



HEALTHCARE

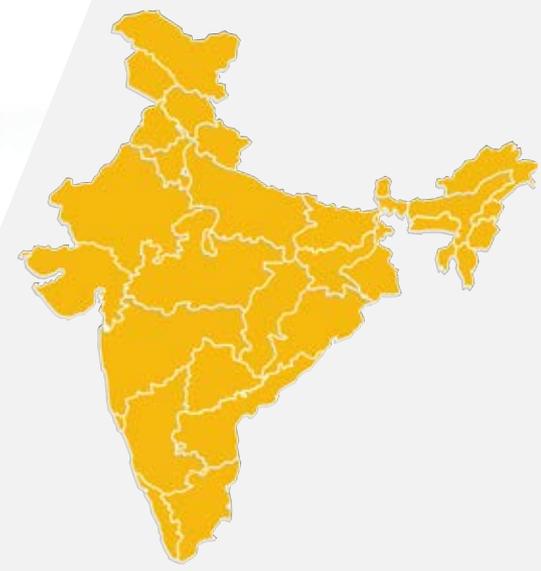
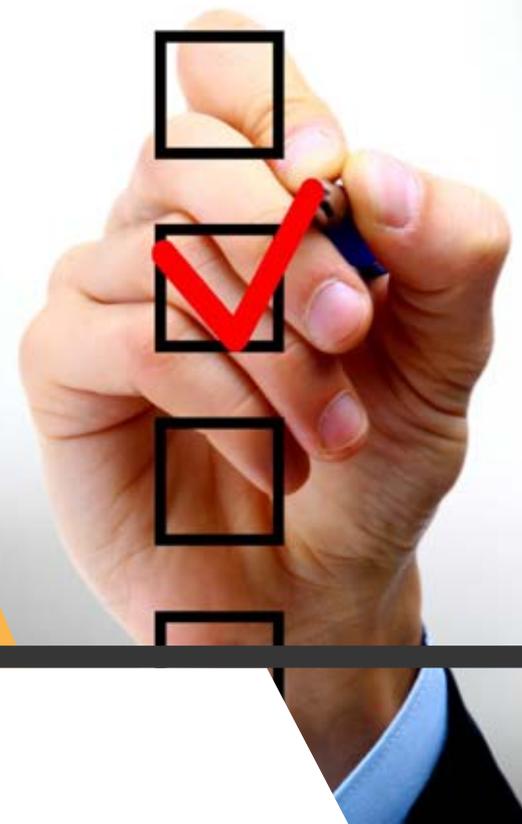


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Fourth largest employer

- India is expected to rank amongst the top three healthcare markets in terms of incremental growth by 2020.
- In FY19, Indian healthcare sector stood as the fourth largest employer as it employed a total of 319,780 people. The sector is expected to generate 40 million jobs in India by 2020.
- The Asian Research and Training Institute for Skill Transfer (ARTIST) announced plans to create around one million skilled healthcare providers by 2022.

Impressive growth prospects

- Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% during 2016-2022 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016.
- India ranks 145th among 195 countries in terms of quality and accessibility of healthcare. For India, HAQ index increased from 24.7 in 1990 to 41.2 in 2016. There is immense scope for enhancing healthcare services penetration in India, thus presenting ample opportunity for development of the healthcare industry.
- According to Sample Registration System Bulletin 2016, India has registered a 26.9% reduction in Maternal Mortality Ratio (MMR) since 2013.

Strong fundamentals and cost advantage

- Rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare is expected to boost healthcare services demand in future.
- The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

