

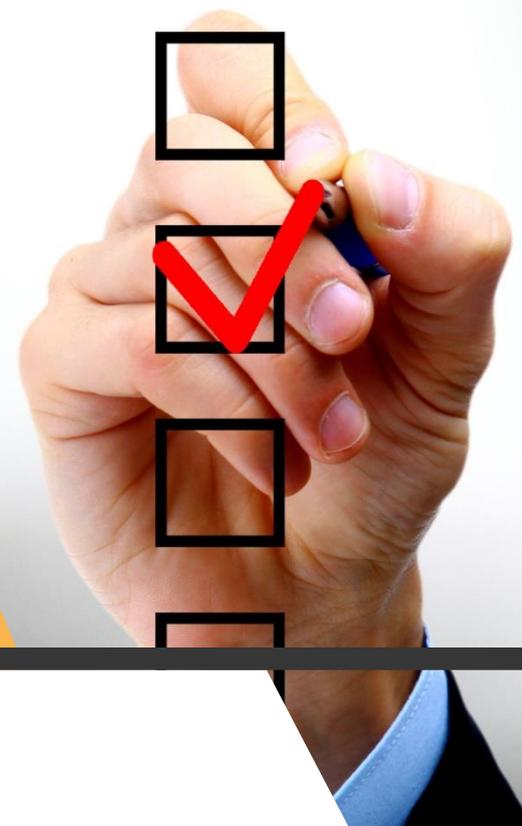


# HEALTHCARE



# Table of Content

- ▶ Executive Summary.....3
- ▶ Advantage India.....4
- ▶ Market Overview and Trends.....6
- ▶ Notable Strategies and Trends Adopted...11
- ▶ Growth Drivers.....15
- ▶ Opportunities.....26
- ▶ Key Industry Organisations.....29
- ▶ Useful information.....31



## Fourth Largest Employer

- India is expected to rank amongst the top three healthcare markets in terms of incremental growth by 2020.
- In FY17, Indian healthcare sector stood as the fourth largest employer as the sector employed a total of 319,780 people. The sector is expected to generate 40 million jobs in India by 2020.
- In May 2017, the Asian Research and Training Institute for Skill Transfer (ARTIST) announced plans to create around one million skilled healthcare providers by 2022.
- 100,000 jobs are expected to be created from Ayushman Bharat, the National Health Protection Scheme.

## Impressive Growth Prospects

- Indian healthcare sector, is expected to record a threefold rise, at a CAGR of 22 per cent 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. There is immense scope for enhancing healthcare services penetration in India, thus presenting ample opportunity for development of the healthcare industry.

