

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1129
TO BE ANSWERED ON 08.02.2024

INDIGENOUS MANUFACTURING OF MEDICAL DEVICES AND TOYS

1129. SHRI VINOD L. CHAVDA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government is aware of the fact that the country is import dependent in terms of medical equipments and toys;
- (b) if so, whether the Government is promoting and supporting MSMEs in indigenous manufacturing of medical devices and toys;
- (c) whether the Government proposes to set up medical equipments and toys manufacturing clusters in Bhuj, Abdasa, Gandhidham, Rapar, Mandvi and Anjar districts of Gujarat to help develop these areas; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (d): The value of imports and exports of Medical Devices is given below:

(Values in USD million)

Imports			Exports		
2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
6242	8540	7492	2532	2923	3391

To encourage domestic manufacturing of high end medical devices to reduce imports dependence and to boost domestic manufacturing, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers has taken several measures which are as under:

- (i) Production Linked Incentive (PLI) scheme for promoting domestic manufacturing of Medical Devices (PLI MD) with total financial outlay of Rs. 3,420 crore and tenure from FY 2020-21 to FY 2027-28. The financial incentive is given to selected companies at the rate of 5% on incremental sales of medical devices manufactured in India and covered under the four target segments of the scheme, for a period of five (5) years. The four target segments are – (I) Radiotherapy, (II) Imaging Devices, (III) Anaesthesia, Cardio-respiratory & Critical Care, (IV) Implants. 26 participants have been approved under the scheme, of which 11 are MSMEs.
- (ii) Production Linked Incentive (PLI) scheme for Pharmaceuticals, with a financial outlay of Rs. 15,000 crores and the tenure from FY 2020-21 to FY 2028-29, provides for financial incentive to 55 selected applicants, which includes five selected applicants of In-Vitro Diagnostics (IVD) devices, of which four are MSMEs. The incentive period under the scheme is for six years.

- (iii) The scheme Promotion of Medical Devices Parks, with a total financial outlay of Rs. 400 crore and the tenure from FY 2020-21 to FY 2024-25, provides for the maximum financial assistance of Rs. 100 crore each to 4 selected States/Union Territories for creation of Common Infrastructure Facilities in the upcoming Medical Devices Parks. Under the scheme, final approval for financial assistance of Rs. 100 crore each, has been given to the States of Himachal Pradesh, Madhya Pradesh, Tamil Nadu, and Uttar Pradesh.
- (iv) The scheme Assistance to Medical Device Clusters for Common Facilities (AMD-CF) intends to provide financial incentive to Medical devices clusters to develop common infrastructure facilities like Medical devices testing labs, E-waste treatment facility, logistic centre. The scheme will provide financial assistance to National or State level Government or Private institutions interested to establish or strengthen testing facilities for medical devices. Application window for applicant has been opened in January, 2024. MSMEs are eligible for availing the incentive under the scheme.

Further, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry is providing all round support for creating conducive manufacturing ecosystem for the Toys industry. Some of the measures include promoting Made in India toys; designing of toys based on Indian values, culture, and history; using toys as a learning resource; organizing hackathons and grand challenges for toy designing and manufacturing; monitoring quality of toys; restricting imports of sub-standard and unsafe toys and promoting indigenous toy clusters. As a result of the various measures taken by the Government, the manufacturing ecosystem Indian Toy industry has witnessed remarkable growth, leading to substantial decrease of 52% in overall import of toys from USD 332.55 million in FY 2014-15 to USD 158.66 million in FY 2022-23 and increase of 239% in the exports of toys from USD 96.17 million in FY 2014-15 to USD 325.72 million in FY 2022-23. Steps taken by the Government to further enhance exports of Made in India toys are:

- (i) Directorate General of Foreign Trade (DGFT) vide Notification dated 02.12.2019 mandated sample testing of each consignment and no permission for sale unless the quality testing is successful. In case of failure, the consignment is either sent back or destroyed at the cost of the importer.
- (ii) Basic Custom Duty (BCD) on Toys-HS Code-9503 has been increased from 20% to 60% in February 2020, subsequently increased to 70% in March 2023.
- (iii) The Government issued Toys (Quality Control) Order, 2020 on 25.02.2020 through which toys have been brought under compulsory Bureau of Indian Standards (BIS) certification with effect from 01.01.2021. This QCO is applicable to both domestic manufacturers as well as foreign manufacturers who intend to export their toys to India.
- (iv) QCO on Toys was amended on 11.12.2020 to exempt goods and articles manufactured and sold by artisans registered with Development Commissioner, Ministry of Textiles and also by registered proprietor and authorized users of a product registered as Geographical Indication by the Office of Controller General of Patents, Designs and Trademarks (CGPDTM), Govt. of India (GoI).

- (v) BIS made special provisions on 17.12.2020 to grant license to micro scale units manufacturing toys without testing facility for one year and not to insist on establishing in-house facility. Subsequently, on industry representation, the relaxation has been extended up to a period of 3 years.
- (vi) BIS has granted 1454 licenses to domestic manufacturers and 36 licenses to foreign manufacturers for safety of toys as per IS 9873/IS 15644 as in January 2024.
- (vii) Under the recent Free Trade Agreements (FTA) including India-UAE Comprehensive Partnership Agreement (CEPA) and India-Australia Economic Cooperation and Trade Agreement Trade (ECTA), the partner countries are providing zero duty market access for exports of Indian toys.

Further to support the MSME sector, the Ministry of MSME is implementing various schemes for providing credit support for new enterprises creation, technology upgradation, skill development and infrastructure development throughout the country including Gujarat. Under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI), 19 toy clusters have been approved benefitting 10969 artisans, which are as under:

S. No.	State	Number of Clusters	Total Number of Artisans
1	Tamil Nadu	1	460
2	Andhra Pradesh	1	231
3	Karnataka	2	830
4	Madhya Pradesh	9	6,218
5	Nagaland	1	270
6	Rajasthan	3	1,958
7	Uttar Pradesh	2	1,002
Grand Total		19	10969
