



## HEALTHCARE - SECTOR OVERVIEW

### Current Scenario

- Large recipient of FDI - Hospital & diagnostic centres received \$4.8 Billion in FDI between 2000 and 2017
- Current Market Size: \$ 100 Billion
- Healthcare has become one of India's largest sectors - both in terms of revenue and employment.
- 6th Largest in the world - Sixth largest market globally in terms of size in 2014.
- Growing at a Compound Annual Growth Rate (CAGR) of 22.9 per cent

### Future Potential

- Market Size \$ 280 billion by 2025
- Expected to rank amongst the top 3 healthcare markets in terms of incremental growth by 2020.
- Fast Growing Sub-segments: Health-IT @ \$ 1.5 Bn; M-Health @ \$ 321 Mn; Telemedicine @ US\$ 400 Mn
- 22-25% growth in medical tourism and the industry is expected to double its size from \$ 3 billion to \$ 8 Billion by 2020
- 250+ health-tech start-ups; Witnessed 558 funding deals amounting USD 5.65 Billion since 2012

## DEMAND DRIVERS

- Dual burden of communicable and chronic diseases, lack of adequate health infrastructure, and ageing population
- Rising NCDs, responsible for 50% of disease burden and 60% of all deaths in India
- Lack of Skilled Service Providers: 0.7 physicians/ 1000 people (Global Avg. 1.5/ 1000)
- Shortage of Hospital Beds: 0.7 beds/ 1000 people (WHO Recommendation 3.5/ 1000)
- Nascent Medical Device Industry: Importing > 90% of sophisticated devices; Limited R&D Capacity
- Insurance Coverage: 20% Indians covered; expected to rise with rising incomes, urbanization

## POLICY SUPPORT & INCENTIVES

- 100% FDI allowed under the automatic route, for Brownfield & Greenfield set-ups
- National Health Policy 2017 was released by Ministry of Health & Family Welfare
- Single window approval system for innovation in medical research
- Ensuring Adequate Investment: Potentially achievable target of raising public health expenditure to 2.5% of the GDP in time bound manner

## RECENT INVESTMENTS

- INDO UK INSTITUTE OF HEALTH (IUIH) (2015) - World's largest healthcare project with investment plans of \$ 2 Billion - 11 healthcare institutes, 89 diagnostic clinics
- NMC Healthcare (2015) investing USD 449.7 million in India