## 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.

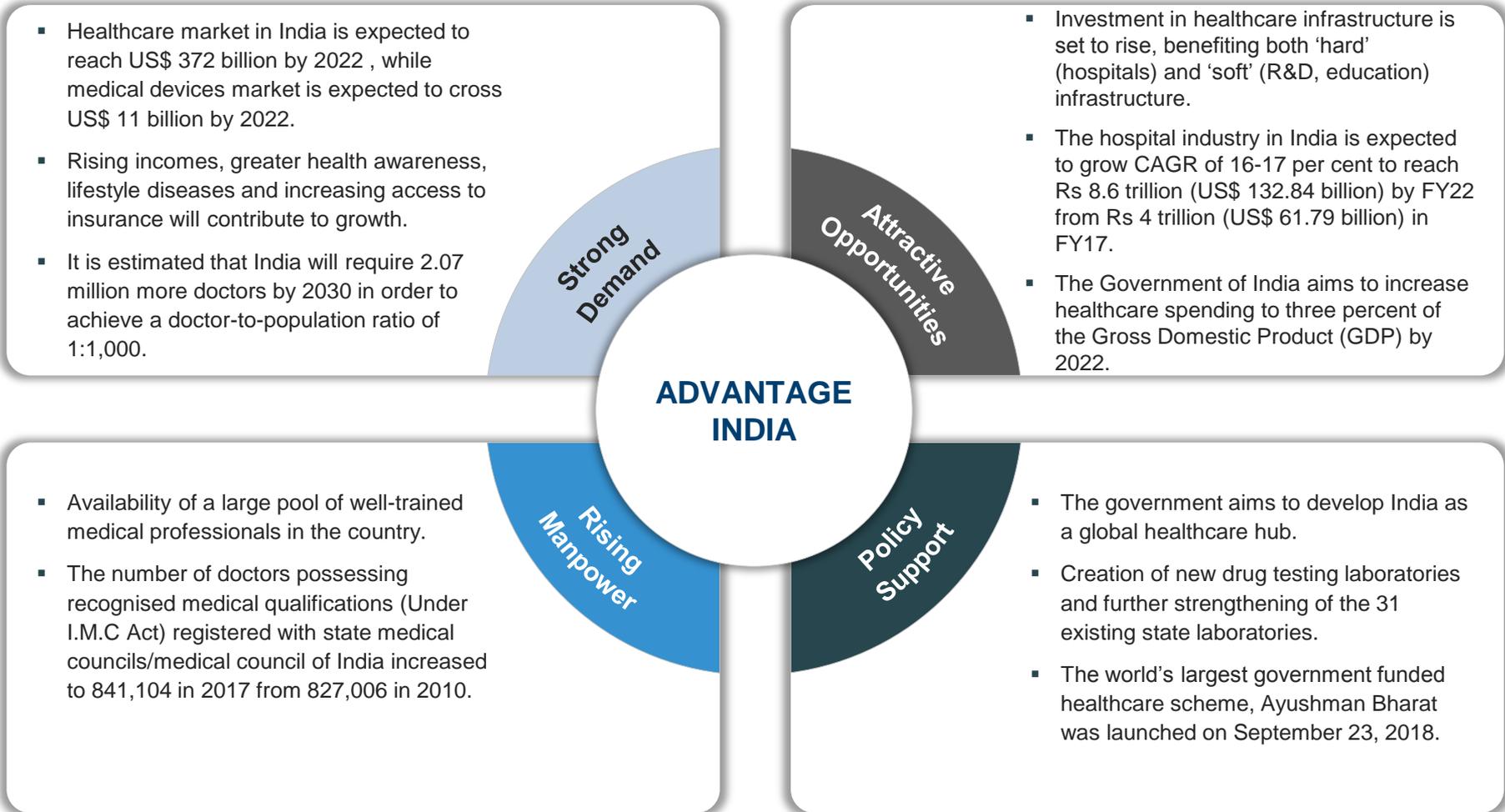
## Favourable Investment Environment

- Conducive policies for encouraging FDI, tax benefits, favourable government policies coupled with promising growth prospects have helped the industry attract private equity, venture capitals 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**



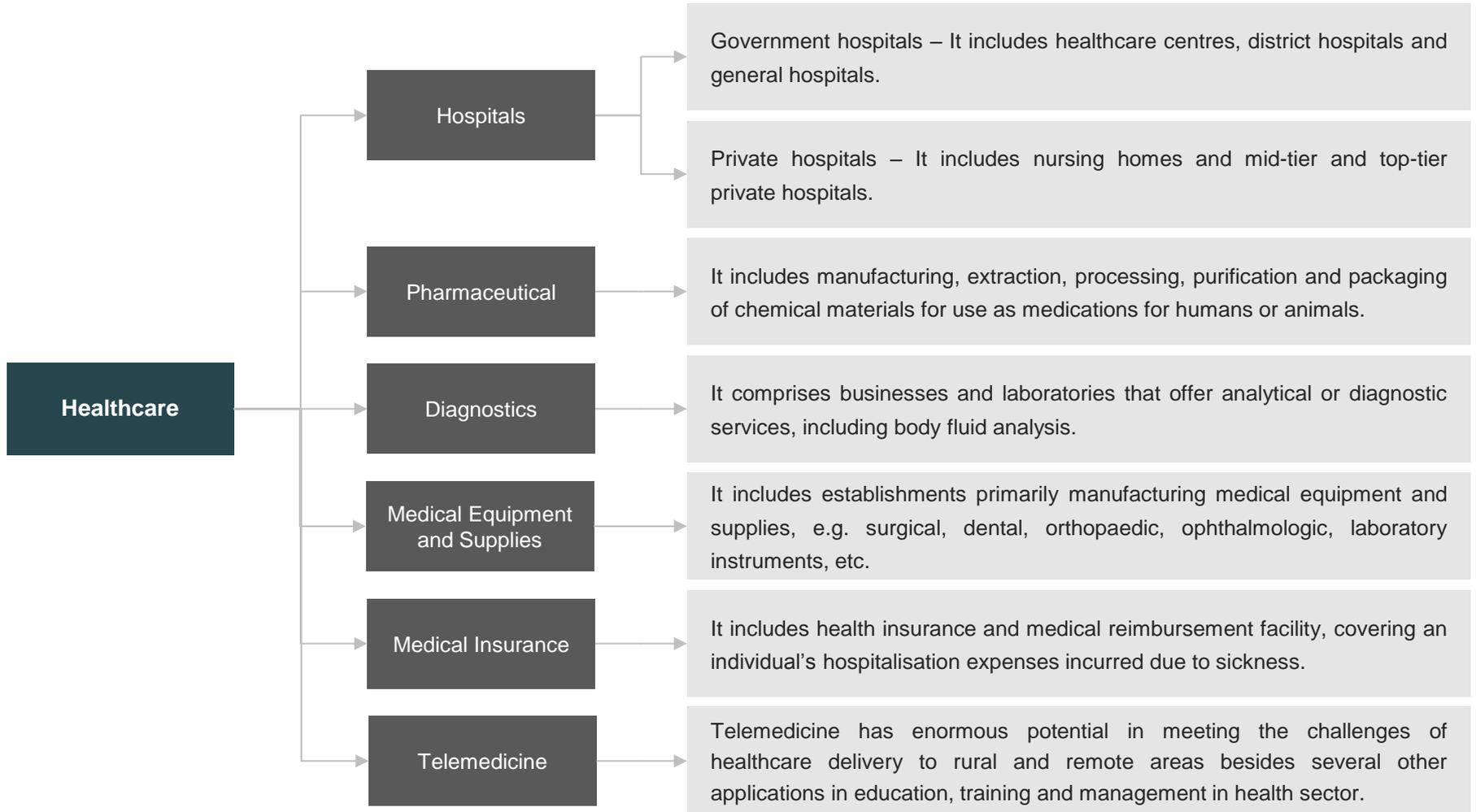
*Note: R&D – Research and Development*

*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, Aranca Research, Indian Journal of Public Health*

