Emerging Trends in the Indian Healthcare Industry
India is poised to record further growth in its economy after the recession that flabbergasted almost all the major economies of the world, the early signs and post recession economic reports all showing a positive upward trend. The growing importance of India in the international arena is also one of the reasons that has given rise to increased tourists and business travellers into the country, which has resulted in the growth of hospitality, airlines and other related sectors.

There is good news from the healthcare sector that has witnessed positive upward trend even during recessions, reports suggest that healthcare is going to be one of the major sector that would fuel the economic growth and will contribute to the increased revenues, along with IT Services and Education sectors, According to the All India Management Association in collaboration with Boston Consulting Group and the Confederation of Indian Industries (CII) together in their “India’s New Opportunities- 2020”, they have also forecasted 40 millions new jobs and around 200 billion increased revenues by 2020.

The Indian healthcare Industry

The Indian healthcare industry is seen to be growing at a much rapid pace than it was anticipated before and is expected to become a Rs.12,60,000 Cr. by 2020.

The past two years in the Healthcare Industry have been marked with dramatic changes. Most of the existing players in the Healthcare Industry announced huge expansion plans, many large companies and corporates with no or very little existence in healthcare delivery declared that they would be putting in huge investments in Healthcare Delivery.

According to the Investment Commission of India the healthcare sector has experienced phenomenal growth of more than 12 percent per annum in the last four years and this growth is expected to be driven by a number of factors: rising life expectancy, rising income levels of Indian households, increasing penetration of health insurance and rising incidence of lifestyle-related diseases in the country has led to increased spending on healthcare delivery.

And it is also anticipated that India is supposed to fuel the western economic growth with its reservoir of skilled professionals and educated young population. In the next two decades developed countries will face a shortfall of fuel (skilled professionals) and once again will have to look towards developing to make up the shortfall. With India having the upper edge with larger pool of professionals with English proficiency and education to benefit more than other counties.

Though towards the end of this decade, India is said to face with higher unemployment rates, but same time it is also projected that many western countries would face severe shortages of workforce in the same period due to lower birth rates and an increase in the proportion of the elderly in their population. While skilled workforce requirements are increasing in line with economic growth, availability is not keeping pace, as a result of fewer people entering the workforce and the trend towards early retirement. Select professions

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are already witnessing a shortfall (IT services, Medical/Healthcare and Education sectors). The workforce shortages (mostly in skilled categories) can slow down economic growth in these countries and have other adverse socioeconomic implications. Adjusting for initiatives taken by governments to manage this crisis, the High Level Strategic Group (HLSG) estimates a net workforce shortfall of 32-39 million by 2020 in the developed countries of today.

The Employment Trend

As per the Ma Foi Employment Trends Survey 2010, the Healthcare sectors has witnessed the most post recession recruitment to a total employee base of 33,66,000 with 2,95,000 New Jobs added to this sector.

The Private healthcare boom continues notwithstanding the slowdown. Over the last 18 months, when most industries were busy restructuring operations, cleaning up books or optimizing their costs, Indian pharmaceutical and healthcare industry was adding manpower. Next year looks bright with addition of many new hospital beds, deeper penetration of super-specialty healthcare, greater coverage of insurance facilities and increasing medical tourism, would ensure further growth and enhanced job opportunities in this sector.

The IT & IT enabled services (ITES) services are major contributors to the growth but with post recession damage control by developed countries like US, with sanctions on out-sourcing could directly affect the BPO industry and restrict the upsurge of growth in these sectors, the Healthcare sector, that already seems promising with the current trends and the projected figures, predicting a paradigm shift.

Newer Opportunities

Two areas critical to a robust and efficient medical care system are Emergency and Specialist medical care. Emergency care is still in a very nascent stage all across India, Now with the Medical Council of India (MCI) accepting Emergency Medicine as one of the specialty, there are huge opportunities for personnel in this area especially Nurses, Paramedics, Technicians and Emergency medicine specialized doctors.

Emergency Care

The current Emergency Medical Services infrastructure is inefficient due to the lack of critical components such as: a centralized administrative body, trained emergency medical personnel, a centralized emergency phone number (similar to 9/11 in US, 1/12 in UK and other developed countries) and quality pre hospital care. However, due to an increase in the number of government initiatives and the Public/Private Partnership initiatives that are visible in many states in the recent past, with 108 being accepted as the National Emergency Number and this would also bring better opportunities for Nurses, Paramedics, Emergency medical technicians and Emergency medicine specialized doctors across India.

“The Indian healthcare market was estimated at **Rs.1,57,500 Crore** in 2007 and is expected to reach over **Rs.3,15,000 Crore** by 2012.”

“Healthcare today offers direct employment to over **4 million** people in India, is expected to go up to almost **7 million** by 2012.”
Specialist Medical care

Specialist care or the specialty base care in the country is on the rise with several single specialty hospitals that have propped up in the recent past along with several multispecialty hospitals that has come across in several tire II and tire III cities, these are generating better revenues compared to many multispecialty hospitals in the same region. But severe brain drain in this area is a major challenge for all players in this sector.

Booming Healthcare and its allied industry

The other allied business are also en-cashing the boom in the healthcare sector

- Hospitals/Nursing Homes: Rs. 54,000 Crores, growing at 20%
- Medical Equipment: Rs. 9,000 Crores, growing at 15%
- Clinical Lab Diagnostics: Rs. 9,000 Crores, growing at 30%
- Imaging Diagnostics: Rs. 4,500 Crores, growing at 30%
- Other Services (includes Training & Education; Aesthetics & Weight loss; Retail Pharmacy, etc): Rs. 9,000 Crores, growing at 40%
- Health Insurance: Health Insurance has the potential to show top line growth, McKinsey-CII estimates the number of potential insurable lives at 315 million with a potential of Rs. 34,650 Crores in health insurance premium by 2015.
- Medical Tourism: With India fast becoming a hub for medical tourists seeking quality healthcare at an affordable cost. India’s medical tourism sector is expected to experience an annual growth rate of 30%, making it a Rs. 9,500 Crores by 2015.
- Further, importing customers into India (Medical Tourism, educational services, leisure tourism) could add $ 6-50 billion in revenue and create 10-48 million jobs (direct and indirect) by 2020.

Conclusion

The Indian healthcare Industry too is confronted with many challenges, unlike any other emerging sector, several odds that would restrict or hamper its growth, the government, other related agencies in consultation with the private players should pitch in to address current and emerging core issues of Infrastructure, Human resource, Education, Finance, draft policies and etc., for establishment of international norms, standards that would enhance further growth, bring in millions of job opportunities and will also support other sectors of the Indian economy else otherwise will have opportunities lost, with long standing implications on the economy.

“By 2020, Medical Tourism, Leisure Tourism, is going to create 10-48 Million jobs.”

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