

Healthcare



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Executive summary

2. IMPRESSIVE GROWTH PROSPECTS

- The Indian Healthcare industry continued its healthy growth in 2023 and reached a value of US\$ 372 billion driven by both the private sector and the government.
- As of December 13, 2023, more than 2.20 billion COVID-19 vaccine doses have been administered across the country.
- India's hospital market was valued at US\$ 98.98 billion in 2023, projected to grow at a CAGR of 8.0% from 2024 to 2032, reaching an estimated value of US\$ 193.59 billion by 2032.

3. STRONG FUNDAMENTALS AND COST ADVANTAGE

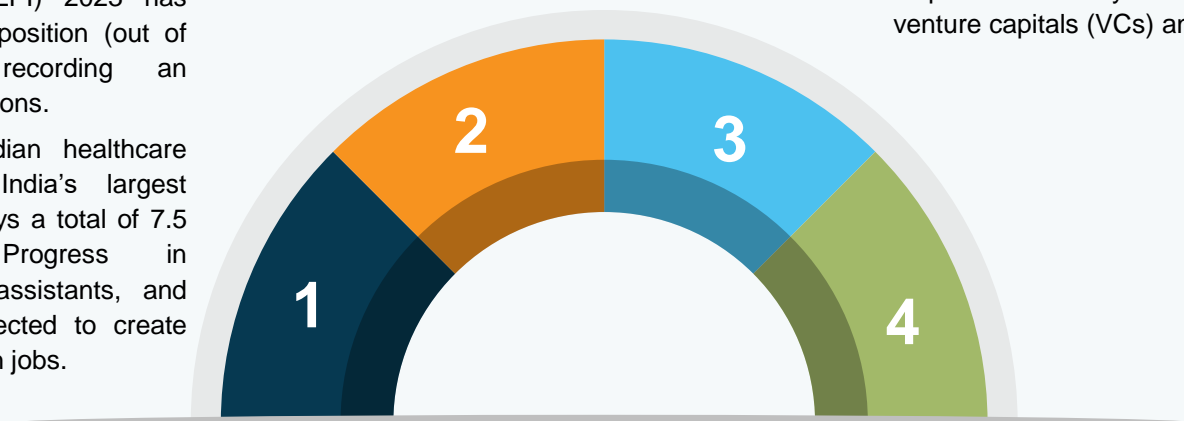
- Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future.
- The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from 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.

1. FOURTH-LARGEST EMPLOYER

- India climbed to the 63rd rank among 190 countries in the World Bank's 'Ease of Doing Business' rankings in 2020.
- The World Bank's Logistics Performance Index (LPI) 2023 has ranked India at 38th position (out of 139 economies), recording an improvement of 6 positions.
- As of 2024, the Indian healthcare sector is one of India's largest employers as it employs a total of 7.5 million people. Progress in telemedicine, virtual assistants, and data analytics is expected to create 2.7-3.5 million new tech jobs.

4. 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



2. ATTRACTIVE OPPORTUNITIES

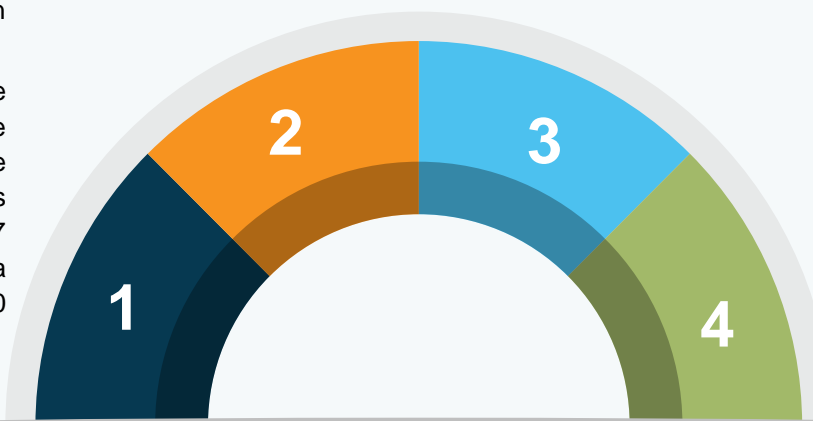
- India's public expenditure on healthcare touched 2.1 % of GDP in FY23 and 2.2% in FY22, against 1.6% in FY21, as per the Economic Survey 2022-23. The Health Ministry aims to reach 2.5% by FY25.
- Two vaccines (Bharat Biotech's Covaxin and Oxford-AstraZeneca's Covishield manufactured by the Serum Institute of India) were instrumental in medically safeguarding the Indian population and those of 100+ countries against COVID-19.

3. POLICY AND GOVERNMENT SUPPORT

- The Government aims to develop India as a global healthcare hub.
- Public health surveillance in India will further strengthen the health systems.
- In the Interim Union Budget 2024-25, the government allocated Rs. 90,659 crore (US\$ 10.93 billion) to the Ministry of Health and Family Welfare (MoHFW).
- In March 2021, the Parliament passed the National Commission for Allied & Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals.

1. STRONG DEMAND

- The healthcare sector, as of 2024, is one of India's largest employers, employing a total of 7.5 million people.
- The demand for Indian healthcare professionals is expected to double nationally and globally by 2030 due to a shortage of healthcare workers in India, where there are only 1.7 nurses per 1,000 people and a doctor-to-patient ratio of 1:1,500 nationwide.



