



The Indian Healthcare Industry

DIBD – OMII

Own Man In India

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Introduction to the Indian Healthcare Industry

- Current market situation
- Short survey on Indian hospital sector





Market situation – (1/2)

- The market for healthcare in India has a significant and large potential in the coming years. The healthcare industry is growing at a rapid pace and is expected to become a US \$280 billion industry by 2020.
- The large population growth of 15 million a year and rising living standards are two important indicators that lead to an increasing demand for more and better healthcare facilities in India.
- According to WHO figures India needs to add a least 80,000 beds each year the next five years just to meet the demands from the growing population.
- Moreover, medical tourism is forecast to grow from US \$350 million in 2008 to over US \$2 billion by 2012. This also points to the fact that India's healthcare system and hospitals will only become better and more advanced in the years to come, because of the rising international demand as well.
- During the past decade there has been a great change in the availability of healthcare facilities in the country.
- The number of public hospitals grew from 4600 in 2000 to more than 7600 in 2006 that is an increase of more than 67% in just 6 years.
- The private hospitals have been growing at a similar pace during these years. There were approximately 3200 private held hospitals in 2007. Even though the private hospitals constitute a smaller amount compared to the public hospitals – the private sector still accounts for nearly 80% of the healthcare market, whereas the public sector only takes 20% of the market. Due to this – private hospitals are booming very fast attracting healthcare entrepreneurs with solid capital foundation.

