Confederation of Indian Industry
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Healthcare in India

India's healthcare sector has made impressive strides in recent years. From a US $ 20.6 billion industry in 2001 it is expected to touch US $ 46.4 billion by 2012. This includes the pharmaceuticals market, government and private spending.

So, why is there a Revolution in Healthcare in India?

First there are some economic factors which make India such an exciting market. Since healthcare is dependent on the people served, India's huge population of a billion people, represents a big opportunity. The middle income group in this vast base, is also a large 300 million.

Today, people are spending more on healthcare. A middle-level manager with a family of four, spends between US $ 170 and US $ 255 a year on healthcare – compared to just US $ 43 in the late –1980s. Most users of healthcare have been paying from their own pocket and preferring private services to government ones.

There are various gaps in the Indian healthcare market, which also present a vast opportunity. Good healthcare in India is in extreme short supply. Hospitals in India are running at 80-90 per cent occupancy. With the demand for healthcare far exceeding supply, India's healthcare industry is expected to grow by around 15 per cent a year for the next six years.

India has a very low density of doctors. The country has only 43 doctors for every 10,000 people. Compare this with the US at 2,340 doctors per 10,000.

There is a huge shortage of hospital beds. Compared to Brazil at 4,300 beds, India only has 1,600 beds. According to a World Health Organisation Report, India needs to add 80,000 hospital beds each year for the next five years to meet the demands of its population.

Infant mortality is high in India. On an average, 80 out of every 1,000 children, die. This figure is just nine in the US and 30 for every 1,000 in Thailand. Life expectancy in India is amongst the lowest at 55.5. Compare this with the United States at 75.5, and 66.5 for Thailand.

Not surprisingly, major corporates like the Tatas, Apollo Group, Fortis, Max, Wockhardt, Piramal, Duncan, Ispat and Escorts have made significant investments in setting up state-of –the-art private hospitals in cities like Mumbai, New Delhi, Chennai and Hyderabad. Using the latest technical equipment and the services of highly skilled medical personnel, these hospitals are in a position to provide a variety of general as well as specialist services. These services are available at extremely competitive prices, encouraging patients not only from developing countries but even from a number of developed ones to come to India for specialised treatment.

In the next 10 years, tertiary care in India will be predominantly private healthcare and extensive public & private partnerships. The secondary care would be private & public healthcare and selective public & private partnerships. The primary care would be predominantly public, especially in the rural areas.

Opportunities

Opportunities exist in the following areas:

1.	Service Providers (Hospitals)	:	Curative & Preventive in Primary, Secondary and Tertiary Care Rehabilitative – Geriatric & Others
2.	Manpower Training	:	Doctors, Managers, Nurses, Technicians
3.	Infrastructure	:	Medical Equipment, Service Equipment
4.	Insurance	:	Hospitalisation
5.	Materials	:	Medicines, Disposables

CII-Mckinsey Healthcare Study

There was no reliable mapping of the Indian healthcare sector. CII National Committee on Healthcare had commissioned Mckinsey & Co. to clearly map the size and define a roadmap for affordable healthcare in India.

The report begins with a quick snapshot of where Indian healthcare stands now - with low levels of health insurance and poor health outcomes. It then looks to the future to forecast a shift over the next 10 years from acute infections to lifestyle diseases, such as cardiac disease and cancer, and a huge increase in demand for physical and human healthcare infrastructure.

To ensure that the healthcare infrastructure is created in a viable and cost-efficient manner, the report analysis the various delivery models that can be used by private players to provide high quality care at all levels. The opportunities offered in healthcare sector by the year 2012, for both private investors and government are abundant. The report recommends, for industry and the government how to increase levels of investment in the sector, increase health insurance coverage, enhance the quality of care and manpower and create opportunities for public-private partnerships in healthcare.

The report was released on 26 October 2002 in New Delhi and is available at:

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The cost of the report is US $ 111.00. Drafts may be made in favour of CII payable at New Delhi.

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