



COVID19 – Flash Series – Market Research

COVID'19 to Push Investments in Healthcare Device & Equipment Manufacturing Industry in India - Opportunity Outlook for Private Sector Players Till 2025


Coverage >


 COVID-19 – From 'Next to Now'
– Current capacity track

 Demand Surge Scenarios
for India

 Purpose – Addressing
Demand Surge & Scaling
Up Capacities

 Domestic Manufacturing &
New Contributing Units –
Action Plan

 State wise – Capability &
Capacity Escalation –
Mapping Change for EVER

 Market Response Factored
– Feed from Top Domestic
& International Players

Report Rationale



COVID'19 – Will it be the silver lining for domestic healthcare manufacturing industry amidst all gloom?


The existing scenario shall open fresh and immediate opportunities for existing players as well as for new entrants. Players with strong manufacturing base irrespective of the industry are likely to reap high gains



ER

eninrac reports

Eninrac reports are a combination of logical thinking and analysis on industry issues that matter the most and assist our clients to stay ahead of the market happenings.

 **Value Augmentation**

The study presents major investment hotspots for manufacturing medical devices & equipments in India.



Market Research Flash Report

Why eninrac's market research on healthcare medical device & equipment industry?

COVID'19, to Pump More than Usual Investments in India's Healthcare Industry– “Preparedness” is what “Prescribed” to the Private Players

“Challenging Times often Brings out the Best Out of Us” and the Current Pandemic is likely to Offer Similar When it Comes to the Indian Healthcare Industry

At outset of this new decade 2020, the world witnessed one of the biggest and toughest health crisis in the form of COVID'19. About 4.7 lakh people across the globe succumbed their lives to this pandemic over a span of just six months as on June 2020, with a count of infected one's hovering around 90 lakhs. The scenario has been so critical that even the countries with best health infrastructure has been short on providing adequate medical facilities, with more and more cases getting registered every day. India being no different is also coping up with this tough time. It is pertinent to note that as on June 2020, the total COVID'19 positive cases in India stands to be 4.25 lakhs, i.e. approximately 5% of the total infected cases globally. Further, the country accounts nearly 3% of the total global deaths due to the current pandemic. But challenging times often brings out the best out of us, a great opportunity is underlying beneath the tough times and is likely to better shape the growth of healthcare industry in India. The experiences gained during this time has demonstrated the potential fundamental shifts across the healthcare and well being continuum. These shifts include the design and construction of facilities, the training of healthcare workers, sourcing and inventory management of critical care equipment and personal protective equipment (PPE) materials, and the optimal settings for care delivery and how it is reimbursed. Some of these shifts were underway in the country before the pandemic was declared and likely will now be accelerated. Infact, well advance of the current scenario , government of India recognized the need to reform the existing healthcare industry in the country. The testimony of this fact lies in the budgetary allocation of INR 690 Billion done for the sector in Union Budget 2020-21 on February 1, 2020. Not only this, the government also announced the expansion of its Ayushman Bharat scheme with setting up of more hospitals in Tier-II and Tier III cities of India through public private partnership (PPP) mode. Not only in setting hospital infra, but government is enhancing private participation across the healthcare industry. One of the biggest example of this is mushrooming of start-ups scaling virtual health offerings such as telemedicine. It is significant to note that many major hospitals in India have adopted telemedicine services and have entered number of PPPs tie ups which is likely to increase the said market at a CAGR of 22-27% by 2025. Some of the other identified important changes that Indian health and well being industry can witness and offer a potential market for the private players are – ***flexible design & construction of new facilities to ensure increased number of beds with a ability to quickly convert them into intensive / critical care beds , establishing an centralized ICU hub, virtual ICUs, use of artificial intelligence for operational excellence, robotic surgeries, separating ancillary functions such as imaging & test labs from core hospitals, accelerated transition to ambulatory care, technological advancements etc.***

⊕ Impact Assessment of COVID'19 – Healthcare Systems & Equipment

🌊 The Flow – Pre-COVID19 Overview

The Flow – Overview of Sector	
Healthcare Market Size in India	▪ US\$ 372 Billion by 2022 (BAU)
Hospital Industry Growth Rate in India	▪ CAGR of 16-17% and to reach ₹ 8.6 Trillion by FY 2022
Major Policy Support	▪ World's largest Government funded healthcare scheme Ayushman Bharat launched in 2018
Medical Tourism Market	• Anticipated size was US\$ 9 Billion by 2020

🌊 The Turbulence – Current Impact of COVID19

The Turbulence – Current Impact of COVID 19					
	Low	Medium	High	Unknown	Remarks
Price variation of key raw materials					Raw material supplies could be a challenge due to disrupted supply chains. Moreover supplies from China are reduced and therefore indigenous capacity is developed
Production of PPE & Ventilators					With COVID19 hitting the country requirement of the personal protection equipment & ventilator shall see a surge and the supply chain issues shall impact the same
Supply chain disruption					Supply chain seems to be the big challenge and needs realignment given recent announcements on essentials
Labour force					Labour needs to be aligned to service essentials based services
Cash flow constraints					Being at the top of essential goods the chances of cash flow constraints are low however moratorium might exist

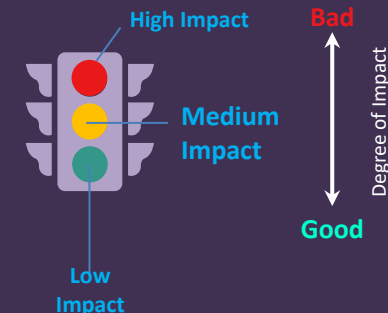
🌊 The Ripples – COVID19 Aftermath

- Health care expenditure shall get a major push post COVID 19 impact. There shall be impetus upon improving the infrastructure in the country and ease of availability for the masses
- The spike in demand of PPE shall see many domestic OEMs from various industry supporting the demand like distilleries supporting sanitizer demand and textile industry supporting mask demand etc.
- Supply chain issues shall be impacting the smooth transit of the necessary equipment's to end mile consumers
- Ventilator manufacturers in the country shall be on rise with support rising for invasive and non-invasive categories both

🌊 The Calm – When normalcy returns?