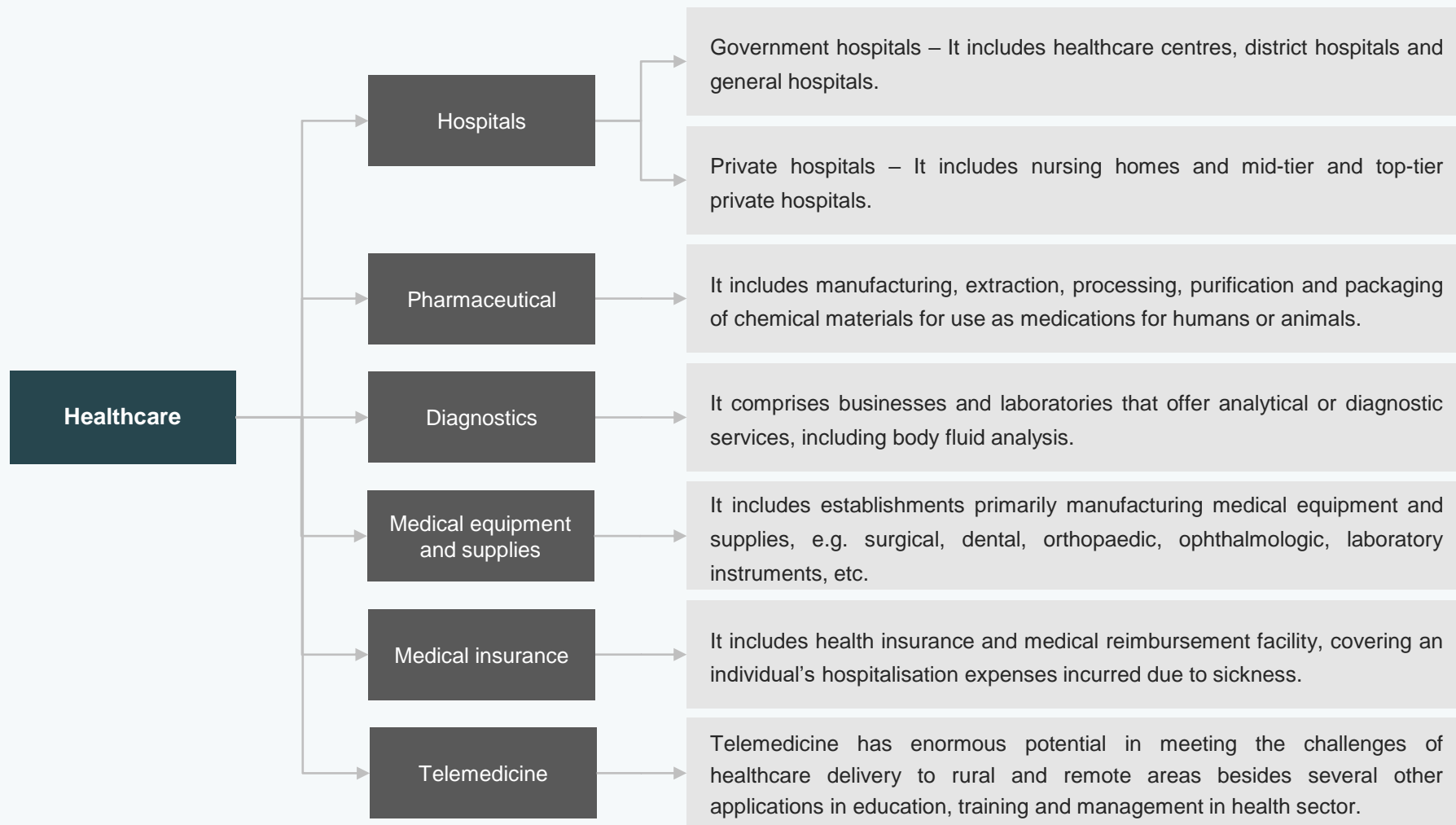
4. RISING MANPOWER

- Availability of a large pool of well-trained medical professionals in the country.
- The number of allopathic doctors with recognised medical qualifications (under the I.M.C Act) registered with state medical councils/national medical councils increased to 1.308 million in June 2022, from 0.83 million in 2010.

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 blic Health



The healthcare market functions through five segments

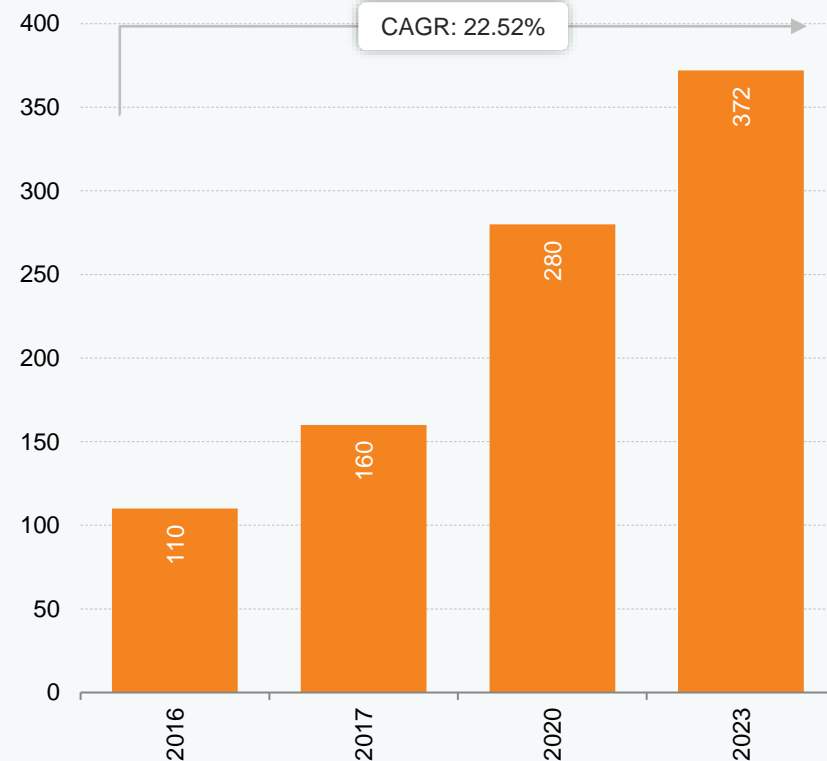


Source: Hospital Market – India by Research on India

Strong growth in healthcare expenditure over the years

- Healthcare has become one of India's largest sectors, 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.
- The Indian healthcare market enjoyed a robust Compound Annual Growth Rate (CAGR) of 22.52% between 2016 and 2022, highlighting its rapid growth trajectory.
- The healthcare profit pools will grow at a 4% CAGR from US\$ 654 billion in 2021 to US\$ 790 billion in 2026.
- The total industry size is estimated to be at US\$ 372 billion in 2023.
- The Indian healthcare market, which was valued at US\$ 110 billion in 2016 is now projected to reach US\$ 638 billion by 2025.
- The e-health market size is estimated to reach US\$ 10.6 billion by 2025.
- Union Minister of Health and Family Welfare and Chemicals & Fertilizers Dr. Mansukh Mandaviya, virtually launched 'MedTech Mitra,' a platform designed to support young Indian innovators in the MedTech sector by aiding in their research, development, and regulatory approvals, aiming to reduce import dependence and transform India into a leading US\$ 50 billion MedTech industry by 2030, while fostering indigenous development of affordable, quality medical devices and diagnostics, in line with the vision of Viksit Bharat and Atmanirbhar Bharat.

Healthcare Sector Growth Trend (US\$ billion)

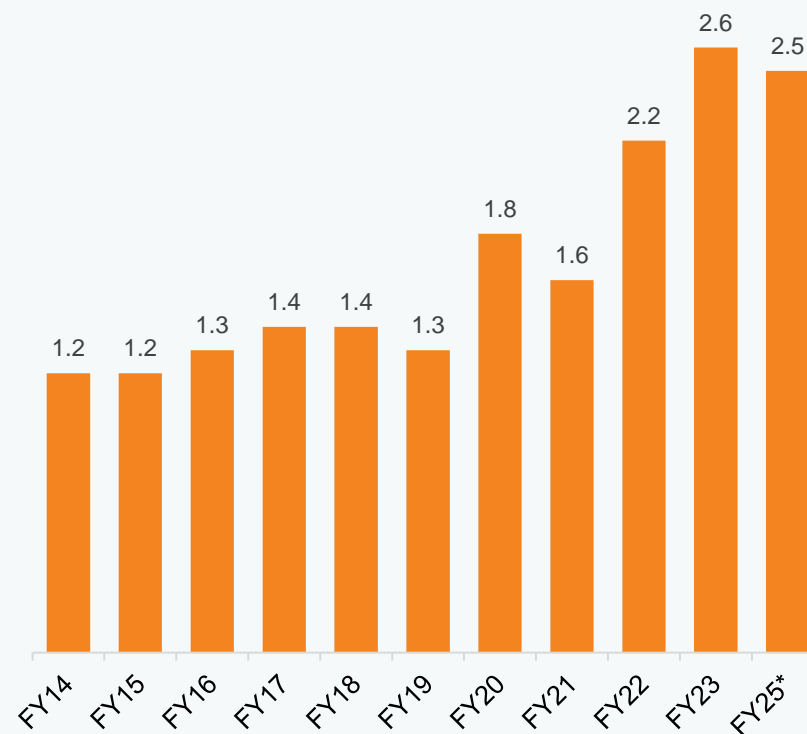


Source: Frost and Sullivan, LSI Financial Services, Deloitte

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 budgeted spending on the health sector by the federal and state governments was 2.1% of Gross Domestic Production (GDP) in FY23 and 2.2% in FY22, up from 1.6% in FY21. The Government is planning to increase public health spending to 2.5% of the country's GDP by 2025.

