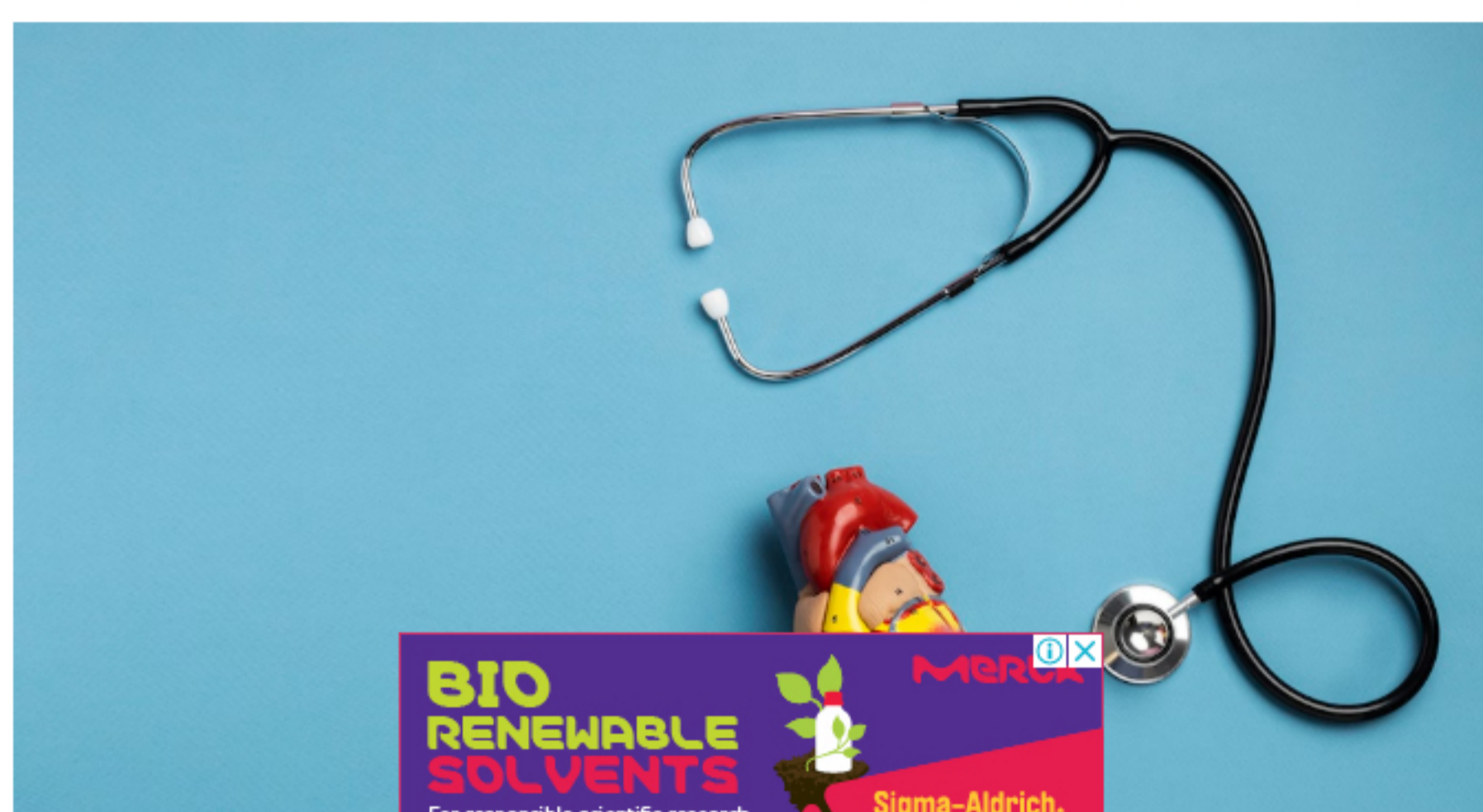


Over 70 percent innovation in Indian MedTech startups driven by digital integration, reveals EY Parthenon report

The Indian companies are increasing their global footprint through cost effective options of products from MNC portfolios they are also embedding innovation and creating Global portfolios that help penetrate global markets, the report found.

Written by [Sushmita Panda](#)
November 26, 2024 19:57 IST

[Follow Us](#)



Among Indian MedTech startups, 79% of all innovations are driven by medical technology solutions. (Image Credits: Pixabay)

EY Parthenon's latest report has revealed that the Indian MedTech market is witnessing a surge of creativity and innovation from start-ups, as they integrate pure medical technology with digital advancements

Launched on Tuesday, the report titled, "India's MedTech industry: The renaissance of a sector", highlights that over 70% innovations by MedTech startups in India are driven by digital integration, further revolutionizing healthcare.

