly population (60 years and above) projected to more than double from 100 million in 2011 to 230 million by 2036, making up about 15% of the total population. This evolution indicates that by 2036, nearly one in seven Indians will be aged 60 years or older, representing a fundamental restructuring of the country's population composition. Growing elderly population drives demand for medical & assistive devices. This increase in the elderly population and dependency ratio signal an escalating need for the younger generation to provide care & address the social needs of older adults. Medical devices and diagnostics are crucial in empowering seniors to age in place, offering them the tools to preserve their autonomy, manage chronic diseases, and enhance their safety. Leveraging these technologies can enhance the quality of life for the elderly, reduce healthcare costs & create a sustainable model for aging societies.

PLI for medical devices industry: The Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of Medical Devices with total financial outlay of Rs 3,420 crore & production tenure from FY 2022-2023 to FY 2026-27, provides incentive to selected companies at the rate of 5 per cent on incremental sales of medical devices manufactured in India & covered under the four Target segments of the scheme, for a period of five (5) years. Under this scheme, high value Medical Devices such as Linear Accelerator, MRI machines, CT-Scans, Mammograms, C-Arms, Ultrasound machines etc. are manufactured, which were previously imported into the country. Under the PLI scheme for Medical Devices, a total of 32 applicants has been selected under the scheme, of which 19 greenfield projects have been commissioned for 44 products including high end medical devices such as Linear Accelerator, MRI machines, CT-Scans, Mammograms, C-Arms, Ultrasound machines etc. Against committed investment of Rs 1356.94 crore, investment worth Rs 1057.47 crore have been realized. The cumulative sales made by the applicants under the scheme is Rs 8,039.63 crore (which includes exports worth Rs 3,844.01 crore) up to September, 2024.



GOVERNMENT INITIATIVES AND RECENT DEVELOPMENTS

- **Govt launches Rs 500 crore scheme to strengthen medical devices industry :** To provide a big boost to the medical devices industry, the government has launched a Rs 500 crore scheme, focusing on critical areas such as manufacturing key components & accessories, skill development, support for clinical studies, development of common infrastructure & industry promotion. This initial outlay of Rs 500 crore will be for three years, up to financial year 2026-27 (FY27). The overall scheme consists of five components, including common facilities for medical devices clusters, capacity building & skill development, a marginal investment scheme for reducing import dependence, clinical studies support & a medical devices promotion scheme. Under the scheme, Rs 110 crore has been allocated to strengthen infrastructure through the creation of common facilities such as research & development (R&D) labs, design and testing centres & animal labs for around 20 medical devices clusters in India. This will also include the enhancement of testing facilities.
- **Govt recommends GST reduction on various medical equipment & supplies devices:** GST Council at its 56th meeting, under the chairpersonship of the Union Finance & Corporate Affairs Minister Nirmala Sitharaman, has inter-alia made the recommendations relating to changes in GST tax rates, provide relief to individuals, common man, aspirational middle class and measures for facilitation of trade in GST. The recommendations include reduction of GST from 18 per cent to 5 per cent on various medical apparatus and devices used for medical, surgical, dental or veterinary usage or for physical or chemical analysis. It also recommended reduction of GST from 12 per cent to 5 per cent on various medical equipment and supplies devices such as wadding gauze, bandages, diagnostic kits and reagents, blood glucose monitoring system (Glucometer) medical devices, etc.



- **India-UK FTA introduces mutual recognition agreement for medical devices:** India & the United Kingdom have signed the Comprehensive Economic and Trade Agreement (CETA), a bilateral free trade agreement. Under the agreement, medical devices and instruments will be exported to the UK at zero tariffs from current 2 per cent - 6 per cent tariff levels, helping Indian manufacturers of surgical and diagnostic equipment. India's current exports to UK are \$37 million. UK represents a huge opportunity for the Indian Medical devices manufacturers with UK's Medical devices market size was estimated to \$32 billion in 2024 and expected to reach to \$69 billion by 2035 with CAGR of 7.19 per cent. CETA incorporates a mutual recognition agreement framework whereby medical devices certified by Central Drugs Standard Control Organisation (CDSCO) or the Indian Certification of Medical Devices (ICMED) can access the UK markets more freely.



OUTLOOK

The Indian medical devices industry holds significant potential to drive innovation and improve healthcare accessibility, while simultaneously reinforcing India's position in the global marketplace. As an emerging sector, it necessitates strategic measures to expedite growth, promote research and development, and adapt to changing healthcare demands. A cooperative strategy involving regulatory authorities, policymakers, and manufacturers will be crucial in developing a self-sufficient and globally competitive environment. Initiatives such as 'Make in India', decreasing import reliance and enhancing exports, allowing manufacturers to leverage these opportunities to increase production capabilities, invest in advanced research, and solidify India's status as a global center for high-quality medical devices.

Although India is presently a major importer of medical devices, it has the capacity to become a significant exporter and a leader in the global MedTech industry. This transformation would be propelled by India's strategic advantages, which encompass a skilled workforce, cost efficiency, technological advancements, and government initiatives that encourage domestic manufacturing and innovation. With these advantages aligning effectively, India is poised to redefine its role in the international MedTech landscape, not just as a market player but as a leader guiding the future trajectory of the industry.



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