Government Healthcare Expenditure as a % of GDP



Note: * - Forecast

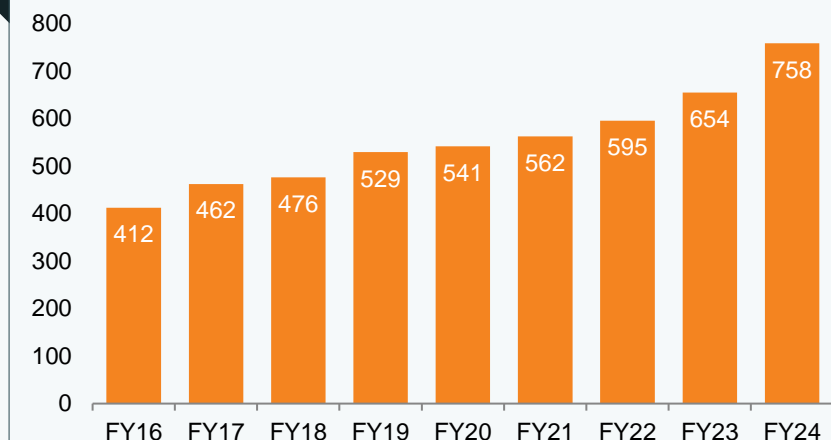
Source: World Bank, Press Information Bureau

Recent Trends and Strategies

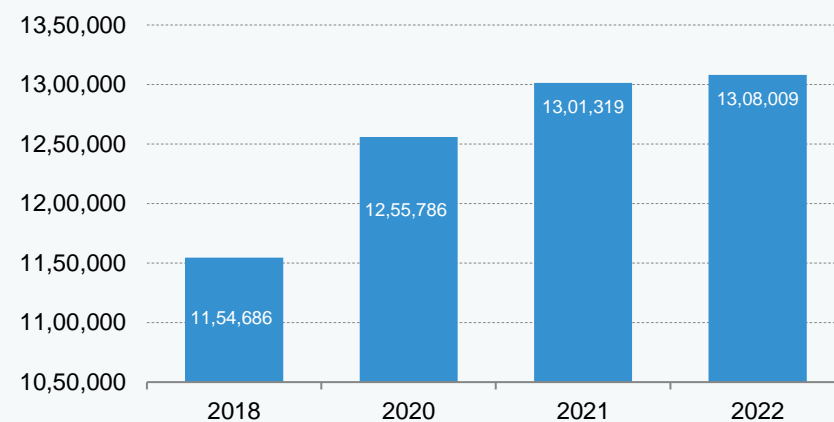


Healthcare infrastructure has risen at a fast pace

Number of Medical Colleges



Number of Doctors



- India's medical educational infrastructure has grown rapidly in the last few decades.
- The Indian healthcare market, which was valued at US\$ 86 billion in 2016 is now projected to reach US\$ 638 billion by 2025.
- The Government of India's 2024-25 interim budget proposes expanding medical colleges using existing hospitals, building a stronger foundation for future healthcare professionals.
- The number of allopathic doctors, with recognised medical qualifications (under the I.M.C Act), registered with state medical councils/national medical councils increased to 1.3 million in June 2022, from 0.83 million in 2010.
- As per information provided to the Lok Sabha by the Minister of Health & Family Welfare, Dr. Bharati Pravin Pawar, the doctor population ratio in the country is 1:834, assuming 80% availability of 12.68 lakh registered allopathic doctors and 5.65 lakh AYUSH doctors.
- Healthcare innovation in India, currently a US\$ 30 billion opportunity led by pharma services and healthtech, is seeing increased investment in medtech and biotech. With rising consumerization of health, global value chain changes, and regulatory support, this innovation opportunity is projected to reach US\$ 60 billion by FY 2028, alongside ecosystem shifts like consolidation and new partnerships.

Source: National Health Profile, News Articles

Notable trends in the Indian healthcare sector ... (1/4)

1

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.

2

Expansion to Tier II and Tier III cities

- Metropolis Healthcare has launched diagnostic centers in Malegaon, Maharashtra, and Dehradun, Uttarakhand, expanding into tier 2 and 3 cities.
- There have been a total of six AIIMS facilities in Rishikesh, Bhubaneswar and Bhopal. Moreover, there are proposed AIIMS setups in J&K (Awantipora), Haryana (Rewari), Bihar (Darbhanga), and Tamil Nadu (Madurai).
- To encourage the private sector to establish hospitals in these cities, the Government has relaxed taxes on these hospitals for the first five years.

3

Emergence of telemedicine

- Telemedicine is a fast-emerging sector in India. Virtual care - constituting teleconsult, telepathology, teleradiology and e-pharmacy - is experiencing a stimulus in India. Major hospitals (Apollo, AIIMS, Narayana Hrudayalaya) have adopted telemedicine services and entered into a number of PPPs.
- In September 2020, according to a study (survey of consumers, doctors and stakeholders from pharma companies and global EY research) by EY, in collaboration with the Indian Pharmaceutical Alliance, the domestic telemedicine market is expected to reach US\$ 5.5 billion by 2025.
- By January 2023, the Health Ministry's eSanjeevani telemedicine service crossed 10 crore tele-consultations. Moreover, eSanjeevani telemedicine set a new record by completing over 1.7 lakhs consultations in a single day.

Note: PPP is Public – Private Partnerships

Source: IRDA, CII, Grant Thornton, Gartner, Technopak, News Articles

Notable trends in the Indian healthcare sector ... (2/4)

4

Rising adoption of artificial intelligence (AI)

- AI expenditure in India is expected to reach US\$ 11.78 billion by 2025 and add US\$ 1 trillion to India's economy by 2035. The AI in Healthcare Market is projected to grow from US\$ 14.6 Billion in 2023 to US\$ 102.7 Billion by 2028.
- Rising adoption of AI-based applications has enabled people to talk directly to doctors, and physicians, and get expertise for the best treatment.
- It is also capable of solving problems of patients, doctors, and hospitals, as well as the overall healthcare industry.