# MARKET OVERVIEW AND TRENDS



# THE HEALTHCARE MARKET FUNCTIONS THROUGH FIVE SEGMENTS

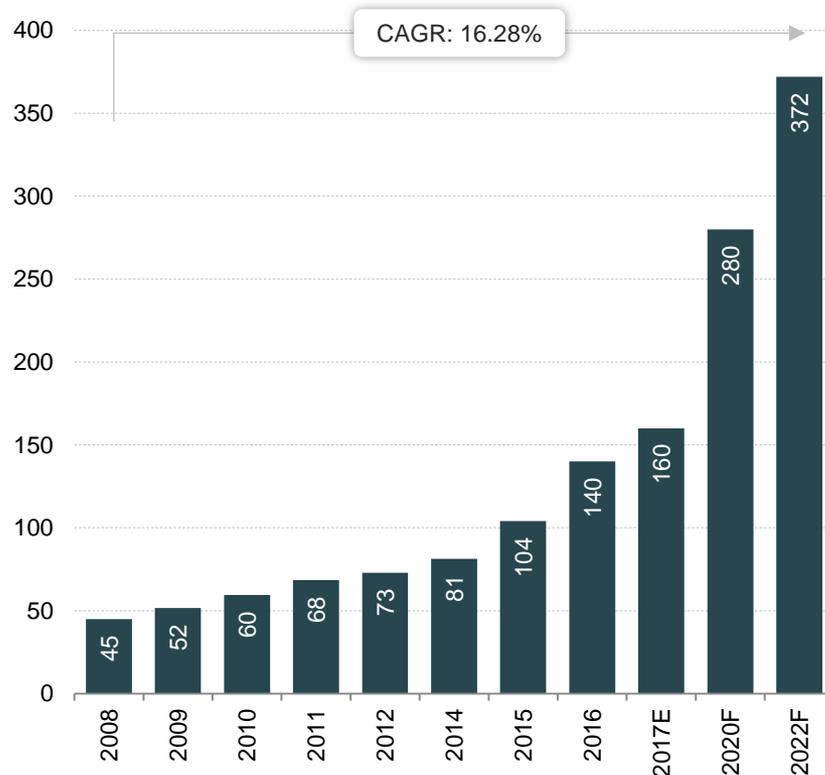


Source: Hospital Market – India by Research on India, Aranca Research

# STRONG GROWTH IN HEALTHCARE EXPENDITURE OVER THE YEARS

- Healthcare has become one of India's largest sectors both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public as well private players.
- During 2008-22, the market is expected to record a CAGR of 16.28 per cent.
- The total industry size is estimated to touch US\$ 160 billion by 2017 and US\$ 372 billion by 2022.
- The hospital industry in India stood at Rs 4 trillion (US\$ 61.79 billion) in FY17 and is expected to increase at a Compound Annual Growth Rate (CAGR) of 16-17 per cent to reach Rs 8.6 trillion (US\$ 132.84 billion) by FY22.

Healthcare Sector Growth Trend (US\$ Billion)



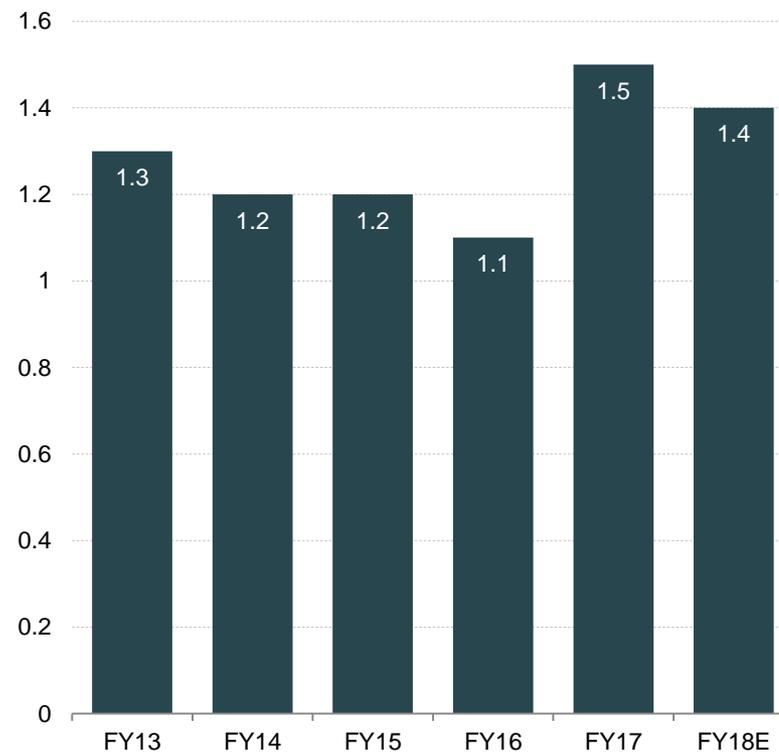
Note: F – Forecast, E - Estimate

Source: Frost and Sullivan, LSI Financial Services, Deloitte, Aranca Research

# PER CAPITA HEALTHCARE EXPENDITURE HAS RISEN AT A FAST PACE

- This is due to rising incomes, 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 the health sector has grown to 1.4 per cent of GDP in FY18E from 1.2 per cent of GDP in FY14.
- The Government of India is planning to increase public health spending to 2.5 per cent of the country's GDP by 2025.

