

# Cutting tariffs on imports from US will hurt us: Medical device makers

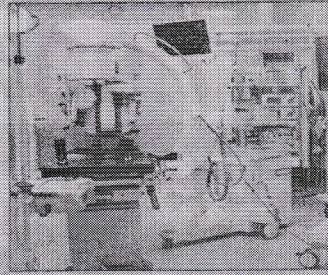
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**VOICING CONCERNS** OVER the likely reduction in tariffs on the medical devices being imported from the US, domestic manufacturers have said such a move will give "undue advantage" to foreign players and requested the government to have a rethink on the matter.

The Association of Indian Medical Device Industry (AiMeD) made the request after the ministry of commerce asked the export promotion council to find ways to provide better market access to US device makers.

"India is one of the few countries with relatively low tariffs on medical imports, leading to over 70% import dependence. A further reduction in tariffs would be far more damaging for the domestic industry," a leading medical device maker said on condition of anonymity.

Rajiv Nath, forum coordinator, AiMeD, said that India currently imposes basic customs duties (BCDs)



ranging from 0% to 7.5% on medical devices imported from countries like the US. "Medical devices like mass spectrometers, gas analysis apparatus and many other analytical and diagnostic equipment are at 0% duty and the US has the largest market share already from overseas suppliers, and in many medical devices, (its share is) more than domestic manufacturers," he said.

AiMeD has called for a more balanced approach, urging the government to consider not just the tariff rates but also non-tariff barriers (NTBs). Experts said that Indian

companies pay huge NTBs in the forms of exorbitant US FDA registration fees and the requirement for costly clinical trials. "These costs are a significant deterrent for Indian manufacturers seeking to enter the US market, where approval can take years and cost millions," Nath said.

For instance, the regulatory fees for Indian companies to sell devices in the US ranges from \$6,000 to \$540,000 per device, with the duration of registration lasting 1-30 months. In comparison, the regulatory fees for US entities to sell medical devices in India ranges from \$50 to \$3,000, with a duration of just 3-6 months. "If the US wants to slap reciprocal tariffs, it should also take into account these NTBs being imposed on Indian exporters in the US," said an industry expert.

"We proposed that in the spirit of reciprocity, India should seek a fair trade arrangement that includes uniformity in tariff and non-tariff measures like regulatory costs between the US and India," Nath said.