



INDIA

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INDIA'S HORIZONS

- India is the 10th largest economy in the world
- Private savings equals 34% of GDP, second only to China
- 10th largest importer for merchandise goods

2014



- India will be 4th largest economy in the world
- 250 million new workers
- Urban population to contribute 70% of GDP

2025



Burgeoning middle class

Urbanization on increase

Greater rural spending

OVERVIEW



HEALTHCARE

- Population – 1.2 billion
- Number of physicians –600,000
- Healthcare market - \$77 billion
- Pharmaceutical market - \$17 billion
- Medical Device market - \$3.2 billion
- Biotech market - \$3.2 billion
- Diagnostics market \$2.4 billion
- 74% of Indian healthcare market spending is private compared to 47% in the USA
- 3.5% of Indians enjoy any kind of health insurance

CLASSIFICATION OF HEALTHCARE INDUSTRY IN INDIA

- Healthcare Infrastructure (hospitals and diagnostic centres);
- Drugs/Pharma and Biotechnology;
- Medical Tourism;
- Healthcare IT and services;
- Healthcare Providers Education; and
- Medical Devices and Equipment.

DESIGN & INFRASTRUCTURE

OPPORTUNITIES

- Demand for hospital beds expected to be around 1.75 million by 2025;
- Construction of new healthcare facilities; and
- Renovation of existing facilities.

CHALLENGES

- Quality and design standards not on par with international healthcare institutions;
- Land acquisition issues to construct a healthcare facility;
- High costs and lack of inclination to incorporate international standards in infrastructure; and
- Lower purchasing power makes implementation of modern infrastructure a financial strain and often non-profitable.

BIOTECHNOLOGY

OPPORTUNITIES

- Good network of research laboratories
- Extensive clinical trials and research access to vast & diverse disease populations
- Upgrading facilities and capabilities to global standards, for better access to partnership
- Technology transfer leading to R&D partnering and JVs- route to innovation
- Base for contract research for international companies due to rising costs of R&D abroad

CHALLENGES

- Missing link between research and commercialisation
- Lack of venture capital
- Relatively low R&D expenditure by industry
- IPR policies – to be strengthened

MEDICAL TOURISM

Opportunities

- Increased demand for high quality healthcare services from countries with ageing population or lacking adequate service facilities (UK, Middle East and Africa); and
- Increased Medical Tourism translates in expansion in healthcare infrastructure and growth in the medical equipment market for the U.S. exporters.

Challenges

- Lack of training or poor standards in training of doctors and medical staff;
- Growing imbalance in the public and private healthcare system – huge disparity between treatment and infrastructure in rural and urban facilities;
- Insurance and allied services - inadequate insurance cover, overseas companies refusing reimbursement; and
- Cost of accommodation is another hindrance to middle-level international travellers visiting India.

IT in Healthcare

Opportunities

- Telemedicine: Only 25% of India's specialist physicians reside in semi-urban areas, and a mere 3 % live in rural areas
- Telemedicine adopted by major private hospitals to cater to the growing demand from rural areas by offering remote diagnosis, monitoring and treatment of patients via videoconferencing or the Internet.
- Collaborative approach or having presence in India will help American companies to participate in public-private partnership projects

Challenges

- India is matured market for IT and is a global exporter of IT products and services
- Collaborative approach with Indian IT companies could be an appropriate business model to promote American Healthcare IT applications in India. However finding a reliable partner to undertake business development and after sales services is a challenge

Health Education and Training

Opportunities

- Specialist nurse training – requirement in tertiary care hospitals .
- Huge requirement for paramedics and qualified hospital administrators.
- Operations, financial, quality management courses for hospital administrators.
- Opportunity for American universities to collaborate with corporate hospitals, connected to medical colleges - sharing of curriculum, TOT, faculty exchange and student exchange programs.
- New courses in Geriatrics – Aged care, physiotherapy have good potential.

Challenges

- Several private hospitals have invested in nursing education, but are concerned about loyalty: trained nurses often leave India, attracted by the higher salaries offered in the overseas market.
- International recognition of courses.
- Job opportunities after completion of education.

MEDICAL DEVICES AND EQUIPMENT

OPPORTUNITIES

- Reduction of duties on medical equipment;
- Growing demand for high quality orthopaedic and cardio devices and implants ;
- Most critical medical devices can be imported duty free;
- Medical equipment leasing; and
- Demand for latest equipment from doctors returning to India from USA, UK etc.

CHALLENGES

- High-end of the medical device market dominated by multinationals;
- Medical supplies and disposable equipment dominated by domestic manufacturers;
- Poor state of Intellectual Property (IP) enforcement in India;
- Unstable regulatory environment: Import licences and product registrations with the DCGI (Drug Controller General of India) www.cdsc0.nic.in ;
- Local business partner required to do business initially; and
- Multiple agents/distributors are often required to cater to the vast and culturally diverse geography of the market.

REGISTRATION PROCESS

- The Central Drugs Standard Control Organization (CDSCO) is the key regulatory organization in India.
- Import of medical devices into India still remains largely unregulated, though the Indian government has adopted some measures in recent years to change that. Currently, the Ministry of Health and Family Welfare has notified only 14 devices that are regulated and subject to registration.
- The CDSCO Drug Controller provides detailed information on medical device import regulations and registration requirements.
- Visit ***cdsco.nic.in*** for more information.

MARKET ENTRY

- In India healthcare services are delivered through both the public sector and private sector. The private sector's contribution to healthcare has been growing at a faster pace than government's.
- There are no restrictions on foreign direct investment in healthcare services. Import of medical equipment is allowed under the "Open General" category of the Import regulations, except for nuclear medicine.
- Customs duty levied on imported products depends on the product classification, for some devices the duty has been brought down from 25 to 5 percent.
- Products classified as "life saving equipment" have reduced duty applicable on them to encourage hospitals to import latest equipment.

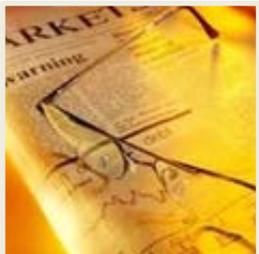
- Price, quality and after-sales service support are major factors in medical equipment purchase decisions.
- Letter of credit is usually the mode of payment for imports.
- Purchase decision in government follow a tendering process and is time consuming, It is faster in the private hospitals.

Managing the Market



Bureaucracy & Red Tape
Sluggish Judiciary
Corruption
Domestic Content Requirement

Lack of Basic Infrastructure
Expensive Credit
High Inflation
Intellectual Property



Onerous Government Tenders
Lack of respect for contracts
Varied Tax structure

- ✓ **Contact U.S. Commercial Service.**
- ✓ **Identify key local partner(regional) or master distributor .**
- ✓ **Business opportunities in 2nd and 3rd tier cities**
- ✓ **Address after-sales service - a key issue for U.S. companies.**
- ✓ **Focus on long-term potential.**
- ✓ **Regional strategies required.**
- ✓ **Customization of product and service, after-sales service are keys to your success.**

U.S. Commercial Service in India



Our services

- Counseling sessions
- Country Commercial Guide (CCG)
- Market Entry Strategy
- CS Services:
 - Business Facilitation Service
 - Gold Key Service
 - International Partner Search
 - International Company Profile
 - International Buyer Program (IBP)
- Lead Trade /Buyer delegations to India

U.S Commercial Service has 7 offices throughout India.

U.S Commercial Service also works in tandem with local business associations at 'American Business Corners'.

CONTACT INFORMATION



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