Government Healthcare Expenditure as a percentage of GDP

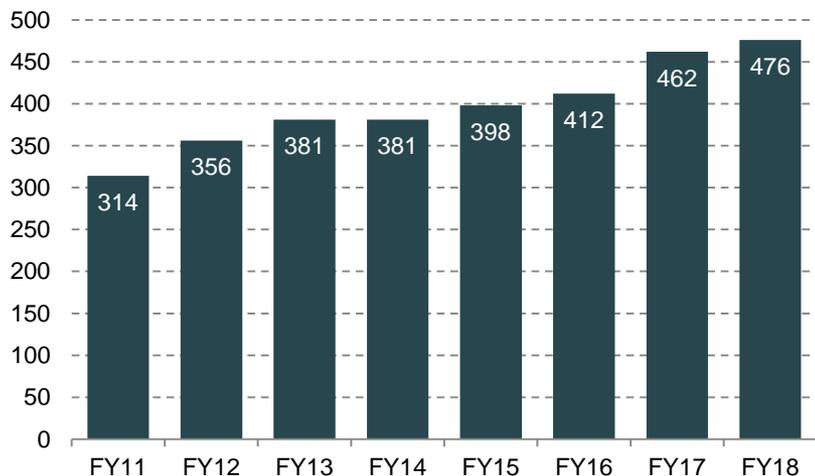


*Note: E- Estimated, Actual data of FY18 expected to be available by March 2019 from Economic Survey FY19*

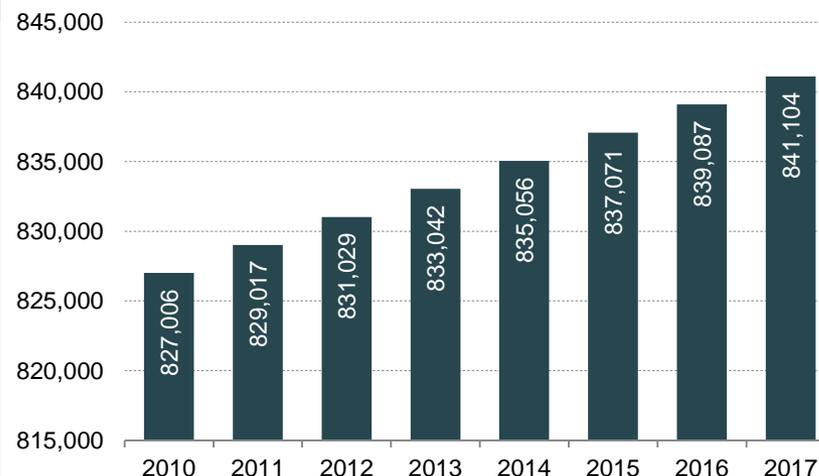
*Source: World Bank, Economic Survey FY18*

# 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 476 in FY18 from 314 in FY11.
- The number of doctors possessing recognised medical, qualifications (Under I.M.C Act) registered with state medical councils/medical council of India increased to 841,104 in 2017 from 827,006 in 2010.

*Note: Data expected to be updated by August 2019 from National Health Profile 2019*  
*Source: National Health Profile 2018*

# NOTABLE TRENDS AND STRATEGIES ADOPTED



# 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 per cent 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 2 and Tier 3 for expansion.
- To encourage the private sector to establish hospitals in these cities, the government has relaxed the 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 market in India is expected to rise at a CAGR of 20 per cent during FY16-20, reaching to US\$ 32 million by 2020.
- 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.

## 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, hospitals as well as the overall healthcare industry.

## Home healthcare

- Developments 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 upto 20-50 per cent of the cost.
- The home healthcare market is estimated to reach US\$ 4.46 billion by the end of 2018 and US\$ 6.21 billion by 2020.

**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, Aranca Research

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

## Increasing penetration of health insurance

- In FY18, gross healthcare insurance stood at 25.2 per cent of overall gross direct premium income by non life insurers segment.
- Health insurance is gaining momentum in India. Gross direct premium income underwritten by non-life insurers grew 19.28 per cent y-o-y to Rs 278.96 billion (US\$ 3.87 billion) between April-November 2018 (provisional).

## Mobile-based health delivery

- Strong mobile technology infrastructure and launch of 4G is expected to drive mobile health initiatives in the country.
- Cycle tel Humsafar is a SMS based mobile service designed for women, it enables women to plan their family in a better way.

## 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.
- India's medical technology sector is forecasted to reach US\$ 9.60 billion by 2022.

## Luxury offering

- A new trend is emerging as luxury offerings in 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)*

## 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 industry focus only on providing one kind of health care 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 and Acquisitions

- In December 2018, Radiant Life Care Ltd and Max Healthcare Ltd agreed on a merger, which will result in India's third largest hospital and diagnostics company at a combined value of Rs 7,242 crore (US\$ 1 billion).
- In October 2018, Zydus Wellness and Cadila Healthcare jointly acquired Heinz India for Rs 45.95 billion (US\$ 654.75 million).
- As of September 2018, Radiant Hospital acquired 49.70 per cent stake in Max Health for US\$ 293 million.
- Healthcare sector in India witnessed 23 deals worth US\$ 679 million in H12018.