5

Introduction of digital vaccine delivery platform

- In December 2020, a new COVID-19 vaccine delivery digital platform called 'CoWIN' was prepared to deliver vaccines. As a beneficiary management tool with different modules, this user-friendly mobile app for recording vaccine data is in the process of establishing the 'Healthcare Workers' database, which is in an advanced stage across all states/UTs.
- In July 2021, India made its COVID-19 vaccination platform, CoWIN, open source for all countries. Almost 76 countries have displayed interest in leveraging the CoWIN platform to manage their national COVID-19 vaccination drives.

6

Increasing penetration of health insurance

- Approximately 514 million people across India were covered under health insurance schemes in 2021, which merely covers 37% of the people in the country.
- In FY21, gross healthcare insurance stood at 29.5% of the 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 companies grew to Rs. 90,600 crores (US\$ 10.86 billion) in FY23.
- In June 2021, the government announced that the 'Pradhan Mantri Garib Kalyan Package (PMGKP) Insurance Scheme for Health Workers Fighting COVID-19', which was launched in March 2020, has been extended for one more year. The insurance scheme provides comprehensive personal accident cover of Rs. 50 lakh (US\$ 68,189.65) to all healthcare providers, including community health workers and private health workers. It was drafted by the government for the care of COVID-19 patients and those who may have come in direct contact with COVID-19 patients and were at risk of being infected by the virus. The scheme is being implemented through New India Assurance Company (NIACL).

Source: News Articles

Notable trends in the Indian healthcare sector ... (3/4)

7

Focus on universal immunization programmes (UIP)

- Under the Government of India's Universal Immunization Programme, close to 2.67 crore children and 2.9 crore pregnant women are immunized free of cost against 12 vaccine-preventable diseases annually.
- Universal Immunization Programme (UIP) is one of the largest public health programs targeting close to 2.67 crore newborns and 2.9 crore pregnant women annually.

8

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.
- During the Global Digital Health Summit 2023 on September 1, 2023:
 1. The Health Parliament introduced the Digital Doctor Leadership Maturity Model (DDLMM), offering clinicians worldwide a systematic guide to seamlessly integrate technology and measure its impact on clinical processes and outcomes.
 2. 'Mission SCALE' was launched to address the critical role of digital health startups, aiming to accelerate their growth by bringing together global leaders, startup founders, and investors to empower these startups in effecting positive change within the healthcare sector.
- Union Minister of Health and Family Welfare and Chemicals & Fertilizers Dr. Mansukh Mandaviya launches 'MedTech Mitra', a platform to support MedTech innovation in India by leveraging advanced technologies and reducing import dependence, aiming to transform the healthcare sector by 2047.

Source: News Articles

9

Point of care treatment

- It encompasses any tests that are performed at or near a patient and at the site where care or treatment is provided. Results are typically available relatively quickly so that they can be acted upon without delay.
- The most common point-of-care tests include blood glucose monitoring, home pregnancy tests, tests for hemoglobin, fecal occult blood, rapid strep, as well as Prothrombin Time/ International Normalized Ratio (PT/INR) for people on the anticoagulant warfarin.
- It further helps to alleviate emergency room overcrowding by reducing the time it takes to treat people and thus shortens their stays.

Source: News Articles

Covid-19 fightback from the Indian healthcare sector

Export of the COVID-19 vaccine and drugs

- As of July 15, 2023, India has exported 30.12 crore vaccine doses.
- Minister of Health & Family Welfare, Chemicals and Fertilizers, Mr. Mansukh Mandaviya, stated that 96 countries have agreed to mutual recognition of COVID-19 vaccination certificates with India.



COVID-19 Vaccination

- As of December 13, 2023, more than 2.20 billion COVID-19 vaccine doses have been administered across the country.
- In March 2022, Hyderabad-based pharmaceutical company Biological E applied for emergency use authorisation (EUA) for its COVID-19 vaccine Corbevax for the 5-12 years age group.
- In January 2022, Phase 3 trials commenced of India's first intranasal vaccine against COVID-19 which is being developed by Bharat Biotech, in conjunction with the Washington University School of Medicine in St Louis, the US.

Collaboration

- In April 2023, Cognizant and Microsoft will work together to build an integration roadmap between Cognizant's TriZetto healthcare products with Microsoft Cloud for healthcare.
- IIT Bombay partners with Blockchain for Impact (BFI) to receive a US\$ 900,000 investment aimed at developing affordable healthcare technologies, as part of a broader US\$ 15 million BFI-Biome initiative to address urgent health challenges and advance biomedical innovation.
- In September 2021, the Telangana government, in a joint initiative with the World Economic Forum, NITI Aayog and HealthNet Global (Apollo Hospitals), launched the 'Medicine from the Sky' project. The project will pave the way for drone delivery of life-saving medicines and jabs in far-flung regions of the country.

*Notes: R&D - Research and Development
Source: News Articles*

Strategies adopted

2. DIFFERENTIATION AND DIVERSIFIED BUSINESS APPROACH

- Players in the industry are trying to differentiate themselves by providing multiple healthcare 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.

1. COST LEADERSHIP

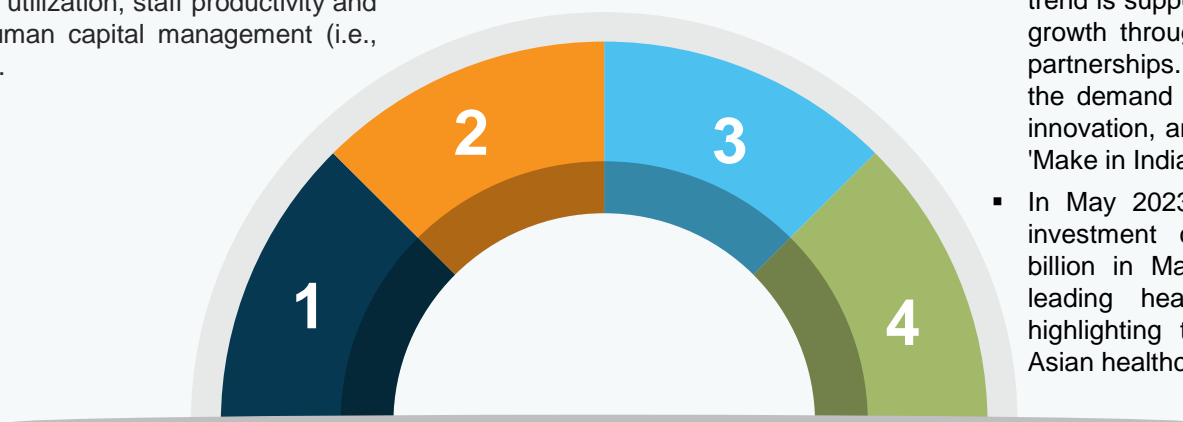
- Private players in the industry are making their supply chains efficient and leveraging economies of scale to reduce costs. One such example is Narayan Hrudayalaya (NH), where healthcare is provided at an affordable cost. NH reduces costs by high procurement of medical supplies, high-volume by high-capacity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

3. CO-DEVELOPMENT

- Key players in the industry are focusing on start-ups for co-developing innovative healthcare solutions. In December 2020, a cohort of six health-tech start-ups - AarogyaAI, BrainSightAI, Fluid AI, InMed Prognostics, Wellthy Therapeutics and Onward Assist - were selected by the India Edison Accelerator. This start-up partnership programme focused on Indian mentors, creating strategic partners to co-develop healthcare solutions.

