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Impact of Make in India on Healthcare Sector in India

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ABSTRACT

To make India self-reliant and for making India a global leader in manufacturing, Govt of India launched 'Make in India' initiative in 2014. The healthcare sector comprises of hospital, pharmaceuticals, health-tech online services, medical insurance, medical devices and equipment, and medical tourism. The healthcare sector contributes significantly to the economic development by creating millions of jobs and accounts for more than 3.3% of GDP. India's dense population is over 140 Crore and about 10% of the population is over the age of 60 years. With such a huge population base and sedentary life style, the healthcare sector is growing very fast and it promises an optimistic picture in the future. The present paper aims to understand the impact of Make in India on the healthcare sector in India. The paper revealed that India's healthcare sector is very much dependent on imports. However, make in India initiative reduces to some extent the dependency on import by manufacturing some of the products, medicines and medical devices, but much more is required to be done. The Govt should invest its resources through Make in India initiative in healthcare sector for not only making India self-dependent but also for contributing in export promotion and employment generation. Govt should also make reforms to strengthen the healthcare sector.

Keywords: Make in India, PLI, Medical Tourism, Wellness Tourism, Health Capital of India

RESEARCH METHODOLOGY

It is a qualitative descriptive research based on renowned academic journal, Govt Publications, Industrial publications and websites.

INTRODUCTION

About Make in India

(PM India, 2014) Make in India launched on 25th September 2014 with an intention to make India a global hub in manufacturing. This initiative not only target manufacturing but also innovation, designing, intellectual property rights and building manufacturing infrastructure. During the first 10 years since inception of commencement of Make in India initiative nothing miraculous results are visible but it is a long-term strategy which requires constant monitoring and political willpower. During this period India becomes world's second largest manufacturer of mobile phones. But more well directed efforts are needed in future. (PIB, 2026) The fundamental objective of Make in India is to facilitate and increase investment, support innovation and develop world class manufacturing infrastructure. After a decade of its commencement now Make in India 2.0 phase has started with new zeal and learnings from previous experience. In these 27 sectors has been targeted to improve production and productivity in country. There are two broad sectors targeted by Make in India 2.0 is Manufacturing sector and Service sector.

Manufacturing sector includes

1) Aerospace and Defence
2) Automotive and Auto components

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3) Pharmaceutical and Medical device
4) Bio-technology
5) Capital goods
6) Textiles and Apparels
7) Chemical and Petro chemicals
8) Electronic System Design and Manufacturing
9) Leather and Foot ware
10) Food Processing
11) Gems and Jewellery
12) Shipping
13) Railways
14) Construction
15) New and Renewable Energy

While Service sector includes

1) Information Technology and IT Enabled Services
2) Tourism and Hospitality Services
3) Medical Value Travel
4) Transport and Logistics Services
5) Accounting and Finance Services
6) Audio Visual Services
7) Legal Services
8) Communication Services
9) Construction and related engineering services
10) Environmental Services
11) Financial services
12) Educational services.

The Make in India 2.0 is one of the strong and concrete steps by the Govt to make India a global leader in manufacturing. Make in India have four pillars –

- New Processes – To encourage entrepreneurship, start-ups and business, 'Ease of doing business' is extremely important and essential. For the convenience of business-men and entrepreneurs various policy reforms, credit support and training is imparted to them.
- New Infrastructure – The Govt focusses on developing Smart cities, developing industrial corridors, high speed communication, Road & Rail networks etc to boost the speed of industrialisation and production activities.
- New Sectors – To boost international investment FDI is encouraged in defence sector, medical devices, insurance, construction and Railways. This changed the scenario to a great extent.
- New Mindset – The Govt has changed its role from a regulator to a facilitator. This will result in long term economic development, increased employment and innovation.

Make in India is well supported by Production Linked Incentive (PLI) Schemes, PM Gati Shakti, National Logistic Policy, reforms in GST and many more. This initiative enhances employment opportunities and global competitiveness.