Source: Aranca Research, 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 and 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 research and development and distribution facilities in India.
- Use of modern technology.
- Providing support to global projects from India.

## Merger and Acquisitions

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

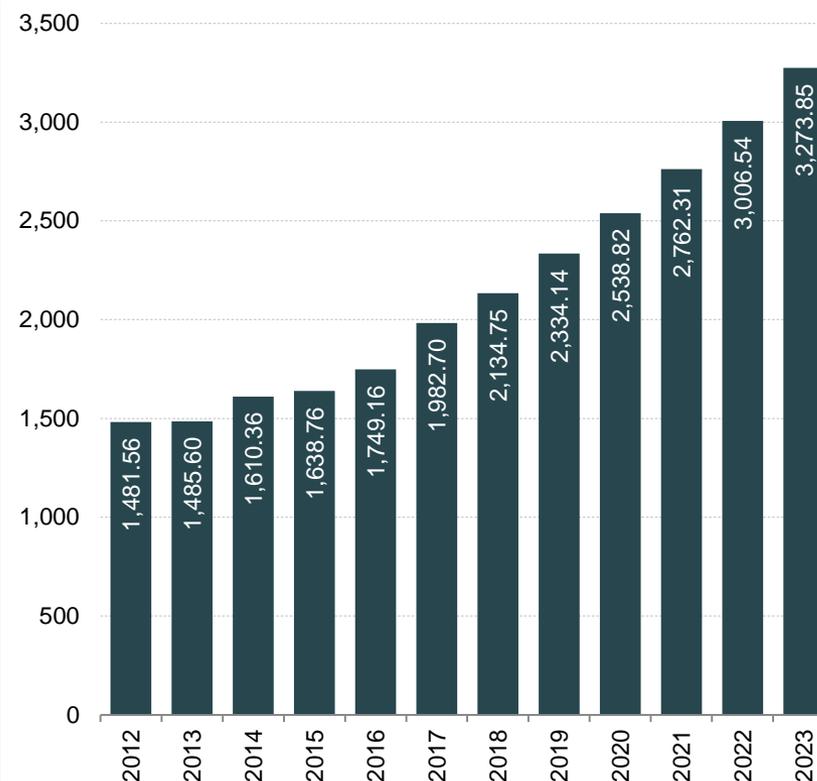
**Note:** FDI – Foreign Direct Investment, M&A - Mergers and Acquisitions NRHM - National Rural Health Mission

**Source:** Ministry of Health and Family Welfare, Government of India, Aranca Research

# RISING INCOME, AGEING POPULATION TO BE KEY HEALTHCARE DEMAND DRIVER

- Rising incomes mean a steady growth in the ability to access healthcare and related services.
- Per capita GDP of India is expected to reach US\$ 3,273.85 in 2023 from US\$ 1,481.56 in 2012.
- Moreover, changing demographics will also contribute to greater healthcare spending; this is likely to continue with the size of the elderly population set to rise from the current 98.9 million to about 168 million by 2026.
- Per capita GDP at current prices for 2018 was US\$ 2,134.75.

**GDP Per Capita at Current Prices\* (US\$)**



**Note:** \* estimates after 2013

**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 which has, in turn, enhanced the prospects of the Indian healthcare market.
- Treatment for major surgeries in India costs approximately 20 per cent 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 22-25 per cent and is expected to reach US\$ 6.0 billion by 2018 from US\$ 3.0 billion in 2017.
- The number of Foreign Tourist Arrivals (FTAs) in India on medical visa grew 15.9 per cent year-on-year to an estimated 495,056 in 2017 from 427,014 in 2016.
- 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.
- The Ministry of AYUSH, Government of India has been implementing various initiatives to promote ayurveda, yoga and other AYUSH systems of medicine on an international level and was allocated Rs 15.28 crore (US\$ 2.36 million) in 2017-18 for this purpose.
- The Government of India liberalised its policy by providing 100 per cent FDI in the AYUSH sector for wellness and medical tourism segment.

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

# 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 per cent 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 also 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 growing interest from numerous private equity firms in the traditional healthcare sector in India.