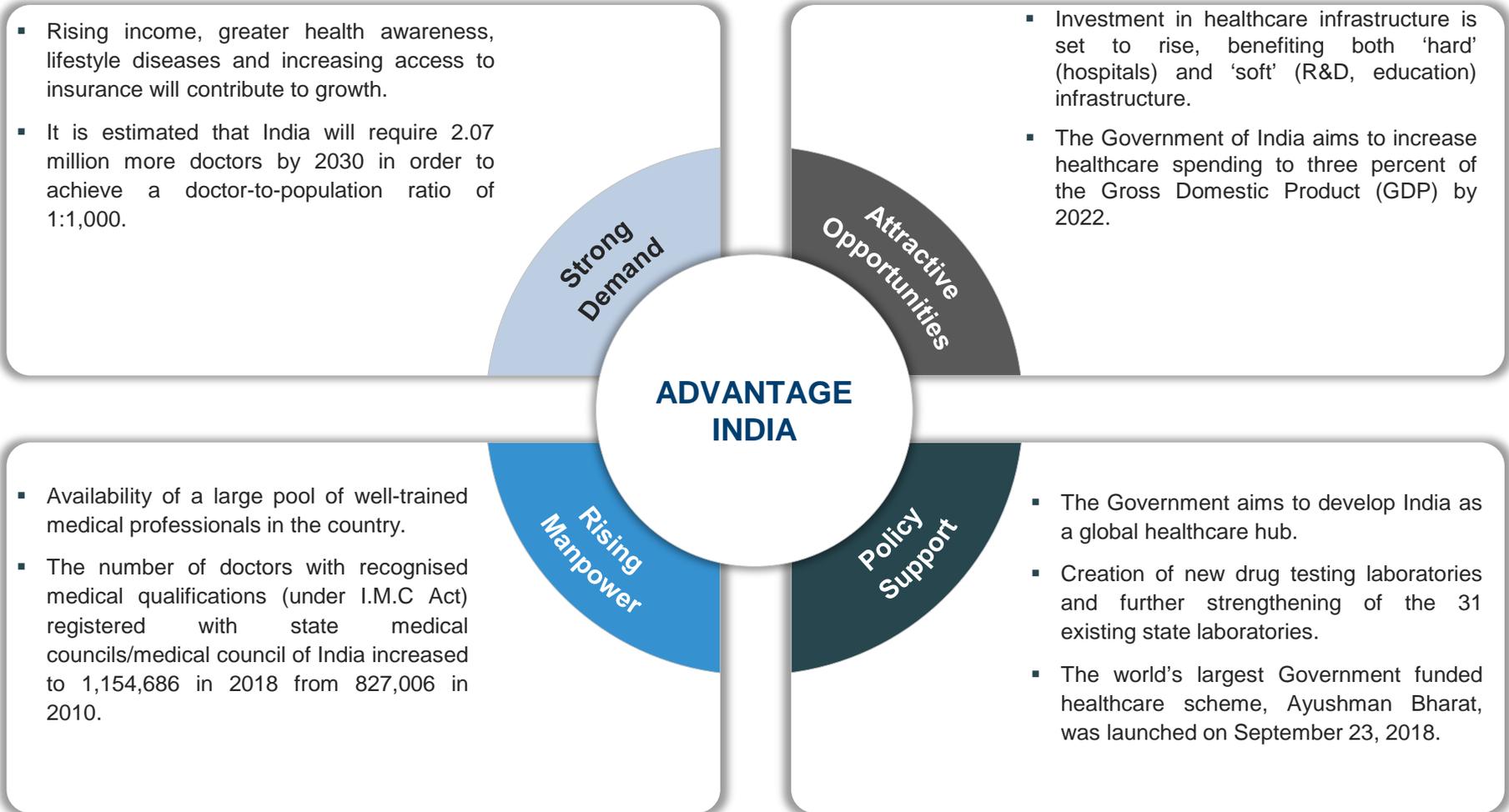
Favourable investment environment

- Conducive policies for encouraging FDI, tax benefits, and favourable Government policies coupled with promising growth prospects have helped the industry attract private equity (PE), venture capitals (VCs) and foreign players.

Source: Business Standard, Ministry of External Affairs, Ministry of External Affairs (Investment and Technology Promotion Division), ASSOCHAM-RNCOS joint paper, Lancet study



ADVANTAGE INDIA



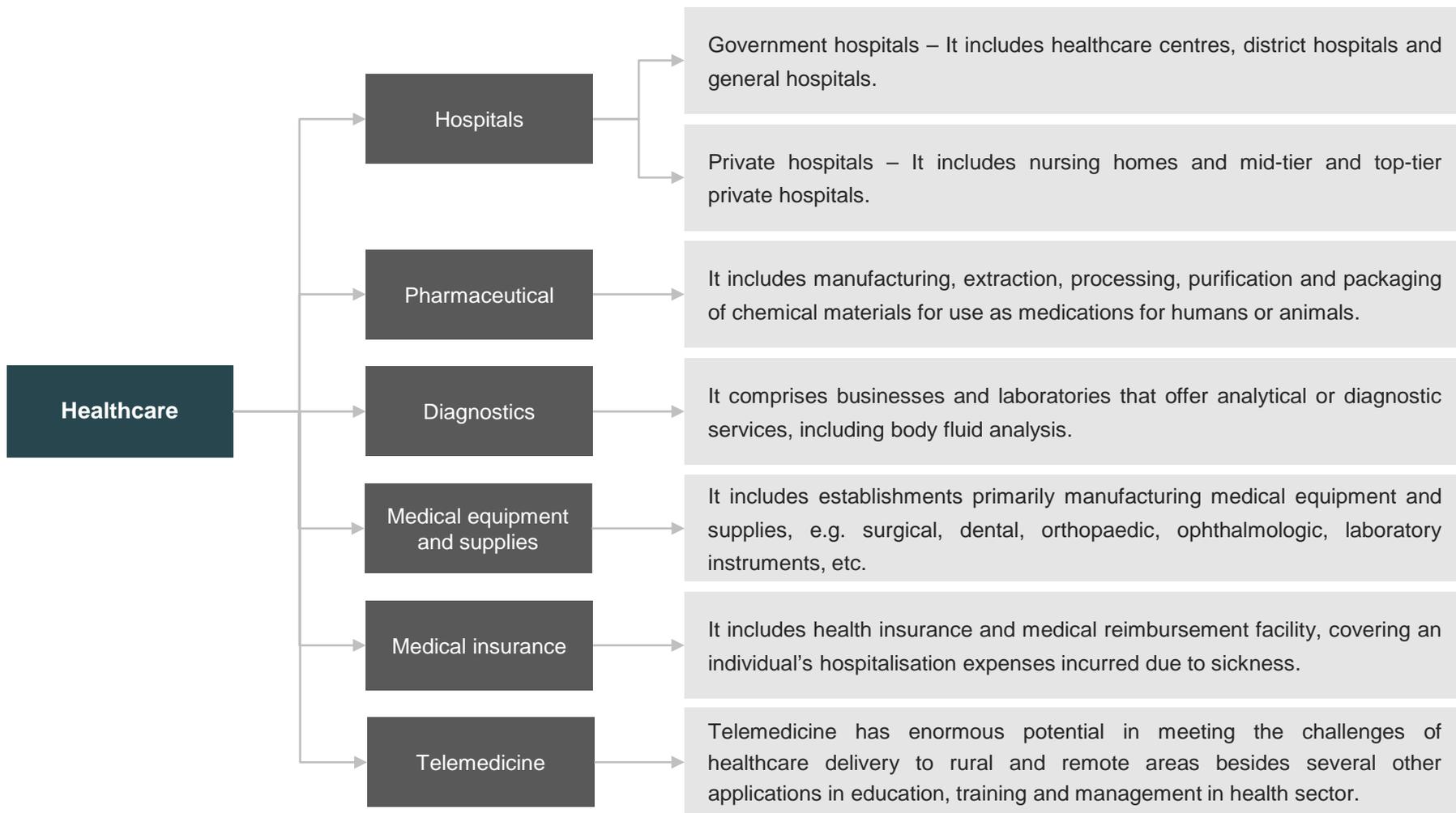
Note: R&D – Research and Development

Source: KPMG, Deloitte, Hospital Market – India by Research on India, Frost and Sullivan, LSI Financial Services, 'Report on Healthcare, Telemedicine and Medical Tourism in India'- ASA and Associates LLP, Indian Journal of Public Health

