



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

(Set up by Ministry of Commerce, Govt. of India)

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Medical device cos want export council

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New Delhi: The domestic medical devices industry has mooted the formation of a medical export council on the lines of Pharmexcil (Pharma Export Council), a body under the commerce ministry that represents the interest of pharma exporters.

In a letter to commerce and industry minister Anand Sharma, the All India Medical Devices Industry (AIMED) has urged to set up a Medical Export Promotion Council or expand the scope of Pharmexcil to include medical devices and rename it to reflect its inclusive nature. Pharmexcil apart from being the sole agency to issue registration-cum-membership certificate to pharma exporters, advises the government on policy issues related to pharma exports on behalf of the industry and ensures hassle-free passage for pharma exports by coordinating with overseas stakeholders.

The industry is also lobbying for the imposition of a uniform value added tax regime on medical devices across states to eliminate market distortion and usher in a level playing ground, geographically speaking.

“Some states charge VAT on MRP and others on invoice value. The VAT should be charged in a uniform manner only on the invoice value. With the introduction of the VAT, central sales tax and other form of taxes charged on the sale, purchase or movement of goods should be phased out,” said Rajiv Nath, JMD, Hindustan Syringes and Medical Devices. The export-oriented medical devices industry exposed to currency volatility also expects government to offer cheaper credit for exporters. Himanshu Baid, MD, Poly Medicure said, “On lines of China and other South East Asian countries, cheaper credit (Libor + 1 or 2%) should be made available to exporters for them to remain competitive. Also, due to currency volatility, the overseas clients are reluctant to enter into long-term contract. The government should also look at tying rupee to a ‘band’, like China so that rupee’s value attains stability and stays within that band. This would help the exporters to work on a fixed price with retain their overseas customers for a long time”.

The industry also hopes that the skewed duty structure which offers incentives to imported devices vis-a-vis domestic manufacturing should be corrected. “We hope the government abolishes List 37 that comprises 111 medical and surgical instruments and appliances. In case of these products, the duty on import of components is higher than imported finished devices. This marks a huge loss for the indigenous industry and inhibits growth of Indian manufacturers. For instance, importing blood collection tube incurs a custom

duty of 7.5% while import of its components like glass tube and cap attracts a custom duty of 10% which is higher than the finished product,” Nath said.

According to industry estimates, over 75% of country’s medical devices demand is being met through imports. The Indian medical technologies market is estimated at Rs 15,000 crore at present. It is growing at 22% annually and projected to touch Rs 22,000 crore by 2012....