## Developing infrastructure

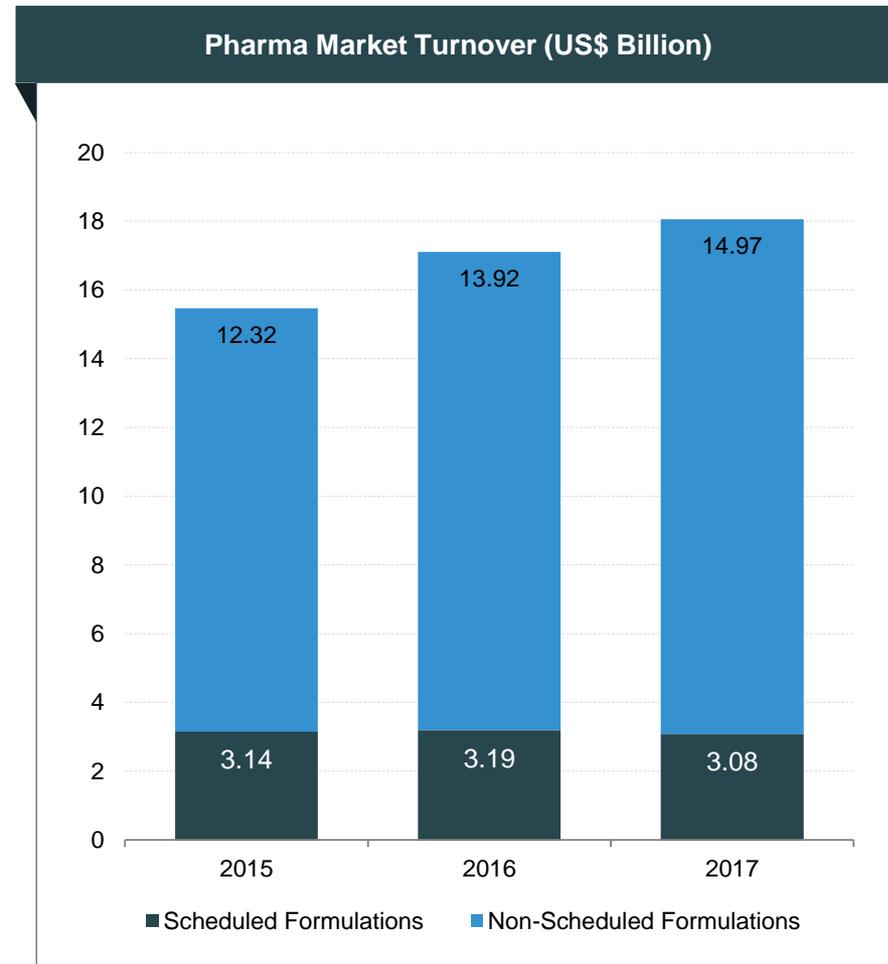
- The country had 460 Ayurveda and homeopathy government recognised colleges in 2017-18. As of January 11, 2019, number of sub centres reached 168,157 and number of primary health centres (PHCs) increased to 33,235.
- The total number of ayurveda practitioners in India increased to 428,884 in 2017 from 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)*

# PHARMA MARKET TURNOVER TRENDING NORTH

- Indian pharmaceutical market grew 5.5 per cent in CY2017 in terms of moving annual turnover. With a turnover of Rs 1.16 trillion (US\$ 18.06 billion).
- In 2017, India's pharma industry turnover reached US\$ 14.97 billion and US\$ 3.08 billion of non-scheduled formulations and scheduled formulations, respectively.



Source: Department of Pharmaceuticals

# POLICY SUPPORT AND GOVERNMENT INITIATIVES...

(1/4)

## Pradhan Mantri Jan Arogya Yojana

- On September 23, 2018, Government of India launched Pradhan Mantri Jan Arogya Yojana (PMJAY), to provide health insurance worth Rs 500,000 (US\$ 7,124.54) to over 100 million families every year.
- As of December 16, 2018, 552,649 beneficiaries had been admitted in hospitals and the total number of claims submitted were 421,474 which amounted to Rs 5.48 billion (US\$ 75.95 billion) .

## 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 per cent 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 per cent.
- 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 per cent deduction on profits for 5 years.

## National Nutrition Mission

- The Union Cabinet approved setting up of National Nutrition Mission (NNM) with a three year budget of Rs 85,217 crore (US\$ 13.16 billion) to monitor, supervise, fix targets and guide the nutrition related interventions across ministries.
- The programme is aimed at reducing the level of stunting, under-nutrition, anaemia and low birth babies.
- Over 100 million people are expected to be benefited by this programme; and all states and districts will be covered within the programme.
- In May 2018, the Government of India signed a US\$ 200 million deal with the World Bank for 315 districts across India, under National Nutrition Mission (POSHAN Abhiyaan).

Source: Aranca Research, News Articles

# POLICY SUPPORT AND GOVERNMENT INITIATIVES ...

## (2/4)

Recent Initiatives	<ul style="list-style-type: none"><li>▪ In June 2018, Government of India launched a registry with standardised, authentic and updated geo-spatial data of all public and private healthcare called National Health Resource Repository (NHRR).</li><li>▪ India has 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.</li></ul>
OTC medicines	<ul style="list-style-type: none"><li>▪ 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.</li></ul>
Incentives in the medical travel industry	<ul style="list-style-type: none"><li>▪ 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.</li></ul>
National Health Mission(NHS)	<ul style="list-style-type: none"><li>▪ In March 2018, the Union Cabinet of India approved the continuation of National Health Mission with a budget of Rs 85,217 crore (US\$ 13.16 billion) from 1st April 2017 to 31st March 2020.</li></ul>
Tele-medicine initiatives	<ul style="list-style-type: none"><li>▪ 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.</li></ul>
Innovation	<ul style="list-style-type: none"><li>▪ India's first ever 'Air Dispensary', which is based in a helicopter, will be launched in the Northeast and the Ministry of Development of Northeast Region (DONER) has already contributed Rs 25 crore (US\$ 3.82 million) for its funding.</li></ul>
Single Window System	<ul style="list-style-type: none"><li>▪ 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.</li></ul>

