

## **PRESS NOTE**

In line with its 'Make in India' campaign, Government of India had constituted a Task Force to examine various issues concerning the domestic Medical Devices Sector. The said Task Force had made certain recommendations regarding rationalization of customs duty structure for the sector, so as to promote domestic manufacturing of medical devices.

2. Taking into consideration of the recommendations of the Task Force, the Government has increased the rate of basic customs duty on certain specified medical device from 5% to 7.5%. Simultaneously, the exemption from additional customs duty (SAD) on these medical devices has also been withdrawn, and they will now attract 4% SAD. Further, to give fillip to domestic manufacturing, basic customs duty is being reduced to 2.5% along with full exemption from SAD on raw materials, parts and accessories for manufacture of medical devices, falling under headings 9018 to 9022.

3. Notification Nos. 4/2016-Customs and 5/2016-Customs, both dated 19.01.2016 have been issued in this regard.

4. These changes are expected to provide impetus to the domestic medical devices sector, support Make in India campaign of the Government and generate employment.

5. The concessional basic customs duty on hospital equipment for use in hospitals run by Central or State Government or registered societies, and specified assistive devices, rehabilitation aids and other goods for disabled will, however, continue.

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