MARKET OVERVIEW AND TRENDS



THE HEALTHCARE MARKET FUNCTIONS THROUGH FIVE SEGMENTS

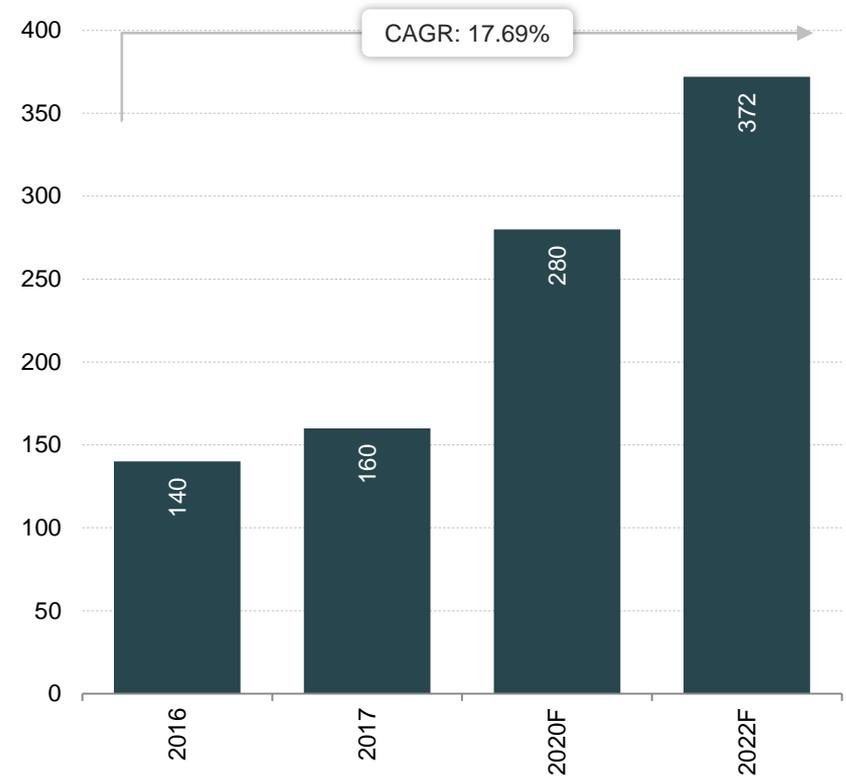


Source: Hospital Market – India by Research on India

STRONG GROWTH IN HEALTHCARE EXPENDITURE OVER THE YEARS

- Healthcare has become one of India's largest sector, both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, service and increasing expenditure by public as well private players.
- During 2016-22, the market is expected to record a CAGR of 17.69%.
- The total industry size is estimated to touch US\$ 372 billion by 2022.

Healthcare Sector Growth Trend (US\$ Billion)



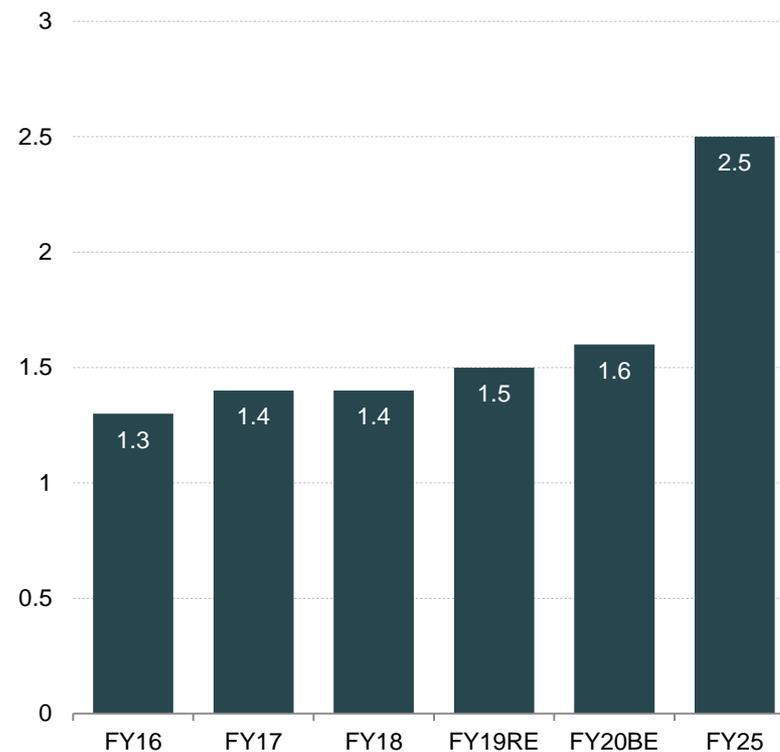
Note: F – Forecast

Source: Frost and Sullivan, LSI Financial Services, Deloitte

PER CAPITA HEALTHCARE EXPENDITURE HAS RISEN AT A FAST PACE

- This is due to rising income, easier access to high-quality healthcare facilities and greater awareness of personal health and hygiene.
- Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.
- Economic prosperity is driving the improvement in affordability for generic drugs in the market.
- The Government's expenditure on healthcare sector grew 1.6% of Gross Domestic Product (GDP) in FY20BE from 1.3% of GDP in FY16.
- The Government is planning to increase public health spending to 2.5% of the country's GDP by 2025.
- The share of healthcare in GDP is expected to rise 19.7% by 2027.

Government Healthcare Expenditure as a percentage of GDP



Note: BE- Budget Estimated, RE- Revised Estimate

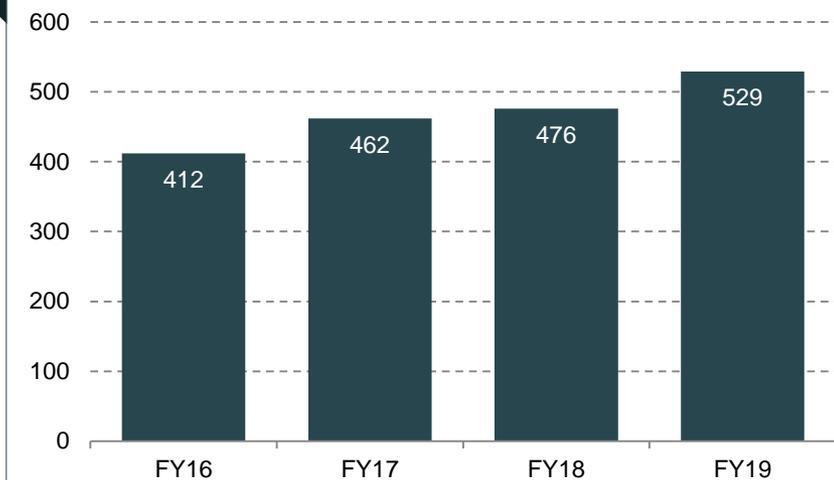
Source: World Bank, Economic Survey FY18