Source: Aranca Research, News Articles

## Medical institutions

- The doctor-population ratio is way ahead of 1:1,000 the prescribed ratio by World Health Organisation (WHO) as for every 921 people in the country there is one doctor<sup>^</sup>, as of December 2018.
- Under the Union Budget 2018-19, the government has allocated Rs 452.25 crore (US\$ 69.86 million) for the upgradation of state government medical colleges (PG seats) at the district hospitals and Rs 794.07 crore (US\$ 122.66 million) for government medical colleges (UG seats) and government health institutions.
- During FY17-FY19 the Government of India permitted start of 86 new colleges, which included 51 in FY17, 14 in FY18 and 21 in FY19.

## Union Budget 2018-19

- Under the Union Budget 2018-19, the allocation to the Ministry of Health and Family Welfare has increased by 11.5 per cent year-on-year to Rs 52,800 crore (US\$ 8.16 billion).
- In August 2018, the Government of India approved Ayushman Bharat-National Health Protection Mission as a centrally Sponsored Scheme contributed by both center and state government at a ratio of 60:40 for all States, 90:10 for hilly North Eastern States and 60:40 for Union Territories with legislature. The center will contribute 100 per cent for Union Territories without legislature.
- The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation.
- The government has allocated Rs 1,200 crore (US\$ 185.36 million) towards the National Health Policy 2017 under which 150,000 health and wellness centres, will provide healthcare closer to homes of the people.

## Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)

- As of January 2018, 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 2018-19*

# POLICY SUPPORT AND GOVERNMENT INITIATIVES ...

(4/4)

## Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- In May 2018, the Government of India approved financial outlay of Rs 14,832 crores (US\$ 2.30 billion) for FY2017-18 to FY2019-20.
- In May 2018, the Government of India approved Rs 1,103 crore (US\$ 170.14 million) for setting up All India Institute of Medical Sciences (AIIMS) in Deoghar, Jharkhand.

## Mission Indradhanush

- The Government of India launched Mission Indradhanush with the aim of improving 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.
- Mission Indradhanush aims to achieve at least 90 per cent immunization coverage by December 2018 which will cover unvaccinated and partially vaccinated children in rural and urban areas of India.

## National Resource Centre for EHR Standards

- In August 2018, the Ministry of Health and Family Welfare released Rs 4 crore (US\$ 5.97 lakh) to Centre for Development of Advanced Computing (C-DAC), Pune for developing National Resource Centre for EHR Standards (NRCeS) from a total estimated cost of Rs 23.59 crore (US\$ 3.52 million) to enable adaptation of notified EHR standards.

## Rashtriya Swasthya Bima Yojna

- The Government of India released Rs 436.66 crore (US\$ 66.71 million) and Rs 675.10 crore (US\$ 100.63 million) in FY16-17 and FY15-16 respectively.

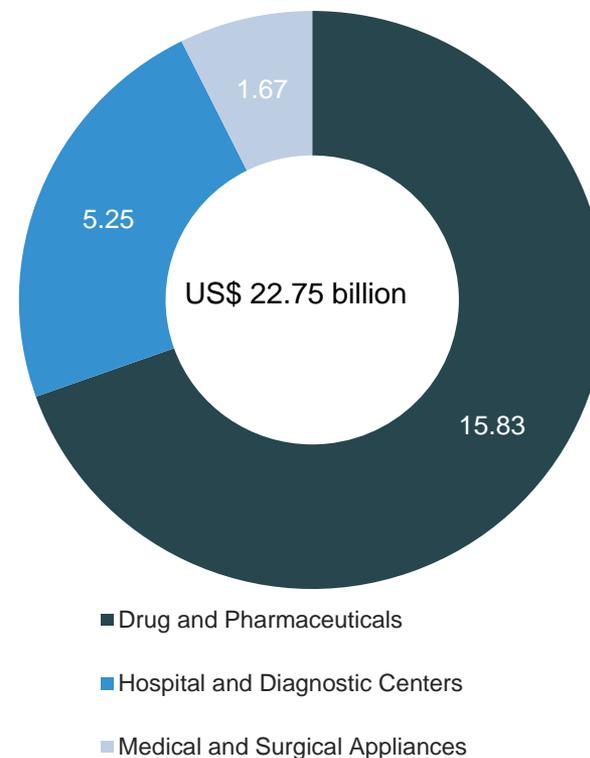
## Ayushman Bharat

- The world's largest government funded healthcare scheme, Ayushman Bharat was launched on September 23, 2018.
- As of December 2018, about 3,000,000 beneficiaries had generated e-cards and 685,000 poor patients were provided with free hospital treatment in the first 100 days since its launch.

Source: News Articles, Press Information Bureau

- 100 per cent FDI is allowed under the automatic route for greenfield projects.
- For brownfield project investments, up to 100 per cent FDI is permitted under the government route.
- Demand growth, cost advantages and policy support have been instrumental in attracting FDI.
- During April 2000–June 2018, FDI inflows for drugs and pharmaceuticals sector stood at US\$ 15.83 billion.
- Inflows into sectors such as hospitals and diagnostic centers and medical appliances stood at US\$ 5.25 billion and US\$ 1.67 billion, respectively, during the same period.