(PIB, 2025), The Govt of India launched Production Linked Incentive (PLI) schemes in 2020 under the 'Aatmanirbhar Bharat'. As per the latest report PLI attracted investment worth 1.76 lakh corers, providing direct and indirect employment to over 12 lakh people since launch of the scheme and total sales through PLI crossed ₹16.5 lakh crores. Due to PLI there is a growth in exports of mobile, pharmaceuticals and electronics goods. PLI is Govt scheme to strengthen the manufacturing sector by providing financial support/incentives to the eligible companies based on their incremental sales. PLI schemes specially aims to balance the economy by encouraging

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manufacturing sector. This scheme targets 14 sectors including Mobile manufacturing, pharma, Solar panels, Drone and Drone components and Semiconductors units.

In April 2021 PLI scheme for White Goods are launched. White Goods includes electronics household appliance like refrigerator, AC and other appliances. This scheme aims to transform India from a mere assembly hub to a big global manufacturing centre.

Healthcare Sector in India

(IBEF, 2023) The Indian Healthcare sector is one of the fastest developing sectors. The healthcare sector is consisting of hospitals, medical devices and equipment, tele-medicine, medical tourism and clinical trials. The Indian Healthcare sector was ₹ 9,42,590 crore in 2016, it becomes ₹ 31,87,668 crore in 2023. This market is expanding at a brisk pace due to many factors like increasing population pressure, improving income level, Health Insurance penetration, sedentary life style, medical tourism and many Govt initiatives.

Hospitals

The hospitals and clinics are the backbone of healthcare sector. In India, hospitals can be broadly divided into Public sector (run by Govt) and Private sector. Further it may be divided into urban areas and rural areas. Generally, in rural areas Govt hospitals are more preferred due to low economic condition of the people. Majority of the high and sophisticated medical care is available in urban areas. The hospital is valued at $ 99 billion in 2023 which is projected to be $ 193.6 billion by 2032.

Pharma Industry (Sharma, 2026)

India is the world's largest supplier of generics and vaccines. India is rightly said to be the 'Pharmacy of the World'. India has 3000 drug firms and 10,500 manufacturing units across India. India supplies about 20% of the global generics. India is known as a global leader of exporter of vaccines. Pharmaceutical exports reach ₹ 1.2 trillion in 2026. The future of Pharma Industry is certainly bright due to various positive environment viz- increasing population, high proportion of elderly people, high spending on healthcare, insurance penetration, increasing awareness and medical online medicines. However, there are some challenges before the Pharma Industry like regulatory and legal international standards, high prices and high dependence on imports for the supply of raw materials required for the production medicines.

Medical Services

The medical services include primary healthcare, secondary health care, tertiary health care and specialized health care. The health care medical services include vast services ranging from vaccination, pain management, accident and trauma management, home health care medical services, physiotherapy to video consultation and online prescription. These services contribute significantly to the GDP. It also provides employment to millions of people specially in urban areas. There is a scope for future prospects in different medical services which will make the life of patient and their relative more comfortable and will also provide employment to millions. The use of AI will be definitely help in precise treatment and medications.

Medical tourism (www.futuremarketinsights.com, 2026). :India's Medical tourism market is valued at $ 20.4 Billion in 2026 and is project to reach $ 65.1 billion in 2036. Around 131856 foreigners arrive for medical treatment in Jan to April 2025 which is 4.1% of total tourist arrival in India. India has become hot destination for medical tourism due to affordable and high quality medical treatment. The foreigner came for cardiac surgery, oncology treatment, orthopedic, fertility treatment and cosmetic surgeries. Many foreigners also came for Ayurvedic treatment like panchakarma and other herbal based treatments. The States which contribute highest in terms of medical tourism includes Tamil Nadu, Maharashtra, Delhi, Kerala, Karnataka and West Bengal. Tamil Nadu (Chennai) is considered the 'Health Capital of India' which contributes about 45% of foreign medical tourist, majority of the foreigners came for cardiac surgeries, oncology and transplants. It is followed by Maharashtra (Mumbai and Pune) known for cosmetic surgeries, oncology and neurosurgeries. Similarly, Delhi (Delhi, Noida & Gurgaon) & is known for multi-specialty high Tech hospitals and organ donation

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surgeries. Kerala (Kochi, Trivandrum) is famous for traditional Ayurvedic treatment like panchakarma and many herbal wellness treatments.

(*Medical Tourism in India*, 2025), during last five year 6,44,387 during 2020 to 2024 visited India for medical treatment. The citizens from top five countries who visited India for medical purpose are Bangladesh, Iraq, Somalia, Oman and Uzbekistan. The other countries include Afghanistan, Maldives, Nigeria and Keniya, UAE, Yaman, Myanmar, USA and UK.