NOTABLE TRENDS AND STRATEGIES ADOPTED

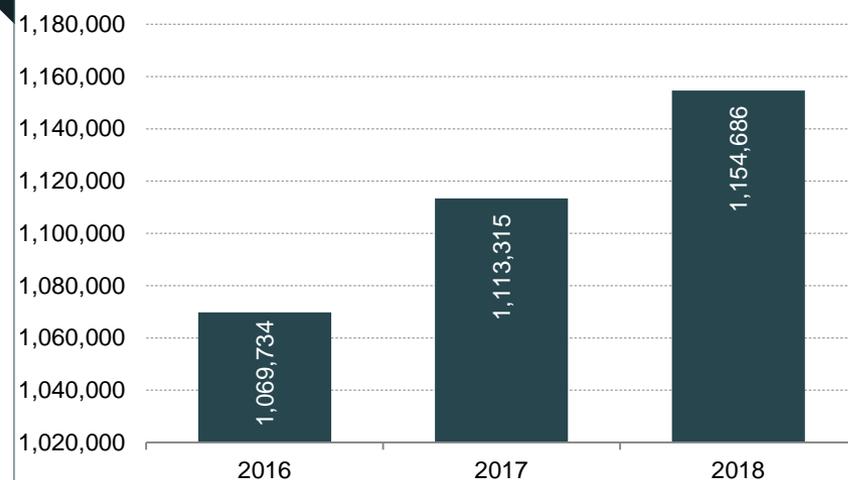


HEALTHCARE INFRASTRUCTURE HAS RISEN AT A FAST PACE

Number of Medical Colleges



Number of Doctors



- India's medical educational infrastructure has grown rapidly in the last 26 years.
- The number medical colleges in India increased to 529 in FY19 from 412 in FY16.
- The number of doctors having recognised medical qualifications (under I.M.C Act) registered with state medical councils/medical council of India increased to 1,154,686 in 2018 from 827,006 in 2010.
- According to a study in India, there is only one Government doctor for every 10,189 people and there is a deficit of 600,000 doctors, whereas, the nurse to patient ratio is 1:483 .

Source: National Health Profile 2018

NOTABLE TRENDS IN THE INDIAN HEALTHCARE SECTOR ... (1/2)

Shift from communicable to lifestyle diseases

- With increasing urbanisation and problems related to modern-day living in urban settings, currently, about 50% of spending on in-patient beds is for lifestyle diseases – this has increased the demand for specialised care. In India, lifestyle diseases have replaced traditional health problems.
- Most lifestyle diseases are caused by high cholesterol, high blood pressure, obesity, poor diet and alcohol.

Expansion to tier II and tier III cities

- Vaatsalya Healthcare is one of the first hospital chains to start focus on tier II and tier III for expansion.
- To encourage the private sector to establish hospitals in these cities, the Government has relaxed taxes on these hospitals for the first five years.

Emergence of telemedicine

- Telemedicine is a fast-emerging sector in India. Major hospitals (Apollo, AIIMS, Narayana Hrudayalaya) have adopted telemedicine services and entered into a number of PPPs.
- Telemedicine can bridge the rural-urban divide in terms of medical facilities, extending low-cost consultation and diagnosis facilities to the remotest of areas via high-speed internet and telecommunication.
- National Telemedicine services completed more than 1.5 lakh teleconsultations since its launch, enabling patient-to-doctor consultations from the confines of their home, as well as doctor-to-doctor consultations.

Artificial Intelligence(AI)

- Rising adoption of AI-based applications has enabled people to talk directly to doctors, physician, and expertise for the best treatment.
- It is also capable of solving problems of patients, doctors, and hospitals as well as the overall healthcare industry.

Home healthcare

- Development in information technology (IT) and integration with medical electronics has made it possible to provide high quality medical care at home at affordable prices. It enables the customers to save up to 20-50% of the cost.
- The home healthcare market is estimated to reach US\$ 6.21 billion by 2020 from US\$ 4.46 billion at the end of 2018.

Note: PPP is Public – Private Partnerships, Management contracts - An arrangement under which operational control of an enterprise is given to a separate entity for a fee
Source: IRDA, CII, Grant Thornton, Gartner, Technopak

NOTABLE TRENDS IN THE INDIAN HEALTHCARE SECTOR ... (2/2)

Increasing penetration of health insurance

- In FY20, gross healthcare insurance stood at 27.3% of overall gross direct premium income by non-life insurers segment.
- Health insurance is gaining momentum in India. Gross direct premium income underwritten by health insurance grew 17.16% y-o-y to Rs 51,637.84 crore (US\$ 7.39 billion) in FY20.

Mobile-based health delivery

- Strong mobile technology infrastructure and launch of 4G is expected to drive mobile health initiatives in the country.
- In April 2020, first COVID-19 sample collection mobile lab of the country, namely 'Mobile BSL-3 VRDL Lab', was launched that can process more than 1,000 samples in a day and enhance country's capabilities in fighting COVID-19.

Technological initiatives

- Digital Health Knowledge Resources, Electronic Medical Record, Mobile Healthcare, Electronic Health Record, Hospital Information System, PRACTO, Technology-enabled care, telemedicine and Hospital Management Information Systems are some of the technologies gaining wide acceptance in the sector.

Luxury offering

- A new trend is emerging as luxury offerings in the healthcare sector. More than essential requirements, healthcare providers are making offerings of luxurious services. For example, pick and drop services for patient by private helicopters and luxurious arrangements for visitors to patient in hospital.

Source: Business Standard, Ministry of External Affairs, Ministry of External Affairs (Investment and Technology Promotion Division)

COVID-19 FIGHTBACK FROM THE INDIAN HEALTHCARE SECTOR (1/2)

Research and development

- On July 14, 2020, Bharat Biotech started the first phase of human clinical trials for India's first COVID-19 vaccine candidate Covaxin. The drug is being developed by Bharat Biotech in collaboration with Indian Council of Medical Research's Pune-based National Institute of Virology.
- On July 17, 2020, ZyCoV-D, the plasmid DNA vaccine designed and developed by Zydus Cadila and partially funded by the Department of Biotechnology, Government of India has initiated phase I/II clinical trials in healthy subjects, making it the first indigenously developed vaccine for COVID-19 to be administered in humans in India.
- Israel and India are conducting trials on a large sample of patients for four different kinds of technologies that have the potential to detect COVID-19 in about 30 seconds, including a breath analyser and a voice test.
- On August 04, 2020, Drugs Controller General of India (DCGI) gave approval to Serum Institute of India, Pune to conduct Phase II+III clinical trials of Oxford University-Astra Zeneca COVID-19 vaccine (COVISHIELD) in India.

