HEALTH CARE

Working towards building a healthier India

India's healthcare market may see a threefold jump in value terms to reach $ 372 bn by 2022. The healthcare industry in India stood as the fourth largest employer in 2017 as the sector employed a total of 319,780 people.

Key components of the healthcare market in India are hospitals (Government and Private), pharmaceuticals, diagnostics (imaging and pathology), medical equipment and supplies, medical insurance and telemedicine.

Growing incidence of lifestyle diseases, rising demand for affordable healthcare delivery systems due to the increasing healthcare costs, technological advancements, the emergence of telemedicine, rapid health insurance penetration and government initiatives like e-health together with tax benefits and incentives are driving healthcare market in India.

- By 2020, India is expected to rank amongst the top 3 healthcare markets in terms of incremental growth

- By 2020, the healthcare information technology market is expected to grow 1.5 times from current $ 1 bn

- By 2022, the diagnostics market is expected to grow at a CAGR of 20.4% to reach $ 32 bn from $ 5 bn in 2012

- During 2015-20, the in-patient market is expected to grow at a CAGR of 13%

100% FDI is allowed under the automatic route for greenfield projects. For investments in brownfield projects, up to 100% FDI is permitted under the government route.

For further details, please refer FDI Policy

Contribution in Indian Economy

Industry size (2017)- $ 110 bn

Organised market contribution - **6%**

Share in hospital beds (Pvt)- 40%

Industry CAGR (2015-20) – 22.9%

Highlights

'NHP Scheme' - World's largest government-funded healthcare programme

India plans to create 1 mn skilled healthcare providers by 2022

Healthcare has become one of India's largest sectors both in terms of revenue and employment

Industry Scenario

The industry is expected to reach $ 372 bn by 2022

Healthcare industry in India comprises of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The industry is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public as well private players.

- The hospital industry in India, accounting for 80% of the total healthcare market, is witnessing a huge investor demand from both global as well as domestic investors. The hospital industry is expected to reach $ 132 bn by 2023 from $ 61.8 bn in 2017; growing at a CAGR of 16-17%.
- The medical tourism industry in India is expected to double its value to become a $ 6 bn industry by 2018 from $ 3 bn in 2017. Medical tourist arrivals in India increased by over 50% to 200,000 in 2016 from 130,000 in 2015.
- The diagnostics industry in India is currently valued at $ 4 bn. The share of organized sector is almost 25% in this segment (15% in labs and 10% in radiology).
- The primary care industry is currently valued at $ 13 bn. The share of organized sector is practically negligible in this case.

Industry Trends

Internet of Things
Internet of Medical things are based asset tracking & inventory management systems

Artificial Intelligence AI for keeping health records providing best possible treatment to patients at the right time

Mobile & Wearable Devices
Glucose monitors , exercise trackers & wearable for mental health prescribe preventive measures in case of any health issues

Robotic Surgeries
Assistive Robotic Surgeries, Minimally Invasive Surgeries & predictive diagnosis

Growth Drivers

Infrastructure

$ 200 bn is expected to be spent on medical infrastructure by 2024

Demographics

Home-based care services to gain popularity as average life expectancy will cross 70 years by 2022

Medical tourism

Visas for international patients and attendants introduced to ease medical tourism

Rising disposable income

Growing middle-class and increased insurance penetration would lead to a steep rise in annual earnings of Indians

Health & wellness centres

150,000 centres with a budget of $ 1.8 bn will make the healthcare system more accessible

Robotic Process Automation (RPA)

RPA to improve the efficiency of healthcare workforce; reducing costs and creating value proposition
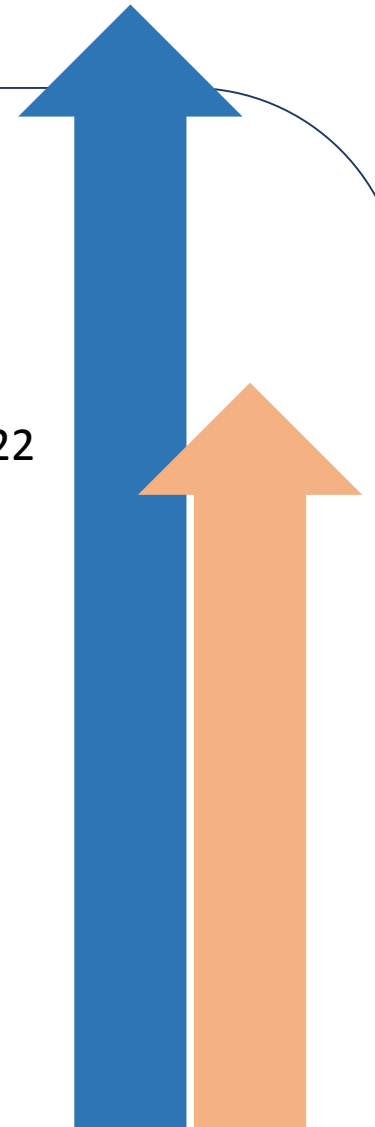
POLICIES & SCHEMES