4. MERGERS & ACQUISITIONS (M&A)

- In the Indian pharmaceutical industry, there were 17 M&A deals announced in Q2 2023, worth a total value of US\$ 287.2 million.
- The healthcare and pharmaceutical sector in India had M&A activity worth US\$ 5 billion in 2023.
- India's increasing M&A activity in healthcare, driven by rising private and public spending, is positioning the country as a leader in the Asia Pacific region. This trend is supported by substantial inorganic growth through M&A, joint ventures, and partnerships. Strategic M&A is fueled by the demand for quality healthcare, digital innovation, and government initiatives like 'Make in India'.
- In May 2023, Temasek, a Singaporean investment company, invested US\$ 2 billion in Manipal Health Enterprises, a leading healthcare provider in India, highlighting the growing interest in the Asian healthcare market.



Source: News Articles

Growth Drivers



Indian healthcare sector is poised to grow

2. 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.
- The WHO and G20 India presidency launched the Global Initiative on Digital Health (GIDH) at the G20 Summit's Health Minister's Meeting, aiming to leverage digital health for universal coverage and Sustainable Development Goals by 2030.

3. FOCUS

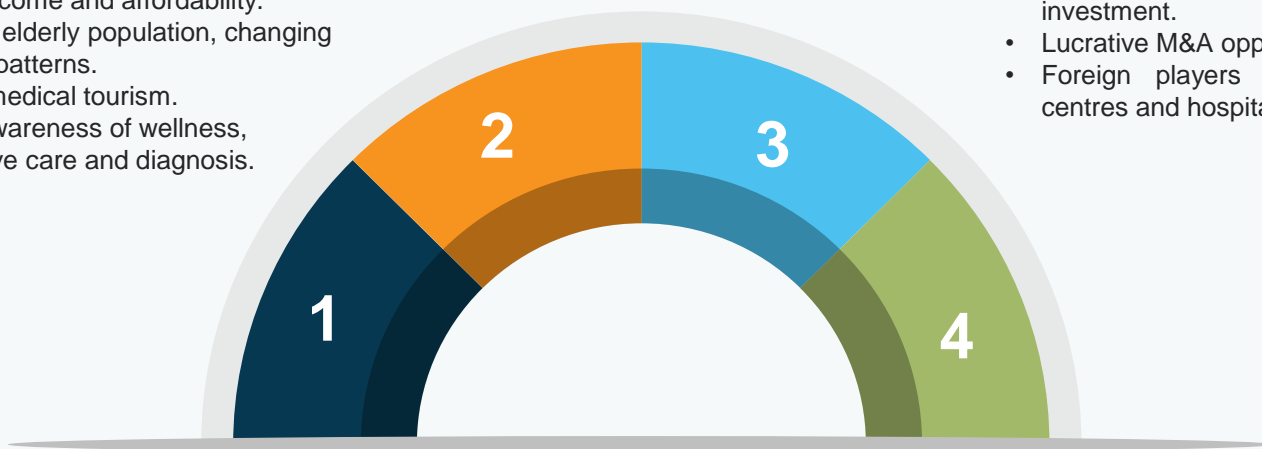
- Expanding R&D and distribution facilities in India.
- Public-private partnerships facilitate collaborative research aimed at addressing specific medical challenges in India.
- The government provides financial grants, tax breaks, and subsidies to encourage research and development in pharmaceuticals.

1. GROWING DEMAND

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

4. M&A

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



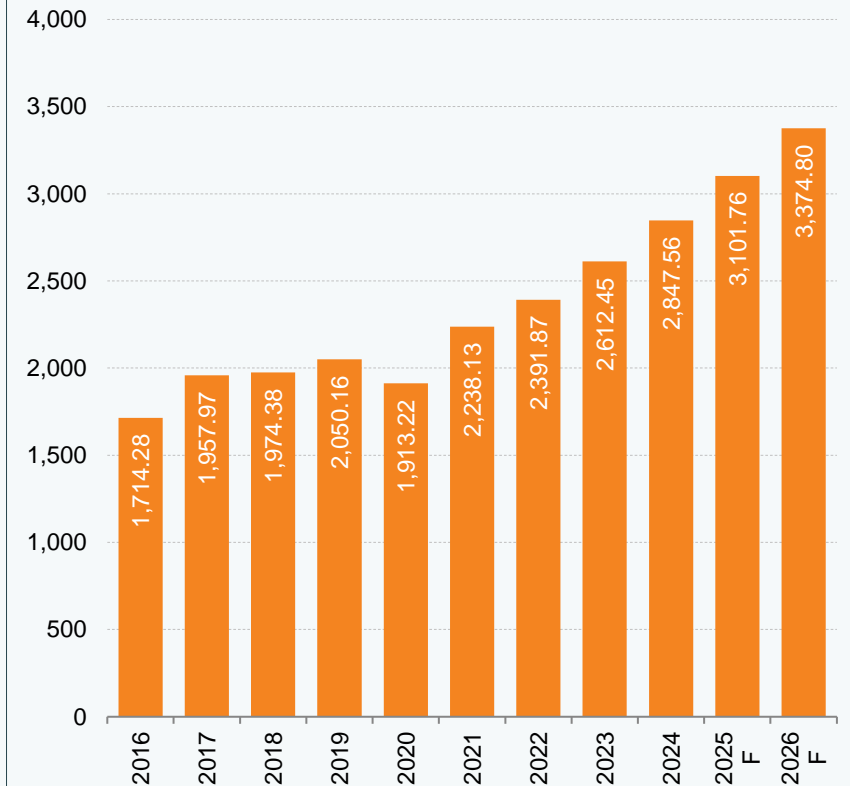
Note: FDI – Foreign Direct Investment, M&A - Mergers and Acquisitions NRHM - National Rural Health Mission

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 the elderly population is set to rise from the current 98.9 million to about 168 million by 2026.
- Per capita GDP at current prices in February 2024, stood at US\$ 2,850.40.