Technological initiatives

- The Electronic Vaccine Intelligence Network (eVIN), which provides technological solutions for strengthening immunisation supply chain systems, reached 32 States and Union territories (UTs). It aims to provide real-time information on vaccine stocks and flows, and storage temperatures across all cold chain points in the country.
- In June 2020, Government launched COVID BEEP (Continuous Oxygenation and Vital Information Detection Biomed ECIL ESIC Pod), India's first indigenous and cost effective wireless physiological parameters monitoring system for COVID-19 patients, developed by ESIC Medical College Hyderabad in collaboration with IIT Hyderabad and Department of Atomic Energy.
- In June 2020, VST Mobility Solutions, a start-up headquartered at Cochin, launched an automated mask disposal machine as part of its effort to develop products to combat COVID-19.

Notes: R&D - Research and Development,

Source: News Articles

COVID-19 FIGHTBACK FROM THE INDIAN HEALTHCARE SECTOR (2/2)

Expansion by Indian players abroad

- On July 02, 2020, Dr Reddy's Laboratories partnered with Japanese pharma giant Fujifilm Toyama Chemical and Global Response Aid (GRA) for development, manufacture and sale of tablets antiviral drug Avigan (favipiravir) for potential treatment of COVID-19.
- CP Pharmaceuticals, a subsidiary of Wockhardt, will be manufacturing the AstraZeneca-Oxford University COVID-19 vaccines for the UK Government.
- In May 2020, Jubilant Generics Ltd entered into a non-exclusive licencing agreement with US-based Gilead Sciences Inc to manufacture and sell the potential COVID-19 drug Remdesivir in 127 countries, including India.

Notes: R&D - Research and Development,

Source: News Articles

Cost leadership

- Private players in the industry are making their supply chains efficient and leveraging economies of scope to reduce cost. One such example is Narayan Hrudayalaya (NH), where health care is provided at affordable cost. NH reduces cost by high procurement of medical supplies, high-volume by high capacity utilisation and staff productivity and good human capital management (i.e. training).

Differentiation and diversified business approach

- Players in the industry are trying to differentiate themselves by providing multiple health care services under one roof.
- Offering a range of healthcare and wellness services under a single brand has become a trend. Patients and healthcare services seekers find it convenient. Demand of such arrangements boosts the healthcare sector.

Focus

- Certain players in the industry focus only on providing one kind of healthcare service to its customers. This also helps them to be the leader in that service. Many examples can be quoted for hospitals focusing on treatment of cancer and providing leading cancer treatment and eye related problems and treatments in India.

Merger & Acquisition (M&A)

- The value of M&A deals in hospital sector jumped by record 155 percent to Rs 7,615 crore (US\$ 1.09 billion) in FY19.
- In May 2020, Carlyle Group acquired 74% stake in animal health focused pharmaceutical company, SeQuent Scientific Ltd, for about Rs 1,580 crore (US\$ 224.15 million).
- In June 2020, DocsApp, online doctor consultation app, announced a merger with Bengaluru-based healthcare platform, MediBuddy, to expand its online health care segment.
- In July 2020, PE firm Advent International signed a definitive agreement to acquire a controlling stake in Hyderabad-based RA Chem Pharma Ltd, a vertically integrated pharmaceutical company promoted by Micro Labs Ltd.
- In September 2020, Oncquest Laboratories acquired the Indian facilities of Quest Diagnostics, from clinical research and diagnostics company Strand Life Sciences.

Source: PE Roundup – 1H2018 & Jun'18 report by EY

GROWTH DRIVERS



INDIAN HEALTHCARE SECTOR IS POISED TO GROW

Growing demand

- Rising incomes and affordability.
- Growing elderly population, changing disease patterns.
- Rise in medical tourism.
- Better awareness of wellness, preventive care and diagnosis.

Policy support

- Encouraging policies for FDI in the private sector.
- Reduction in customs duty and other taxes on life-saving equipment.
- NRHM allocated US\$ 10 billion for healthcare facilities.
- National Health Insurance Mission to cover entire population.

Focus

- Expanding R&D and distribution facilities in India.
- Use of modern technology.
- Providing support to global projects from India.

M&A

- Rising FDI and private sector investment.
- Lucrative M&A opportunities.
- Foreign players setting R&D centres and hospitals.

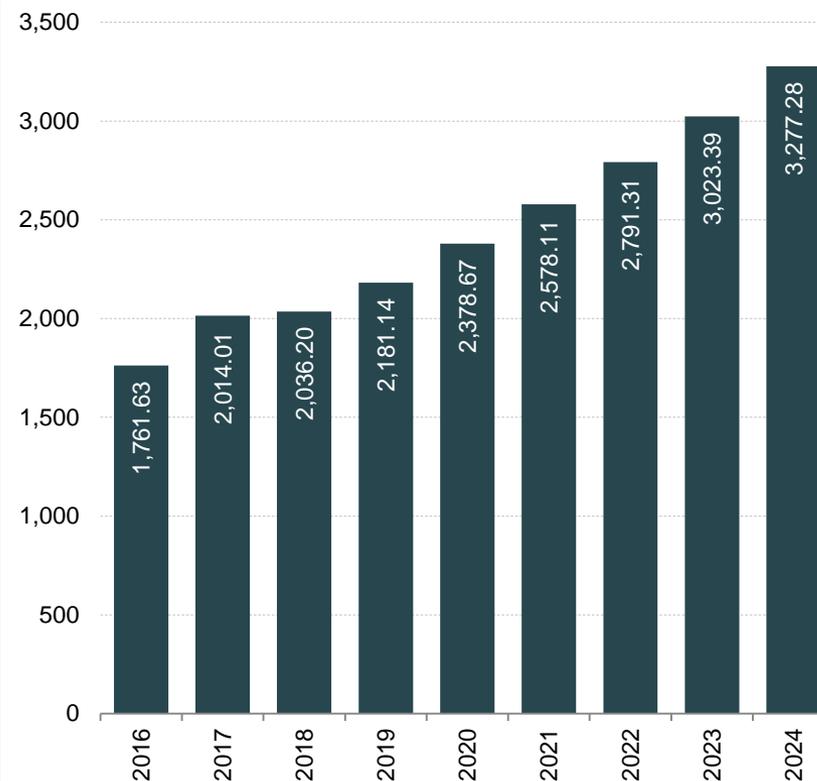
Note: FDI – Foreign Direct Investment, M&A - Mergers and Acquisitions NRHM - National Rural Health Mission