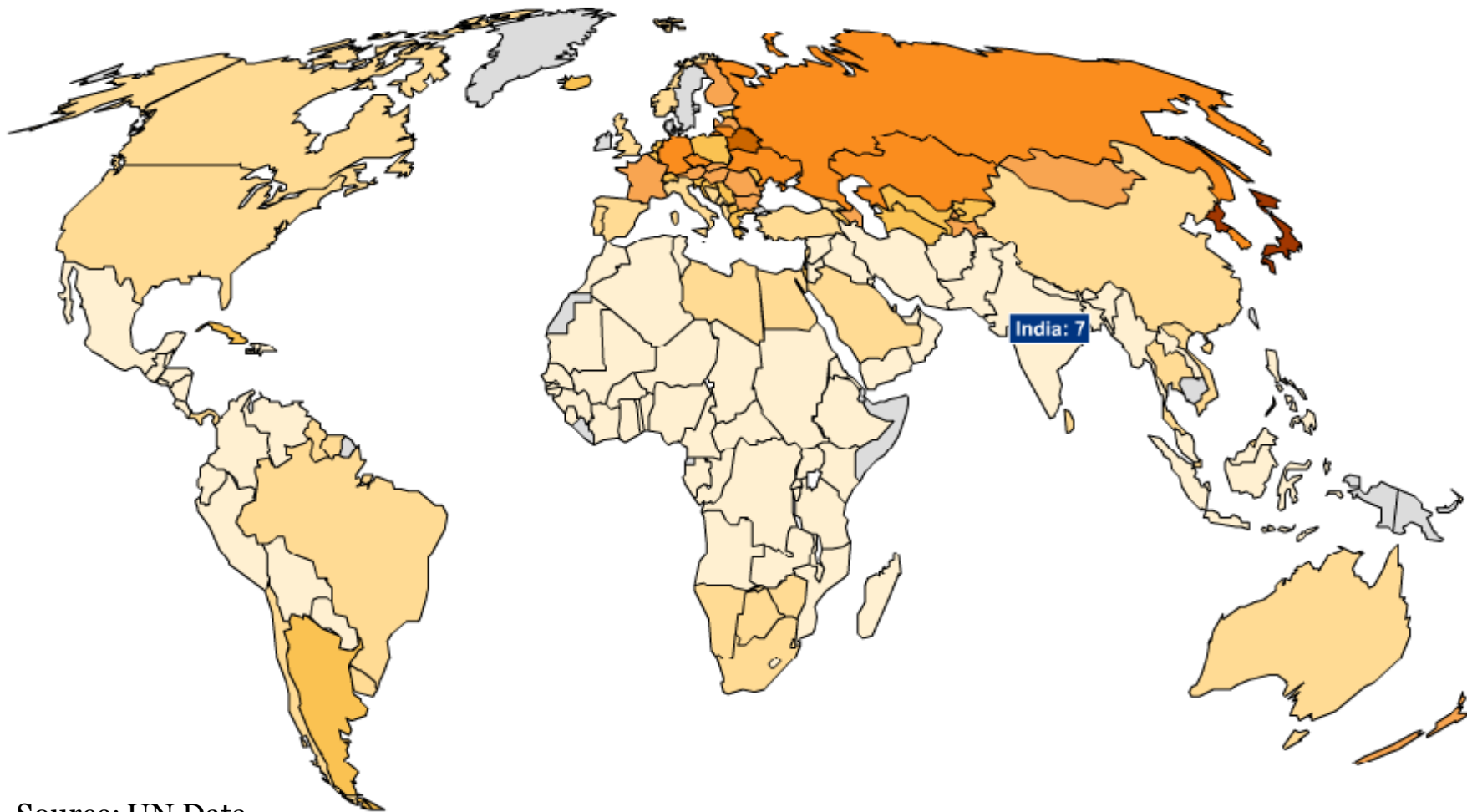


Market situation – (2/2)

- Therefore, we also see a huge difference between the standard of service and physical facilities in the private and public hospitals.
- The private hospitals are comparatively more expensive and targets only middle and upper class people with healthcare insurance. Due to better economic substance the private hospitals attracts highly educated personnel, have better facilities and are far more efficient and clean compared to public hospitals.
- Moreover, many private hospitals in India are affiliated with top world medical institutes like Harvard Medical and John Hopkins. Top surgeons work in these private hospitals and many of them try to run the hospitals very efficiently by applying hardcore business principles into the management of the hospital.
- One of India's top heart surgeons, Devi Shetty, runs a very successful private hospital in Bangalore. The particular success is caused by his conviction that economies of scale and specialization can be combined to reduce the cost of the operation – in this case, heart surgery. The outcome of this line of thinking has led to a state of the art private hospital with 1000 beds, where they each week perform more than 600 operations. The sheer volume of patients leads to better expertise, standards and quality in the long run. Other private hospitals follow this mindset to a much greater extent than the public hospitals.
- Thus, due to better management and better economy foreign suppliers within the healthcare industry, tend to target the private hospitals in stead of the public ones.



Hospital Beds (Per 10,000 Population) 2000-2008



Source: UN Data



Internal survey on the Indian hospital sector

- The DIBD office in India conducted a small internal survey from the hospital sector in India.
- Five of the biggest hospitals in Mumbai and five of the biggest hospitals in New Delhi are included in the survey – these are:

Mumbai (No. of beds)	New Delhi (No. of beds)
Wockhardt Hospital (400)	Indraprastha Hospital (560)
TATA Memorial Hospital (600)	Paras Hospital (300)
Kokilaben Reliance Hospital (750)	Yashoda Hospital (280)
Bombay Hospital (830)	Max Healthcare (930)
Hinduja Hospital (430)	Fortis Escort (550)

- Fortis Healthcare has one of the largest chain of hospitals in India with around 38 hospitals.
 - Fortis has a total bed capacity of around 5180 spread across 38 hospitals in India.
 - In 2005, Fortis acquired Escorts Heart & Research Institute which was a part of Escorts Group, Delhi and further in 2007, Fortis went on to buy Chennai based multi specialty hospital '**Malar**'. Later in 2009, Fortis purchased 10 hospitals of Wockhardt for a value of \$187 million.



Danish contact in India

- If you are interested to hear more about India and the rising healthcare industry's possibilities please do not hesitate to contact:
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