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Healthcare sector growth to double by 2012: KPMG

Our Bureau

New Delhi, July 22 The Indian healthcare industry is to double in value to \$14.2 billion by 2012 and quadruple by 2017, according to a KPMG report.

Rising income levels, changing demographics and a shift towards lifestyle diseases from chronic diseases will propel the growth of the sector, it said.

“The healthcare system has grown manifold over the past few years, but has not kept pace with the rapid rise in population. Against a world average of 4 beds per 1,000 people, India has just 0.7,” said Mr Pradip Kanakia, Head, Markets and Healthcare Services, KPMG.

He added that radical reforms in healthcare infrastructure is necessary, especially the adoption of public-private partnership (PPP) models on a larger scale, besides foreign investment in the sector.

Healthcare infrastructure

According to the Indian healthcare edition of KPMG’s trend monitor, healthcare infrastructure in Indian States is to grow by an average of 5.8 per cent per annum during 2009-13.

Maharashtra, Rajasthan, West Bengal, Uttar Pradesh, Tamil Nadu and Andhra Pradesh are

expected to account for 50 per cent of the total expenditure. Maharashtra's forecast to lead with the highest cumulative spend at \$7.3 billion.

The report cites rural to urban migration as a reason for the high pressure on urban healthcare services.

The fact that the healthcare system is controlled by State authorities is a good opportunity to improve responsiveness at a local level.

Says Ms Ameeta Chatterjee, Director-Corporate Finance, KPMG, "The Indian solutions will need to focus on developing affordable, low-cost, basic healthcare services with scalability and sustainability as key drivers."