Source: Ministry of Health and Family Welfare, Government of India

RISING INCOME, AGEING POPULATION TO BE KEY HEALTHCARE DEMAND DRIVER

- Rising income means a steady growth in the ability to access healthcare and related services.
- Per capita GDP of India is expected to reach US\$ 3,277.28 in 2024 from US\$ 1,761.63 in 2016.
- Moreover, changing demographics will also contribute to greater healthcare spending. This is likely to continue as the size of elderly population is set to rise from the current 98.9 million to about 168 million by 2026.
- Per capita GDP at current prices for 2019-20 stood at US\$ 2,181.14.

GDP per Capita at Current Prices (US\$)



Source: International Monetary Fund, World Economic Outlook Database, April 2018

MEDICAL TOURISM: A NEW GROWTH FACTOR FOR INDIA'S HEALTHCARE SECTOR

- Presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism.
- Superior quality healthcare coupled with low treatment costs in comparison to other countries is benefiting Indian medical tourism, and in turn, has enhanced prospects for the Indian healthcare market.
- Treatment for major surgeries in India costs approximately 20% of that in developed countries.
- India also attracts medical tourists from developing nations due to lack of advanced medical facilities in many of these countries.
- Indian medical tourism market is growing at the rate of 18% y-o-y and is expected to reach US\$ 9 billion by 2020.
- Yoga, meditation, ayurveda, allopathy and other traditional methods of treatment are major service offerings that attract medical tourists from European nations and the Middle East to India.
- Government of India has been implementing various initiatives to promote Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) systems of medicine on an international level and has allocated Rs 2,122 crore (US\$ 303.62 million) in Union Budget 2020-21 for this purpose.
- The Government of India liberalised its policy by providing 100% FDI in the AYUSH sector for wellness and medical tourism segment.
- In February 2019, the Government established new All India Institute of Medical Sciences (AIIMS) at Manethi, District Rewari, Haryana at a cost of Rs 1,299 crore (US\$ 180.04 million).

Source: Ministry of Health, RNCOS, KPMG, Deloitte, Medical Tourism Association, LSI Financial Services, Apollo Investor Presentation

RE-EMERGENCE OF TRADITIONAL MEDICAL CARE

Market size and services Offered

- The Indian ayurvedic industry is expected to reach US\$ 9 billion by 2022.
- Ayurveda and Unani medicines consist of more than 90% of plant based formulations.
- The sector has broadened its offerings and now includes services on diet and nutrition, yoga, herbal medicine, humour therapy and spa.

Leading brands and players

- Many big players such as Apollo, VLCC and Manipal Group are setting up wellness centres across India with traditional healthcare remedies as the focus of their offerings.

Notable trends

- The traditional medical sector is developing Traditional Knowledge Digital Library to prevent companies from claiming patents on such remedies. There is a growing interest from numerous PE firms in the traditional healthcare sector in India.

Developing infrastructure

- The country had 393 Ayurveda and homeopathy Government recognised colleges in 2018. As of April 2020, number of sub-centres reached 169,031 and number of primary health centres (PHCs) increased to 33,987.
- The total number of ayurveda practitioners in India increased to 443,704 in 2018 from 419,217 in 2016.

Notes: AYUSH - Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy

Source: Ministry of Health, Make in India, RNCOS, KPMG, Ayurveda Industry Market Size, Strength and Way Forward report by Confederation of Indian Industry (CII)

POLICY SUPPORT AND GOVERNMENT INITIATIVES...

(1/4)

Pradhan Mantri Jan Arogya Yojana (PMJAY)

- As of July 2019, around 125.7 million families were enrolled as beneficiaries under Pradhan Mantri Jan Arogya Yojana (PMJAY). The scheme enrolled 16,085 hospitals, including 8,059 private hospitals and 7,980 public hospitals.
- The Government has announced Rs 69,000 crore (US\$ 9.87 billion) outlay for the healthcare sector that is inclusive of Rs 6,400 crore (US\$ 915.72 million) for PMJAY in Union Budget 2020-21.

Tax incentives

- All healthcare education and training services are exempted from service tax.
- Increase in tax holiday under section 80-IB for private healthcare providers in non metros for minimum of 50 bedded hospitals.
- 250% deduction for approved expenditure incurred on operating technology enables healthcare services such as tele medicine , remote radiology. Artificial heart is exempted from basic custom duty of 5%.
- Income tax exemption for 15 years for domestically manufactured medical technology products.
- The benefit of section 80-IB has been extended to new hospitals with 100 beds or more that are set up in rural areas. Such hospitals are entitled to 100% deduction on profits for 5 years.

National Nutrition Mission

- The Union Cabinet approved setting up of National Nutrition Mission (NNM) to monitor, supervise, fix targets and guide the nutrition related interventions across ministries.
- The programme is planning to reduce the level of stunting by 2%, under-nutrition 2%, anaemia by 3% and low birth babies by 2% ever year.
- Over 100 million people are expected to be benefited by this programme – all states and districts will be covered within the programme.
- In Union Budget 2020-21, Rs 35,600 crore (US\$ 5.09 billion) has been allocated for nutrition-related programmes.

Source: News Articles

POLICY SUPPORT AND GOVERNMENT INITIATIVES ...