**Cumulative FDI inflows From April 2000 Up to June 2018 into the healthcare sector (US\$ billion)**



*Note: FDI – Foreign Direct Investment, data expected to be updated by March 2019 from FDI Statistics report*  
*Source: Department of Industrial Policy and Promotion*

# OPPORTUNITIES



## Healthcare Infrastructure

- Additional three million beds 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 required to meet the growing demand for healthcare; 58,000 job opportunities are expected to be generated in the healthcare sector by the year 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 per cent of the testing cost in the US.
- The number of clinical trials approved by the Drug Controller General of India (DCGI) recorded a 400 per cent increase to 97 in 2017 from 17 in 2013.

## Medical Tourism

- The market size of medical tourism market amounted to Rs 195 billion (US\$ 3 billion) in 2017. 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.
- 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

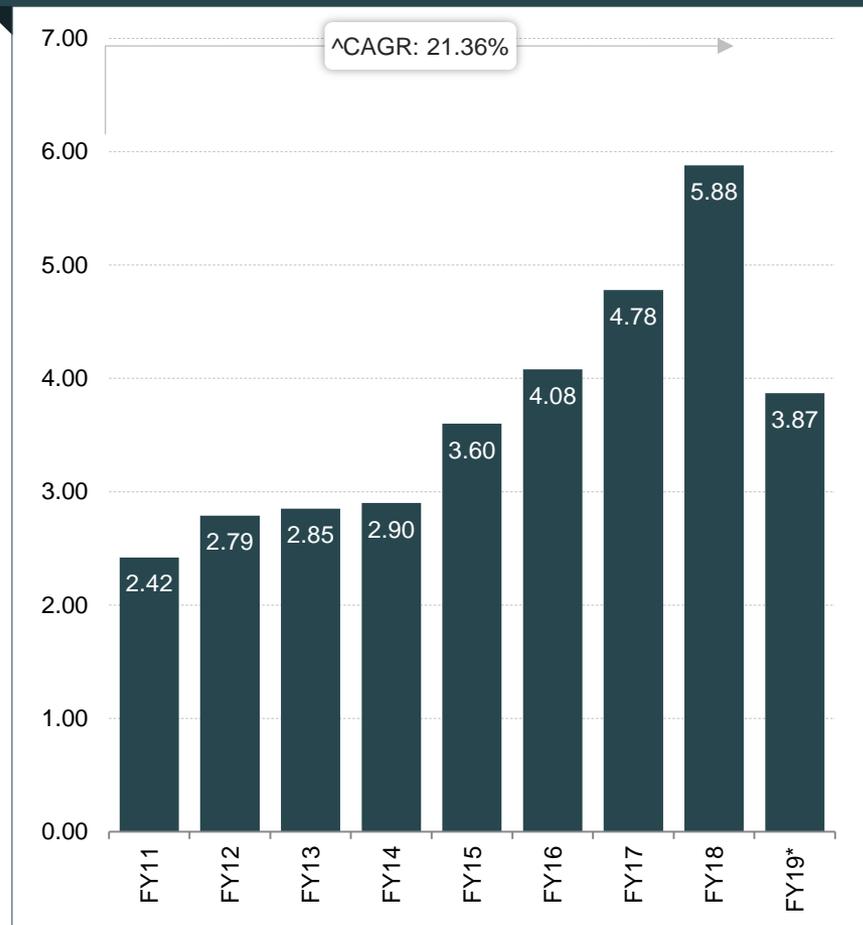
- The medical devices market size, valued at US\$ 4.9 billion in 2017, is expected to reach US\$ 11 billion by 2022, backed by rising geriatric population, growth in medical tourism and declining cost of medical services.

Source: Aranca Research, News articles

# OPPORTUNITIES IN HEALTH INSURANCE

- As of 2017, less than 27 per cent of the Indian population is covered through 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 FY18, Gross Direct Premiums at Rs 378.97 billion (US\$ 5.88 billion) in FY18, the health segment has a 25.20 per cent share in gross direct premiums earned in the country.
- With Gross Direct Premiums at Rs 278.96 billion (US\$ 3.87 billion) the health segment has a 25.66 per cent share in the gross direct premiums earned in the country between April-November 2018(provisional).

**Health Insurance Premium Collection (US\$ Billion)**



*Note: \* - provisional between April-November 2018, ^CAGR till FY18*  
*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](http://www.ima-india.org)  
E-mail: [inmedici@vsnl.com](mailto: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](http://www.fogsi.org)  
E-mail: [inmedici@vsnl.com](mailto: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
- INR: Indian Rupee
- MandA: Mergers and Acquisitions
- NHRM: National Rural Health Mission
- PPP: Public Private Partnerships
- RandD: 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	INR 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
Q1 2018-19	67.04
Q2 2018-19	70.18
Q3 2018-19	72.15

## Exchange Rates (Calendar Year)

Year	INR 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

Source: Reserve Bank of India, Average for the year

# DISCLAIMER

India Brand Equity Foundation (IBEF) engaged Aranca to prepare this presentation and the same has been prepared by Aranca in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of Aranca and IBEF's knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

Aranca and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither Aranca nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.