

## 100% FDI: Pacemakers, stents may get cheaper

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**NEW DELHI:** The government has made it easier for foreigners to fully own medical device-making plants in India; a move that could eventually make several products such as cardiac pacemakers, stents and surgical instruments cheaper.

The cabinet on Wednesday approved a proposal to allow foreigners to buy 100% of device makers with prior government nod.

In a statement, the government said it was easing "norms" for the medical devices industry to encourage inflows of foreign direct investment (FDI), adding that the domestic capital market "is not able to provide much needed investment in the sector."

India currently imports about 90% of its medical devices.

Industry leaders attributed the

low FDI in the sector—at \$539 million (about ₹3,500 crore) between 2000-2012—to the cumbersome procedure of seeking government approval as the sector was clubbed with pharmaceutical industry.

Pavan Choudary, chairman of Medical Technology Division of the CII and managing director of Vygon India Pvt Ltd, said: "With the FDI now being allowed on an automatic route we look forward to a surge of interest in this area."

Shares of device makers jumped after the decision. Shares in Opto Circuits (India) Ltd grew almost 16%, while Siemens India rose 2.2%.

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