The popularity of India as a Medical Tourism hub particularly in Asia is gaining because of low cost of treatment with world class facilities and expert doctors. The medical tourism in India is growing at a steady rate of 11.9% of CAGR from 2020 to 2024. The total market of medical tourism is $ 107.5 billion in 2024 which is expected to reach $ 275.2 billion in 2035. The proportion of Domestic patient to international patients is 80% domestic and 20% International patients.

Impact on GDP

Manufacturing sector currently contributes to 14% to 17% of GDP. The Make in India targets to 25% of GDP. Make in India shown positive impact on FDI since its inception.

The targeted employment generation was 100 million but actually it falls short. However, it positively impacted some of the sectors like electronics. The rank of India in 'Ease of doing Business improves from 142 in 2014 to 63 in 2020.

Medical Tourism Vs Wellness Tourism

Many times, these two terms are considered same but there is slight difference between these two concepts, these are:

Points	Medical Tourism	Wellness Tourism
Meaning	Medical tourism means arrival of foreigner in India for the treatment of illness or a disease and treatment is done in a hospital.	Wellness Tourism mean arrival of foreigner in India for the prevention of disease or relaxation.
Objective	The objective is the treatment of a disease or illness or surgeries.	The objective here is the prevention or panchakarma or detoxification of body and mind.
Place of treatment	Treatment is done at hospitals or special clinics under the supervision of expert doctors.	Treatment is done at wellness clinics of resorts or retreats.
Kind of care	Modern care with clinical and technology driven under the expert guidance and supervision.	The care is holistic, traditional and natural
Duration	Generally, it is for short term like surgery some days stay only. However, in some cases the stay may be more, it is decided by the doctors.	It is relatively for long duration like for some weeks
Govt Initiatives	Govt taken many initiatives for the foreigner for their treatment in India like streamline Visa rules and other support system needed. 'Heal in India' is one of the schemes.	promotion of Ayurveda, 'AYUSH' and other healing programmes like panchakarma and herbal treatment.
Contribution to GDP	$ 20.4 billion market	$ 30.95 billion market in 2026
Example	Surgeries of heart, liver, kidney, ortho, organ transplantation, cosmetics	Panchakarma, Yoga, Detoxification, Ayurved and meditation.

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	surgeries, oncology treatment and fertility treatment.	
Employment Generation	Millions of direct and indirect employment opportunities are created for doctors, nurses, attendants, paramedical staff, pathology labs experts, hospital administration, accounts, insurance provides, TPA, HR etc. It is projected to have 24 million jobs in 2032. Major jobs are created in urban areas.	The wellness tourism also creates direct and indirect employment opportunities. Exact figures are not available but millions are jobs created in rural and hospitality sectors in the form of wellness instructors, Ayuvedic doctors, Yoga instructor, insurance providers, travelers, hotels etc.
Key destination	Tamil Nadu (Chennai), Mumbai, Pune, Bangalore, Hyderabad, Delhi	Kerala(Kochi/Thiruvananthapuram), Uttarakhand, Goa, Maharashtra

Impact of Make in India on Health care Sector in India

The Healthcare sector is now proving to be a developing area and Make in India impacted it in many way. The impact of make in India is broadly divided into two categories for our convenience i.e positive impact and negative impact. This may be summarized as follows

Positive impact

Employment Generation

Healthcare sector creates millions of jobs directly and indirectly. Due to many Govt schemes under Make in India campaign there will be more employment opportunities, schemes like Ayushman Bharat, PM Jay and many increased demands for hospitals and obviously demand for required medical equipment.

Reduced dependency on impor

India typically 70% to 80% depends on imports for its medical equipment and raw materials for drugs. But with make in India the dependency is very much reduced. But more is needed. Now India is manufacturing surgical equipment, X-Ray machines, Monitoring machines, CT Scanners, MRI machines, ECG machines, ventilators, PPE kits, cardiac stents, ultrasound equipment, dental equipment and gloves. Under the Make in India campaign 'Medical Device Park' has been established in Andhra Pradesh, Telangana, Tamil Nadu and Gujrat for the support manufacturing cluster of medical devices and components. The domestic production of medical devices increased from 10% to 30%. India is the largest producer of polio vaccine, measles, COVID-19 vaccines.