India's medical technology (MedTech) sector, currently valued at USD 12 billion in 2023, is on a trajectory to reach USD 50 billion by 2030, with a projected CAGR of ~20.1% from 2020 to 2030[2]. This ambitious growth will be fuelled by several critical factors, including supportive government policies aimed at reducing import dependence and bolstering exports, according to the report.

EY Parthenon's analysis of 100 MedTech start-ups (50 Indian and 50 global) gained insights into innovation trends. **Key findings reveal:**

Both global and Indian startups have common innovation themes such as advancements in early disease detection, home-based care, advanced materials, minimally invasive techniques and integration of digital technologies

Among Indian MedTech startups, 79% of all innovations are driven by medical technology solutions [~63% of these (79%) solutions are digitally integrated]. Additionally, 21% of all innovations are purely driven by digital solutions.

Indian startups are actively integrating digital solution such as AI, IoT, and cloud computing to democratize healthcare with portable devices, remote monitoring and screening tools

"The growth of India's MedTech sector presents a unique opportunity to redefine healthcare on a global scale. The trends we're seeing today—ranging from the integration of digital health technologies to the rise of personalized care—are just the beginning. These innovations will be transformative, not only for healthcare providers but for the patients who will benefit from more accessible, efficient, and personalized care," Suresh Subramanian, National Lifesciences Leader, EY Parthenon India said.

"With rising investments, strategic collaborations, and strong commitments from both global and Indian firms, India's MedTech industry is poised for sustained growth and success. The government's support in fostering innovation and scaling manufacturing will be key to unlocking this potential, positioning India not only as a leader in the domestic market but also as a global hub for MedTech innovation.", he added.

It further delves into EY Parthenon's analysis of new products and product extensions launched by leading global and Indian MedTech companies between January 2023 and July 2024. **The research revealed that:**

The industry is advancing through three innovation models, incremental improvements, substantial innovation and breakthroughs emphasizing on safety, efficacy, accessibility/affordability, and efficiency of devices.

Digital technologies are at the core of innovation: technologies such as AI, ML, IoT, and cloud computing are being integrated into all sub-segments, enhancing device functionality, enabling real-time data analysis, improving patient outcomes, and optimizing healthcare workflows.

Additionally, the report highlights 14 key growth drivers organized under following three main categories, which collectively aim to propel India's MedTech sector growth:

Changing disease patterns and healthcare delivery models: Increasing prevalence of chronic diseases, increasing focus on prevention, an aging population and shift towards alternate site of care is resulting in demand of medical devices such as wearables, devices for remote monitoring, disease management and early screening.

Demographic and socioeconomic factors: Rising income, greater healthcare insurance coverage, infrastructure development, and expanding medical tourism are creating demand for both affordable and innovative medical devices.

Evolving MedTech industry ecosystem: Sector is experiencing transformative growth driven by strategic government initiatives (including streamlined regulations, infrastructure development, R&D incentives, and specialized workforce development programs), a vibrant startup ecosystem fostering innovation, robust digital capabilities leveraging AI and IoT, and substantial capital inflow through PE/VC funding and FDI. These supportive elements are catalysing MedTech industry evolution from import dependency to becoming a potential global MedTech hub.

ALSO READ

[MedTech sector to touch \\$20 billion by FY27, Govt scheme to boost domestic manufacturing](#)

The government has implemented a range of initiatives, from regulatory reforms like the 'Medical Device Rules, 2017' and the 'National Medical Device Policy, 2023,' to infrastructure and R&D support through programs such as the Production Linked Incentive (PLI) scheme, medical device park promotions, and the PRIP scheme, the report revealed.

According to the report, India's MedTech sector is on an upward trajectory, with both Indian and global MNCs actively implementing strategies like local production, strategic collaborations, market expansion, and digital innovation to capitalize on this growth.

"The Indian companies are increasing their global footprint through cost effective options of products from MNC portfolios they are also embedding innovation and creating Global portfolios that help penetrate global markets. Global MNCs are also increasingly transferring core capabilities and intellectual property (IP) development to Global Capability Centers (GCCs) and looking at tie-ups with CMOs in India, reinforcing the country's position as a global MedTech innovation and manufacturing hub," it stated.