GDP per Capita at Current Prices (US\$)



Note: F-Forecasted

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.
- With US\$ 5-6 billion size of Medical value travel (MVT) and 500000 International patients annually, India is among the global leader destinations for international patients seeking advanced treatment.
- Treatment for major surgeries in India costs approximately 20% of that in developed countries.
- India also attracts medical tourists from developing nations due to the lack of advanced medical facilities in many of these countries.
- Indian medical tourism market was valued at US\$ 7.69 billion in 2024 and is expected to reach US\$ 14.31 billion by 2029.
- According to India Tourism Statistics , around 634,561 foreign tourists came for medical treatment in India in 2023, which was nearly 6.87% of the total international tourists who visited the nation.
- India has been ranked 10th in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association.
- 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 Government of India liberalised its policy by providing 100% FDI in the AYUSH sector for the wellness and medical tourism segment.
- On February 25, 2024, Prime Minister Mr. Narendra Modi inaugurated five new All India Institute of Medical Sciences (AIIMS) across different states. These AIIMS facilities, situated in Rajkot (Gujarat), Bathinda (Punjab), Raebareli (Uttar Pradesh), Kalyani (West Bengal), and Mangalagiri (Andhra Pradesh), signify a transformative step towards bolstering tertiary healthcare infrastructure.
- With a vision to promote Medical and Wellness Tourism in India, the Ministry of Tourism established the 'National Medical & Wellness Tourism Board' in July 2021. The board will operate as an umbrella organisation with the goal of promoting all types of medical tourism. Yoga and Ayurveda tourism would also be promoted, along with any alternative form of medicine under the Indian system of medicine that is covered under AYUSH.
- India's medical tourism is set to exceed pre-pandemic levels, reaching 7.3 million tourists in CY 2024. Major hospital chains like Max Healthcare, Fortis Healthcare, and Apollo Hospitals are driving this growth. With top-notch infrastructure and skilled experts, medical tourism is expected to contribute 10-12% to hospital revenue, outpacing industry growth.

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

Re-emergence of traditional medical care

1. Market size and services offered

- The overall Ayush industry in the country is worth over US\$ 50 billion.- in 2024.
- 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.



2. 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.

3. Developing infrastructure

- In January 2021, the PM Cares fund allocated Rs. 201.58 crore (US\$ 27.55 million) for the construction of 162 additional dedicated pressure swing adsorption medical oxygen generation plants inside the country's public health facilities. The AI in Healthcare Market is projected to grow from US\$ 14.6 billion in 2023 to US\$ 102.7 billion by 2028.
- In July 2021, the Union Cabinet approved continuation of the National Ayush Mission, responsible for the development of traditional medicines in India, as a centrally sponsored scheme until 2026.

5. Recent Developments

- The Government of India approved the continuation of the 'National Health Mission' with a budget of Rs. 36,785 crore (US\$ 4.44 billion) under the Union Budget 2023-24.
- Union Minister of Health and Family Welfare and Chemicals & Fertilizers Dr. Mansukh Mandaviya, virtually launched 'MedTech Mitra,' a platform designed to support young Indian innovators in the MedTech sector by aiding in their research, development, and regulatory approvals, aiming to reduce import dependence and transform India into a leading US\$ 50 billion MedTech industry by 2030, while fostering indigenous development of affordable, quality medical devices and diagnostics, in line with the vision of Viksit Bharat and Atmanirbhar Bharat.

4. Notable trends

- The traditional medical sector is developing a 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.

Notes: AYUSH - Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy, MoU – Memorandum of Understanding

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

Policy support and government initiatives... (1/8)

1

Pradhan Mantri Jan Arogya Yojana (PMJAY)

- The government announced Rs. 90,659 crore (US\$ 10.93 billion) outlay for the healthcare sector in the Interim Union Budget 2024-2025 to strengthen the existing 'National Health Mission' by developing capacities of primary, secondary and tertiary care, healthcare systems, and institutions for detection and cure of new & emerging diseases. As of October 2023, a total of 26 crore Ayushman cards have been created. To prevent, detect, and deter healthcare fraud and to ensure that eligible beneficiaries receive adequate treatment, the Government of India is using Artificial Intelligence (AI) and Machine Learning (ML).

2

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 telemedicine and 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.

3

Credit incentives for healthcare infrastructure

- The Indian government is planning to introduce a credit incentive programme worth Rs. 500 billion (US\$ 6.8 billion) to boost the country's healthcare infrastructure. The programme will allow firms to leverage the fund to expand hospital capacity or medical supplies with the government acting as a guarantor and strengthen COVID-19-related health infrastructure in smaller towns.

Source: News Articles

Policy support and government initiatives... (2/8)

4

National Nutrition Mission

- The programme is planning to reduce the level of stunting by 2%, under-nutrition 2%, anaemia by 3% and low birth babies by 2% every year.
- PoshanAbhiyan is a Centrally Sponsored Scheme with the implementation of the scheme being done by States/UTs. To ensure that all Anganwadi Centres are equipped with Smartphones and Growth Monitoring devices (GMDs) such as Infantometer, Stadiometers, and Weighing Scale for Mothers and Infant, the Ministry has released revised guidelines for technical specifications and replacement of GMDs by the States.
- Over 100 million people are expected to be benefited by this programme – all states and districts will be covered within the programme.
- In the Union Budget 2021-22, the government announced its plans to launch 'Mission Poshan 2.0' to merge 'Supplementary Nutrition Programme' with 'Poshan Abhiyan' (Nutrition Mission) in order to improve nutritional outcomes across 112 aspirational districts.

5

Liberalised Pricing & Accelerated National COVID-19 Vaccination Strategy

- The Liberalised Pricing & Accelerated National COVID-19 Vaccination Strategy was implemented on May 1, 2021. As part of the strategy, every month, 50% of the total vaccine doses that have been cleared by the Central Drugs Laboratory (CDL) will be procured by the Government of India (GOI), which will provide those vaccines to the State Governments at no cost. In addition, the remaining 50% of the vaccine doses will be available for direct procurement by the State Governments and private hospitals.

6

National Health Mission (NHS)

- The Government of India approved continuation of 'National Health Mission' with a budget of Rs. 38,183 crore (US\$ 4.60 billion) under the Interim Union Budget 2024-25.

Source: News Articles

Policy support and government initiatives... (3/8)

7

Incentives in the medical travel industry

- 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.

8

Universal health

- The Union Budget 2021 announced the launch of 'Jal Jeevan Mission' (Urban) to achieve universal health. The mission is aimed at universal supply of water to all 4,378 urban local bodies, with 2.86 crore household tap connections, and management of liquid waste in 500 AMRUT cities. It will be executed with an outlay of Rs. 2,87,000 crore (US\$ 39.41 billion) over five years.

9

Tele-medicine initiatives

- 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 a reliable, ubiquitous and high-speed network backbone. eSanjeevani telemedicine service of Union Health Ministry has crossed 3 crore tele-consultations.
- The eSanjeevani platform has experienced remarkable growth, with its user base increasing more than 2.5 times within a single year. Impressively, the app has garnered an astonishing three million downloads, with approximately 10% of its users being senior citizens.
- The eSanjeevani telemedicine programme run by the Health Ministry has performed 3 crore teleconsultations as of March 25, 2022. Additionally, eSanjeevani telemedicine accomplished more than 1.7 lakh consultations in a single day, breaking a previous record.

Source: News Articles

Policy support and government initiatives... (4/8)

10

Bilateral ties

- On January 18, 2024, the Union Cabinet was briefed on a Memorandum of Understanding signed between CDSCO, India, and ARCSA, Ecuador, fostering cooperation in medical product regulation, enhancing international coordination, and potentially boosting India's pharmaceutical exports.
- On November 8, 2023, India and Netherlands inked a significant Memorandum of Intent in The Hague, aiming to bolster cooperation on medical product regulation, thereby elevating the quality of healthcare services for both nations.