Increase in Export

(*Invest India*, 2019), the size of medical equipment of India is estimated to be $ 14 billion which is expected to reach $ 30 billion by 2030. India is the fourth largest market of medical equipment after Japan, China and South Korea and amongst top 20 countries of world in terms of medical equipment market. Due to high quality and affordable cost the export of medical devices from India reached to $ 4 billion.

There are 800 domestic medical devices manufacturers which produces laboratory and diagnostic equipment and medical devices like orthopaedic and ophthalmic devices. The MedTech market is steadily growing at 15% from last three years and it is expected to capture 10% to 12% global market share in next 25 years.

Infrastructural development

Govt focus on manufacturing of medical equipment and devices by providing proper infrastructural facilities. It includes establishment of medical technology parks, credit facility and other regulatory and procedural support.

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Innovations & Startups

Different innovations and startups are supported by various Govt initiatives in the form of project financing, training, Research and Development and various procedural support and permissions.

New Career opportunities

Due to development of healthcare sector in India, the new career opportunities are opening like hospital administrator, health insurance analysis, TPA, Ayurvedic and Yoga therapist, AI Diagnostic Specialist, Telemedicine Co-Ordinator, Health Data Scientist, Biomedical engineers, Clinical Research analysts, Pathology experts and attendants, CRDMO professionals (Contract Research, Development, and Manufacturing Organization).

Negative impact

1) **Regulatory limitation:**
   Although Govt is supporting in procedural formalities but taking permission and following regulatory formalities is very difficult and sometime creates problems.
2) **Dependence on foreign countries for raw materials:**
   There great dependence of country on the foreign country for the supply of raw materials and components for medical devices and equipment. Particularly India very much depended on China for the this.
3) **Limited Research and Development:**
   For medical equipment devices and medicine huge investment of money, skill and time is required. However, the level of Research and Development required for this is unfortunately not seen. Much efforts are needed both by Govt and private sectors.
4) **Proper skills are not available:**
   For the healthcare sector manufacturing or service good skills are required which are at many times not available which creates problems.

Opportunities Challenges and of health care sector in India

There are various opportunities for the development of healthcare sector in India due to various favorable conditions like heavy population and elder population, increased health awareness, IT revolution, Govt Initiatives and presence of expert doctors from Allopathy and Ayuved. Due to AI and digital awareness too, healthcare sector has a bright future.

But at the same time the Healthcare sector in India faces some challenges in the form of supply of raw materials and components from abroad which creates a dependency, lack of skills required, less investment of human resources in Innovation and Research and Development activities.

Suggestions

1) In order to match global standards with domestic standards quality aspect in medicines and medical devices and equipment should be given due importance. Efforts should be taken to improve quality by stringent quality control norms and following protocols**.**
2) Development of rural infrastructure, this will not only add to the infrastructure of the country but also attract foreigner and give them better experience.
3) Consistent policy and economic support are needed. Many times, if a different political party came into power, they change their priority. If there is an assurance of consistent policy and economic support the pace of development of healthcare sector will not be negatively affected.
4) Effort for skill development needed should be encouraged. For healthcare sector different skills sets are required. Govt should encourage new courses and encourage the students to acquire these new skills so as to get better employment opportunities.
5) Global Collaboration needed for world class production of medical equipment and devices.

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6) The industries which can substitute the Imports of raw materials required for medicines and equipment needed for medical equipment and devices should be promoted and encouraged and supported by the Govt as a long-term strategy. Year wise plan should be made to reduce dependency on import in a phased manner.

CONCLUSION

Indian Healthcare market is a huge market of over 100 billion and it is expected to reach 193 billion by 2032. Special strategies under Make in India are needed for each component of healthcare sector viz strategies for hospitals, for medical tourism, for manufacturing of medical equipment and medicines and other services needed. In spite the efforts of Govt the impact of Make in India on Healthcare is not very impressive and much more efforts are needed. Special Medical Technology Parks should be made where all the needed infrastructure, financial, technical, procedural and support should be provided. India is blessed with knowledge and wisdom of Ayurveda, meditation, Yoga, Panchakarma and detoxification. Govt should promote these internationally and attract medical tourists. The Healthcare sector in India is a great opportunity for the development of world class manufacturing hub of medical devices and medicines and professionals, at the same time rural development to some extent may be started with this.

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