(2/4)

Recent initiatives	<ul style="list-style-type: none">▪ A solidarity human chain was formed by the Ministry of Health and Family Welfare, Government of India in partnership with the World Health Organization (WHO) on April 04, 2019.▪ India had bilateral relations with 53 countries in the healthcare sector as of August 2018. This international cooperation will encourage joint initiatives in health manpower development, training, exchange of experts, exchange of information, capacity building, and technical support in establishing laboratories/ hospitals and research.
OTC medicines	<ul style="list-style-type: none">▪ An in-principle approval for a new category of over the counter (OTC) medicine has been given by the Drug Consultative Committee (DCC), Government of India, to help save patients' time and money.
Incentives in the medical travel industry	<ul style="list-style-type: none">▪ Incentives and tax holidays are being offered to hospitals and dispensaries providing health travel facilities. Senior citizens above 80 years of age will be allowed deduction of US\$ 491 towards medical expenditure if they are not covered under health insurance.
National Health Mission (NHS)	<ul style="list-style-type: none">▪ The Government of India approved the continuation of National Health Mission with a budget of Rs 34,115 crore (US\$ 4.88 billion) under Union Budget 2020-21.
Tele-medicine initiatives	<ul style="list-style-type: none">▪ State Telemedicine Network (STN): The states and union territories have been provided support under the National Health Mission (NHM) under Program Implementation Plan (PIP) to create reliable, ubiquitous and high speed network backbone.▪ In March 2020, the Ministry of Health & Family Welfare launched National Teleconsultation Centre (CoNTeC).
Innovation	<ul style="list-style-type: none">▪ In April 2020, the robotic device, Hospital Care Assistive Robotic Device (HCARD), developed by Durgapur-based CSIR lab, Central Mechanical Engineering Research Institute, can help frontline healthcare workers in maintaining physical distance from those infected by coronavirus.
Single window system	<ul style="list-style-type: none">▪ Drug Controller General of India (DCGI) has proposed to set up a single window system for start-ups and innovators seeking approvals, consents, and information regarding regulatory requirement.

Source: News Articles

Medical institutions

- The doctor-population ratio is way ahead of 1:1,000 as prescribed by the World Health Organisation (WHO). As for every 921 people in the country, there is one doctor^ as of December 2019.
- Under Union Budget 2019-20, the Government allocated Rs 800 crore (US\$ 110.88 million) for the upgradation of state Government medical colleges (PG seats) at district hospitals and Rs 1,361 crore (US\$ 188.63 million) for Government medical colleges (UG seats) and Government health institutions.
- During FY17-FY19, the Government of India permitted to start of 86 new colleges, which included 51 in FY17, 14 in FY18 and 21 in FY19.

Union Budget 2020-21

- Under the Union Budget 2020-21, the Ministry of Health and Family Welfare has been allocated Rs 65,012 crore (US\$ 9.30 billion) and the Department of Health Research has been allocated Rs 2,100 crore (US\$ 300.47 million).
- The Government of India allocated Rs 34,115 crore (US\$ 4.88 billion) under the National Health Mission.
- The Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY), the largest Government funded healthcare programme targeting more than 500 million beneficiaries, was allocated Rs 6,429 crore (US\$ 919.87 million).

Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)

- According to the Ministry of Health and Family Welfare, a total of 8,538 expectant mothers in their second and third trimester received Antenatal care under the programme in 2019 (till August 2019).
- Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA), a programme launched in 2016 to ensure comprehensive and quality antenatal check-ups to pregnant women across India, has crossed the 10 million mark.

Note: ^ - includes ayurveda, homeopathy and unani practitioners, along with allopathy doctors

Source: Union Budget 2020-21

POLICY SUPPORT AND GOVERNMENT INITIATIVES ...

(4/4)

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- In Union Budget 2020-21, Rs 3,000 crore (US\$ 429.25 million) was allocated to the scheme.
- The Government of India approved phase III of the scheme in August 2019. Under this, 75 more new medical colleges will be established all over the country.

Mission Indradhanush

- The Government of India launched Mission Indradhanush with an aim to improve coverage of immunisation in the country and reach every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme.
- Intensified Mission Indradhanush (IMI) 2.0 was launched by the Ministry of Health and Family Welfare from December 2019 to March 2020.

Rashtriya Swasthya Bima Yojna

- In Union Budget 2019-20, Rs 156 crore (US\$ 22.32 million) was allocated to Rashtriya Swasthya Bima Yojna.

Ayushman Bharat

- The Government of India may provide more funds for Ayushman Bharat, the world's biggest healthcare scheme, in 2019-20.
- As of November 2019, about 63.7 lakh people received free treatment under the Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana.

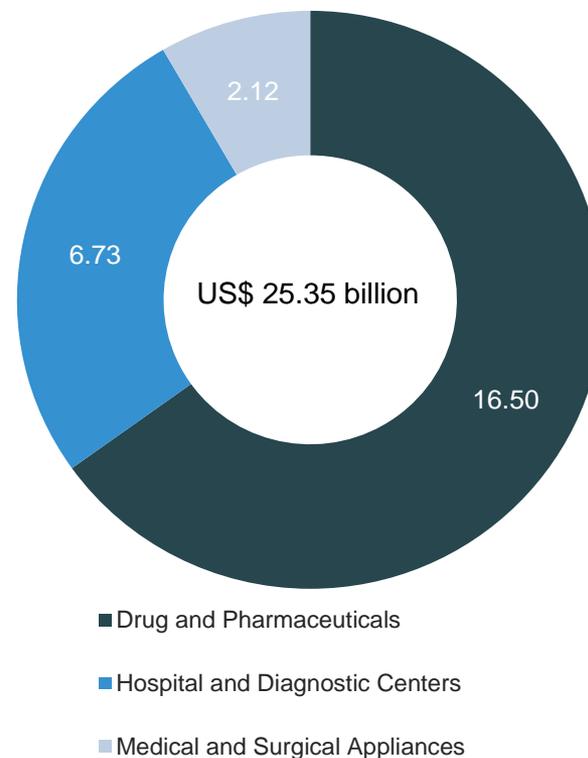
National Health Portal

- The Ministry of Health and Family Welfare (MoHFW) launched the National Health Portal to serve as a single point of access for consolidated and authentic information and resources on the health sector to a wide spectrum of users such as academicians, citizens, students, healthcare professionals and researchers.

Source: News Articles, Press Information Bureau

- 100% FDI is allowed under the automatic route for greenfield projects.
- For brownfield project investments, up to 100% FDI is permitted under the Government route.
- Demand growth, cost advantages and policy support have been instrumental in attracting FDI.
- During April 2000–March 2020, FDI inflow for drugs and pharmaceuticals sector stood at US\$ 16.50 billion.
- Inflow into sectors such as hospitals and diagnostic center and medical appliances stood at US\$ 6.73 billion and US\$ 2.12 billion, respectively, during the April 2000–March 2020.