11

Single window system

- The 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.

12

Medical institutions

- On February 25, 2024, Prime Minister Mr. Narendra Modi inaugurated five new All India Institute of Medical Sciences (AIIMS) across different states. These AIIMS facilities, situated in Rajkot (Gujarat), Bathinda (Punjab), Raebareli (Uttar Pradesh), Kalyani (West Bengal), and Mangalagiri (Andhra Pradesh), signify a transformative step towards bolstering tertiary healthcare infrastructure.
- In May 2022, the Union Government approved grants for five new medical colleges in Gujarat with a grant of Rs. 190 crore (US\$ 23.78 million) each. These colleges will come up in Navsari, Porbandar, Rajpipla, Godhra and Morbi.

Source: Union Budget 2020-21, News Articles

13

Interim Union Budget 2024–25

- Under the Interim Union Budget 2024-25, the Ministry of Health and Family Welfare has been allocated Rs. 90,659 crore (US\$ 10.93 billion), an increase of 1.69% compared to Rs. 89,155 crore (US\$ 10.75 billion) in 2023-24.
- Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated Rs. 2,400 crore (US\$ 0.29 billion)
- Human Resources for Health and Medical Education was allotted Rs. 5,016 crore (US\$ 0.60 billion)
- National Health Mission was allotted Rs. 38,183 crore (US\$ 4.60 billion).
- Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted Rs. 7,500 crore (US\$ 0.90 billion)

14

Establishment of health system capacities at airports under the Aatmanirbhar Swasth Bharat Yojana

- In the Union Budget 2021, the government proposed enhancement of the country's potential for health systems, which included entry points for aviation. It planned to strengthen the public health units at 32 airports under the Aatmanirbhar Swasth Bharat Yojana scheme. This programme would promote smooth movement of pharmaceuticals through India and other parts of the world by air.

Source: Union Budget 2023–24

15

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- In the Interim Union Budget 2024-25, Rs. 2,400 crore (US\$ 289 million) was allocated to the scheme.
- The Government of India will use this money to boost the medical education infrastructure of the country and set up AIIMS across the country.

16

‘Vision 2035: Public Health Surveillance in India’

- To make the public health surveillance system in India more flexible and predictive to strengthen action preparedness at all levels.
- A citizen-friendly public health surveillance system, supported by a consumer feedback process, would ensure individual privacy and confidentiality.
- To improve data-sharing system for effective disease control between the center and states.
- India aims to provide regional and international leadership in managing events of global concern, which constitute a public health emergency.

17

PM Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)

- In the Interim Union Budget 2024-25, Rs. 4,107.68 crore (US\$ 495 million) was allocated to the newly announced PM-ABHIM to strengthen India's health infrastructure and improve the country's primary, secondary and tertiary care services.

Source: News Articles, Press Information Bureau

18

Ayushman Bharat

- Ayushman Bharat scheme was launched to ensure universal health coverage and provide financial risk protection, assuring quality and affordable essential health services to all individuals.
- As of February 25, 2024, there are 1,67,891 Ayushman Arogya Mandir in the country since its launch in 2018.
- On November 26, 2023, the Union Government decided to rename the existing Ayushman Bharat Health and Wellness Centres (AB-HWCs) as 'Ayushman Arogya Mandir' with the tagline 'Arogyam Parmam Dhanam', aiming to bolster healthcare branding.
- In August 2022, Edelweiss General Insurance partnered with the Ministry of Health, Government of India to help Indians generate their Ayushman Bharat Health Account (ABHA) number.
- In July 2022, the World Bank approved a US\$ 1 billion loan towards India's Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission.
- September 2021, Prime Minister Mr. Narendra Modi launched the Ayushman Bharat Digital Mission. The mission will connect the digital health solutions of hospitals across the country with each other. Under this, every citizen will now get a digital health ID and their health record will be digitally protected.

19

Digital India Initiative

- As of May 2023, 1,138 e-Hospitals were established across India as part of the central government's 'Digital India' initiative.

Source: News Articles, Press Information Bureau

20

Free Covid Vaccine For Healthcare Workers

- In the Phase 1 of COVID-19 vaccination drive, free vaccines were provided across the country to the prioritised beneficiaries that included 10 million healthcare and 20 million frontline workers.

21

Intensified Mission Indradhanush (IMI) 3.0

- In March 2021, various states and UTs started implementation of the 'Intensified Mission Indradhanush 3.0' - a campaign aimed to reach those children and pregnant women who were missed out or have been left out of the routine immunisation programme due to the COVID-19 pandemic. This is aimed to accelerate the full immunisation of children and pregnant women through a mission mode intervention.

22

National Digital Health Mission (NDHM)

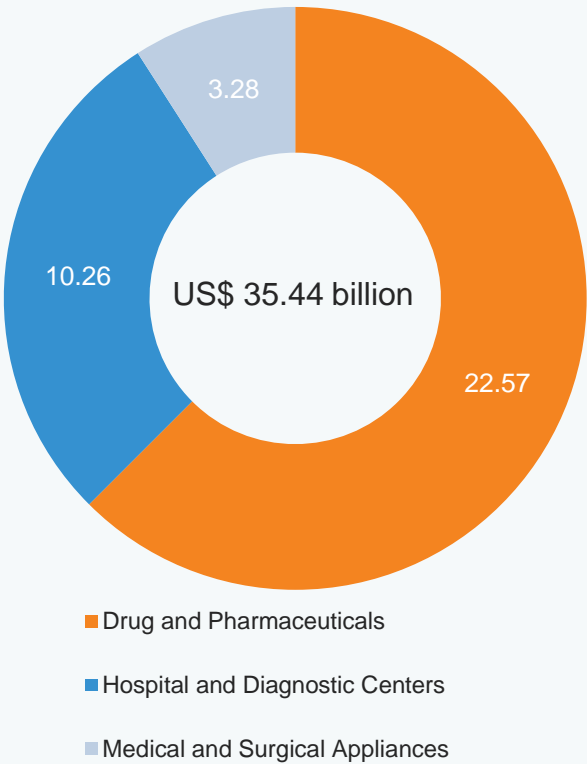
- On August 15, 2020, Prime Minister Mr. Narendra Modi launched the National Digital Health Mission (NDHM) programme, which was developed to provide the necessary support system for integrated digital health infrastructure of the country.
- As of May 2021, 11.9 lakh Health IDs have been generated and 3,106 doctors and 1,490 facilities have registered on the platform.

Source: News Articles, Press Information Bureau

FDI inflow

- 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.
- Between April 2000-March 2024, the FDI inflow for the drugs and pharmaceuticals sector stood at US\$ 22.57 billion.
- Inflows in sectors such as hospitals and diagnostic centres and medical and surgical appliances stood at US\$ 10.26 billion and US\$ 3.28 billion, respectively, between April 2000-March 2024.
- In May 2023, Temasek invested US\$ 2 billion in Manipal Health Enterprises, a leading healthcare provider in India, highlighting the growing interest in the Asian healthcare market.

