

## HEALTHCARE

### Sector Impact - Positive

#### Background

- Hospital industry is an important component of the value chain in the Indian Healthcare industry rendering services and recognised as healthcare delivery segment of the healthcare industry.
- India's rapid growth in the past three years has brought about a 'health transition' in terms of shifting demographics, socio-economic transformations and changes in disease patterns.
- Healthcare, which is a US\$35 billion industry in India, is expected to reach over US\$75 billion by 2012 and US\$150 billion by 2017.
- The gap between the present and estimated infrastructure in the healthcare sector in India can be gauged through following indicators.

Particulars	FY2008-09	FY2018 (P)	FY2028 (P)
Additional Beds Required	1.1 million	3.1 million	2 million
Bed/1,000 Population Ratio	0.7 to 1.7	4	5

- India requires an immediate investment of US\$86 billion over the next 15 years to make up for the back-log. In addition to the infrastructure gap, India is also lacking in terms of medical manpower. Currently, India is known to have approximately 6 lakh doctors and 1.60 million nurses. As per the World Health Organization (WHO) guidelines, it translates into a gap of approximately 1.40 million doctors and 2.80 million nurses.
- The major growth drivers for the sectors are as under:
  - Growing and aging population of India
  - Growing urbanization
  - Rising income levels
  - Increasing burden of chronic diseases
  - Healthcare financing transition
  - Medical value travel (medical tourism)
- India's cost advantage and explosive growth of private hospitals, equipped with latest technology and skilled healthcare professionals have made it a preferred destination for medical tourism.

### Budget Proposals

1. An Annual Health Survey to prepare the District Health Profile of all Districts shall be conducted in 2010-11.
2. Increase in planned allocation for the Ministry of Health and Family Welfare from Rs.19,534 crore in 2009-10 to Rs.22,300 crore in 2010-11.
3. Reduction in customs duty on all medical, surgical, dental and veterinary equipment (including parts and accessories) from 7.5% to 5%. These goods are also being exempted from special CVD.
4. Imposed CVD of 4% on the imports of hospital equipment for use in specified hospitals and life-saving equipment.
5. An excise duty of 4% is imposed on blood glucose monitoring system (Glucometer) and test strips and patent ductus arteriosus/artial septal defect occlusion devices.
6. The basic custom duty is exempted on specified inputs used for the manufacture of orthopedic implants.

### Budget Impact – Hospitals

Hospitals	Type of hospital	Applicable Proposals	Overall impact
Fortis Healthcare	Multi-speciality	3-6	◄►
Asian Healthcare	Heart Speciality	3-5	◄►
Apollo Hospital	Super Speciality	3-6	◄►

#### Legends:

▲▲	Highly Positive	▼	Negative	◄►	Neutral
▲	Positive	▼▼	Highly Negative	∅	No Proposals