Ayushman Bharat – National Health Protection Mission

Central Sector Scheme on Conservation , Development and Sustainable Management

National AYUSH Mission

National Health Policy 2017

National Health Portal of India

Rashtriya Arogya Nidhi (RAN)
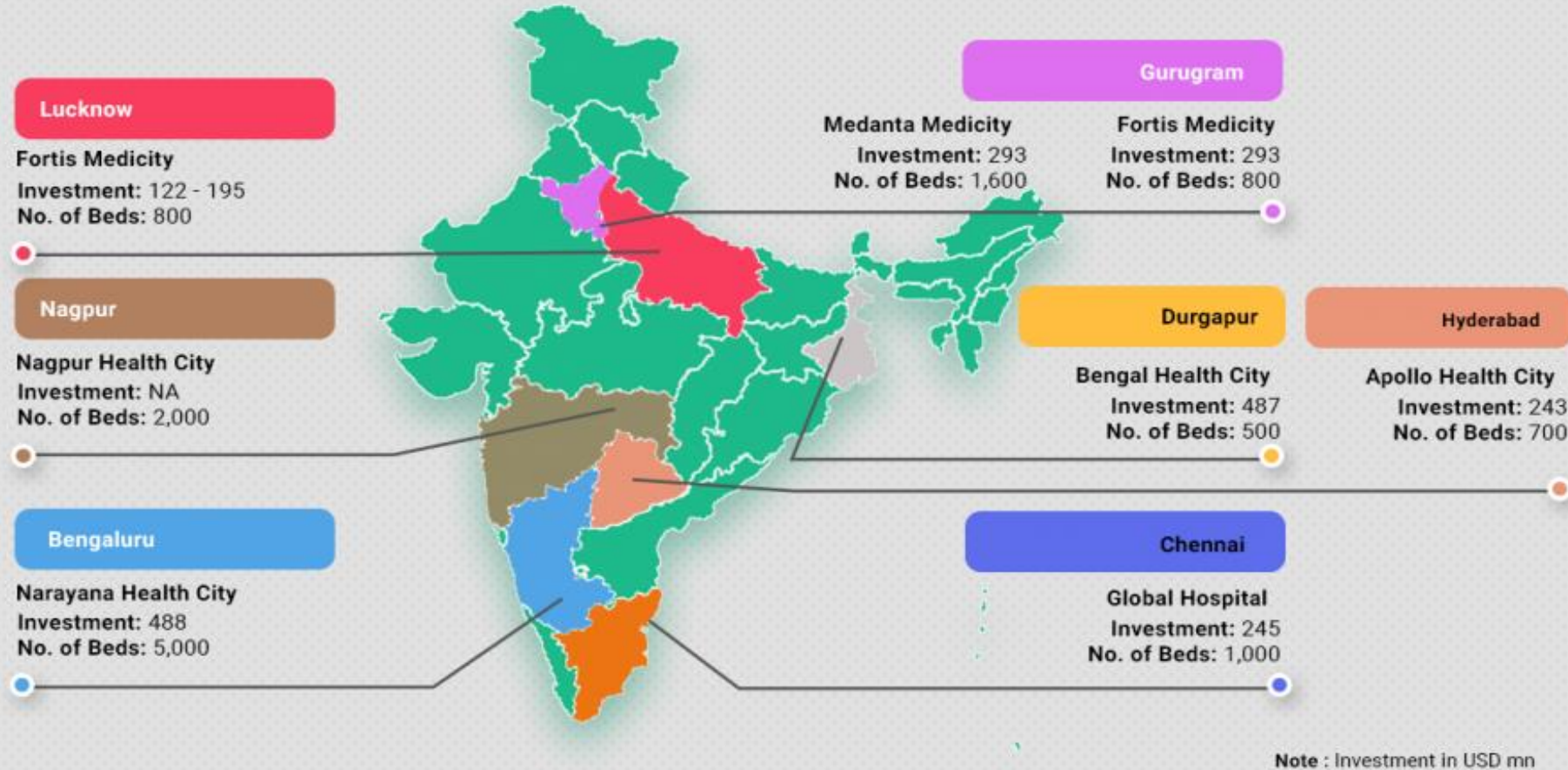
Scheme for Development of AYUSH Clusters

Recent Announcements

- Dec 04, 2018 - Amway India to invest up to $ 4.17 mn to ramp up its digital platform

- Oct 03, 2018 - World Bank extends help to develop 7,500 health centres in Andhra Pradesh

- Apr 11, 2018 - DM Aster group plans to invest $ 59.6 mn in Chennai to launch a 500-bed multi-speciality hospital

- Mar 25, 2018 - Metropolis Healthcare plans to add 800 centers, 10 labs by FY19-end

- Mar 11, 2018 - Lenskart to invest about $ 5 mn in increasing its manufacturing capacity

- Feb 07, 2018 - Kent RO is investing $ 29.8 mn in a manufacturing set up in Noida, Uttar Pradesh

Major Investors

Health Cities/ Medicities in India

Lucknow

Fortis Medicity
Investment: 122 - 195
No. of Beds: 800

Nagpur

Nagpur Health City
Investment: NA
No. of Beds: 2,000

Bengaluru

Narayana Health City
Investment: 488
No. of Beds: 5,000

Medanta Medicity
Investment: 293
No. of Beds: 1,600

Gurugram

Fortis Medicity
Investment: 293
No. of Beds: 800

Durgapur

Bengal Health City
Investment: 487
No. of Beds: 500

Hyderabad

Apollo Health City
Investment: 243
No. of Beds: 700

Chennai

Global Hospital
Investment: 245
No. of Beds: 1,000

Note : Investment in USD mn

Disclaimer: The data is taken from sites investindia.gov.in, rbi.org.in, etc. Please note that this is not a legal report and we do not accept any responsibility arising out of any action taken by any person on the basis of above report, unless expressly agreed by us in writing.