**Cumulative FDI inflows from April 2000-March 2024
(US\$ billion)**



Note: FDI – Foreign Direct Investment
Source: Department of Industrial Policy and Promotion

Opportunities



Opportunities in healthcare

1. HEALTHCARE INFRASTRUCTURE

- Additional three million beds will be needed for India to achieve the target of 3 beds per 1,000 people by 2025. Also, India will have one doctor to every 800 patients by 2030.
- 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\$ 500 billion is expected to be spent on medical infrastructure by 2030.
- Over the years, India has made strategic interventions in the National Health Mission and the national disease control programmes to ensure quality and affordable healthcare for all.

2. RESEARCH

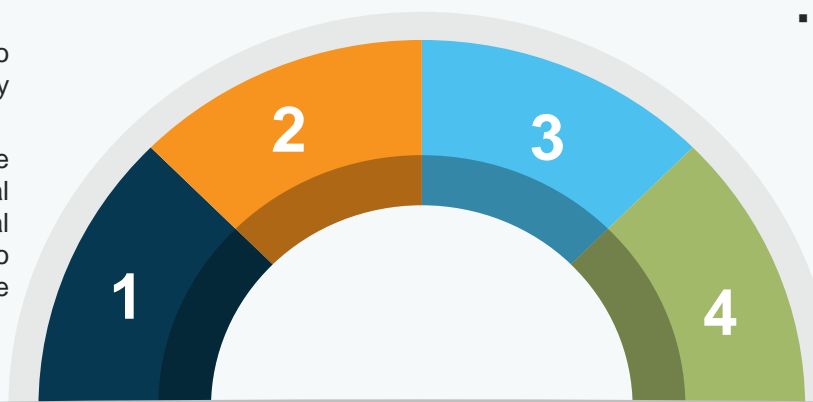
- On January 6, 2021, Dr. Harsh Vardhan, the Minister for Health & Family Welfare, released INDIA REPORT on Longitudinal Ageing Study of India (LASI) Wave-1. He stated that this report will be used to further improve and expand the reach of the 'National Elderly Health Care' network and contribute to the implementation of a spectrum of preventive and healthcare services for the elderly and vulnerable population.

3. HEALTH-TECH

- India currently holds the fourth position in attracting VC funding to the health-tech sector, with investments of US\$ 4.4 billion between 2016-21, with US\$ 1.9 billion invested in 2021 alone.
- In November 2022, diabetes management app BeatO raised US\$ 33 million in its Series B funding round led by impact investor Lightrock India.
- DocPlix, a health-tech startup, raises Rs 1.2 crore (US\$ 0.14 million) in a bridge round led by Inflection Point Ventures (IPV), aiming to digitize health records for India's 1.4 billion population and enhance healthcare accessibility.

4. MEDICAL DEVICES

- India's MedTech industry is experiencing rapid growth driven by initiatives like the PLI Scheme and Medical Devices Parks, attracting significant investments from both domestic and international players and positioning the country as a key player in the global medical device market.

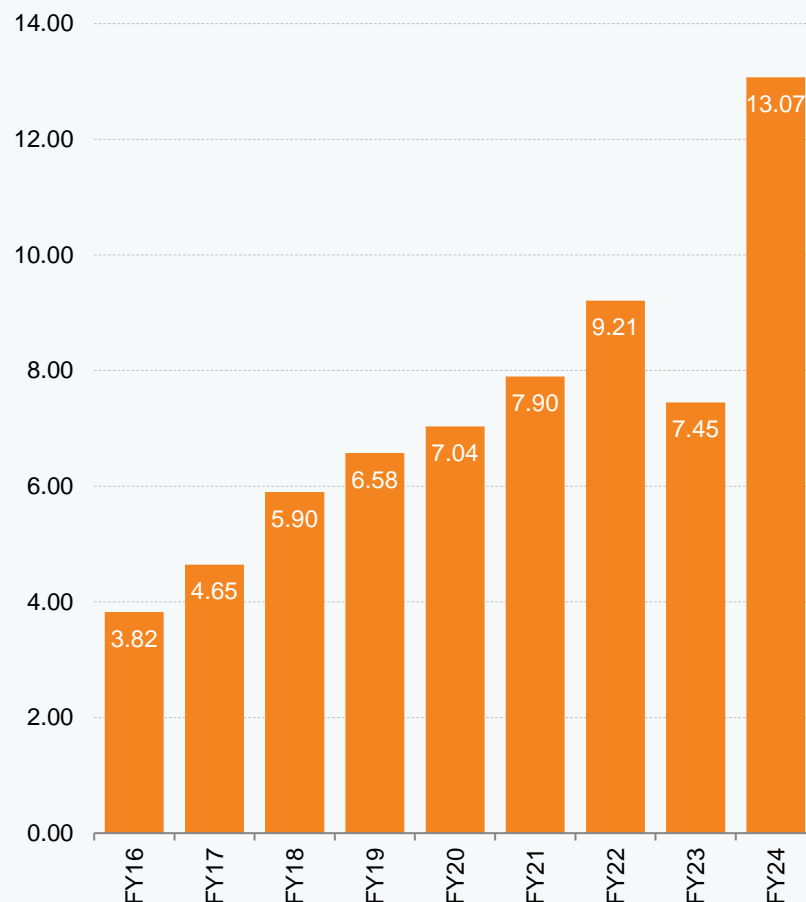


Source: News Articles

Opportunities in health insurance

- A growing middle-class, coupled with rising burden of new diseases, are boosting the demand for health insurance coverage. With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to expand in the coming years.
- According to data released by Just Dial Consumer Insights, the demand for health insurance in India increased by 321% after COVID, with Star Health, Max Bupa, Aditya Birla, HDFC Ergo, and Acko dominating the top five searched and desired insurance brands.
- During April 2021-January 2022, health insurance portfolio of insurers increased by 25.9%, with rise in retail health policies of 17.3% and group policies of 30.1%.
- In FY24, premiums underwritten by health insurance companies grew to Rs. 109,006.79 crore (US\$ 13.07 billion). The health segment has a 37.62% share in the total gross written premiums earned in the country.
- The number of policies issued to women in FY21 stood at 93 lakh, with one out of every three life insurance policies in FY21 sold to a woman.
- By leveraging strategic partnerships, WhatsApp plans to debut opportunities for health insurance and micro-pension products in India. WhatsApp plans to collaborate for the Sachet-Health Insurance Programme with the State Bank of India (SBI) General and plans to work with HDFC Pension to introduce the National Pension Scheme.

Health Insurance Premium Collection (US\$ billion)





Source: GIC, News Article

*- April-November

Key Industry Contacts



Key industry contacts

Agency	Contact Information
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	<p>The Federation of Obstetric and Gynaecological Societies of India</p> <p>Model Residency, 605, Bapurao Jagtap Marg, Jacob Circle, Mahalaxmi East, Mumbai - 400 011, India Fax: 23021383 Website: www.fogsi.org E-mail: fogsi2007@gmail.com</p>



Glossary

- 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. 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
2020-21	73.20
2021-22	74.42
2022-23	78.60
2023-24	82.80

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
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024*	83.21

*Note: * - Until April 2024*

Source: Foreign Exchange Dealers' Association of India

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