Cumulative FDI inflow From April 2000 up to March 2020 into the healthcare sector (US\$ billion)



Note: FDI – Foreign Direct Investment

Source: Department of Industrial Policy and Promotion

OPPORTUNITIES



Healthcare infrastructure

- Additional three million beds will be needed for India to achieve the target of 3 beds per 1,000 people by 2025.
- Additional 1.54 million doctors and 2.4 million nurses will be required to meet the growing demand for healthcare. 58,000 job opportunities are expected to be generated in the healthcare sector by 2025.
- Over US\$ 200 billion is expected to be spent on medical infrastructure by 2024.
- Over the years, India has made strategic interventions in National Health Mission and the national disease control programmes to ensure quality and affordable healthcare for all.

Research

- Contract research is a fast-growing segment in the Indian healthcare industry.
- Cost of developing new drugs is as low as 60% of the testing cost in the US.
- To promote the research in traditional system of medicine in Himalayan region, Central Council for Research in Ayurvedic Sciences (CCRAS) established nine institutes in Jammu & Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Assam, Arunachal Pradesh, Sikkim, Tripura and Nagaland.

Medical tourism

- In 2018-19, the medical tourism market is expected to double due to the easier norms for medical visa approvals. The value of medical tourism is forecasted to reach US\$ 9 billion by 2020. However due to covid-19 pandemic, the sector has suffered a downfall.
- Cost of surgery in India is nearly one-tenth of the cost in developed countries.
- There are 21 Joint Commission International (JCI) accredited hospitals in India and growing.

Medical devices

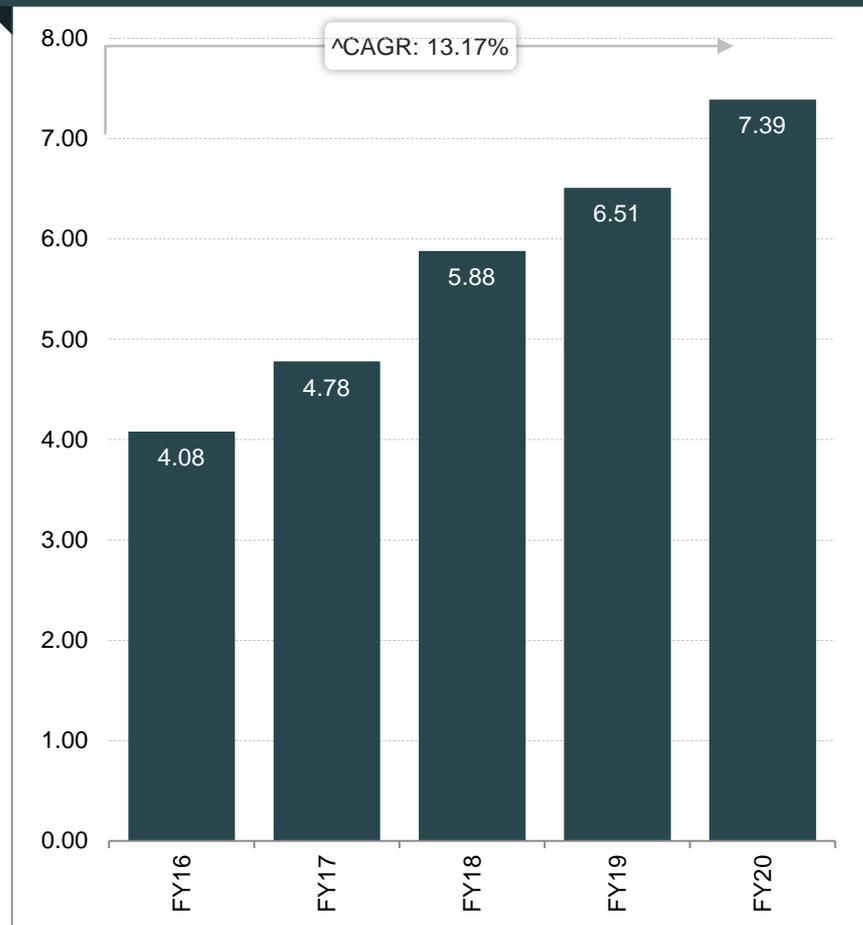
- The medical devices market is expected to reach US\$ 11 billion by 2022, backed by rising geriatric population, growth in medical tourism and declining cost of medical services.

Source: News articles

OPPORTUNITIES IN HEALTH INSURANCE

- Increasing healthcare cost and burden of new diseases along with low Government funding is raising demand for health insurance coverage.
- Many companies offer health insurance coverage to employees, driving market penetration of insurance players.
- With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to grow exponentially in the coming years.
- In FY20, total gross direct premiums grew at 13.40% y-o-y to Rs 51,637.84 crore (US\$ 7.39 billion). The health segment has a 27.3% share in gross direct premiums earned in the country.

Health Insurance Premium Collection (US\$ Billion)



Note: ^CAGR till FY19
Source: GIC

KEY INDUSTRY ORGANISATIONS



Indian Medical Association

I.M.A. House
Indraprastha Marg,
New Delhi – 110 002, India
Telephone: 91 11 2337 0009, 2337 8819
Fax: 91 11 2337 9470, 2337 9178
Website: www.ima-india.org
E-mail: inmedici@vsnl.com

The Federation of Obstetric and Gynaecological Societies of India

Model Residency, 605,
Bapurao Jagtap Marg,
Jacob Circle, Mahalaxmi East,
Mumbai – 400 011, India
Fax: 23021383
Website: www.fogsi.org
E-mail: inmedici@vsnl.com

USEFUL INFORMATION



- CAGR: Compound Annual Growth Rate
- EPA: Externally Aided Projects
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March)
- So FY10 implies April 2009 to March 2010
- GOI: Government of India
- ICT: Information and Communications Technology
- IMF: International Monetary Fund
- Rs: Indian Rupee
- M and A: Mergers and Acquisitions
- NHRM: National Rural Health Mission
- PPP: Public Private Partnerships
- R and D: Research and Development
- US\$: US dollar
- WHO: World Health Statistics
- Where applicable, numbers have been rounded off to the nearest whole number

EXCHANGE RATES

Exchange Rates (Fiscal Year)

Year Rs	Rs Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49

Exchange Rates (Calendar Year)

Year	Rs Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89

Source: Reserve Bank of India, Average for the year

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