- The sector being the priority sector is likely to be less impacted by COVID19. However the expenditure and investments in the sector shall see a major boost and therefore the normalcy might return as early as **Q2 2020**

Level of impact on the sector



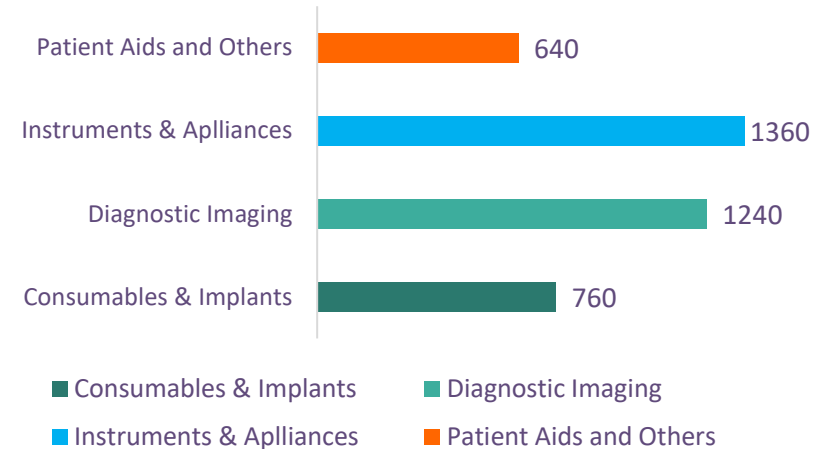
Source: Eninrac Flash (COVID'19 Impact Assessment Analysis)

Healthcare Device & Equipment Industry in India Anticipated to Observe a Market Size of INR 4000 Billion by 2025

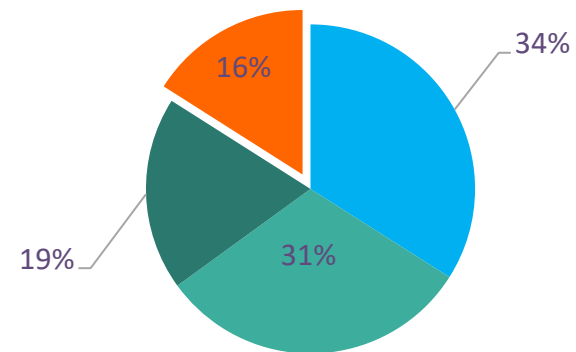
Medical devices industry is categorised into four main segments – i. **Consumables & Implants** (including stents, syringes, needles, catheters, suturing materials, bandages and dressing), ii. **Diagnostic Imaging** (including electro-diagnostic apparatus, radiation apparatus, imaging parts and accessories), iii. **Instruments and Appliances** (including surgical and non-surgical equipment, and other instruments and supplies), iv. **Patient Aids and others** (including hearing aids, prosthetics and orthotics, pacemakers, dental products and others). Around 60% of the manufacturers in India are mostly domestic players operating in the consumables segment and catering to local consumption. Large Multinational Corporations lead the high technology end of the medical devices market with extensive service networks, accounting a market share of 75-80%. India is the 4th largest medical device manufacturing market in Asia and holds significant potential to be a leader in this space by 2030. Presently, the medical device industry in India holds a market size of INR 840 Billion. With, 100% FDI allowed under the automatic route for both brownfield and greenfield projects, ease in the regulations for manufacturing medical devices & equipments and the likely global shift in setting manufacturing base from China to India, market size of medical device industry in India is anticipated to see a five-fold growth and hover around INR 4000 Billion by 2025 (eninrac market research report on healthcare industry market outlook till 2025). Instruments and appliances holds largest market share of medical devices industry in India with 34%, thus anticipates a market size of INR 1360 Billion by 2025. Diagnostic devices also hold a significant percentage share of 31% in the total market size, hovering around INR 260 Billion as on 2020. Of the total market size of diagnostic devices, imaging parts & accessories such as **contrast media, medical X-Ray films (flat and rolled), X-Ray tubes and other imaging parts / accessories** holds the major chunk. Segment wise detailed market size projections for medical device industry in India by 2025 can be seen in Exhibit 1.

Exhibit 1: Segment Wise Market Size Projections - Medical Device Industry in India by 2025

Overall Anticipated Market Size by 2025 (INR Billion)



Percentage Share of Segments in Overall Medical Device Market Share



Source: Eninrac Healthcare Industry Research Report



Market Size Assessment Till 2025

Estimating the medical device & equipment market size in India and its outlook till 2025. Examining potential investment hotspots in Tier I, Tier II & Tier III cities of Indian states for private players

By the medium of this report eninrac team attempts to assess the business opportunity in Indian healthcare device and equipment manufacturing. The report covers region wise market size outlook of all major type of healthcare devices and equipments categorised broadly under – **consumables & disposables, diagnostic equipments, patient aid, instrument & appliances, dental products, ventilators etc till 2025.** Further, it also focuses on demand response by the active medical OEMs in the country and the potential new ones. For estimating the healthcare equipment market size in India with factored outlook till 2025 we did a deep dive study covering contours and bases in relation to the same Market Assessment Model.

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Truth is ever to be found in the simplicity,
and not in the multiplicity and confusion of
things

- Sir Isaac Newton



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