

# Healthcare Industry in India

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## ABSTRACT

India is known for our knowledge in medical history right from the Vedic times. Ayurveda one of the oldest forms of medicine dates back to more than 3000 years. After Independence, India's advancement in modern medicine has accelerated immensely with India making strides in Healthcare and Pharmaceutical products.

Healthcare industry in India comprises of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. The healthcare sector is growing at a tremendous pace owing to its strengthening coverage, services, and increasing expenditure by public as well private players.

**Keywords:** Ayurveda, Medical tourism, healthcare industry

## INTRODUCTION

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Healthcare industry in India comprises of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. The healthcare sector is growing at a tremendous pace owing to its strengthening coverage, services, and increasing expenditure by public as well private players.

In the Economic Survey of 2022, India's public expenditure on healthcare stood at 2.1% of GDP in 2021-22 against 1.8% in 2020-21 and 1.3% in 2019-20. The Government aims to develop India as a global healthcare hub, and is planning to increase public health spending to 2.5% of the country's GDP by 2025.

In FY22, premiums underwritten by health insurance companies grew to Rs. 73,582.13 crore (US\$ 9.21 billion). The health segment has a 33.33% share in the total gross written premiums earned in the country.

## Objectives

- To study the purpose of foreign tourist, visit to India
- To understand the development of medical tourism in India
- To analyze the growth of wellness tourism
- To study the Government Initiatives in Healthcare

## Methodology

In the study secondary data has been used like books, journals, newspaper articles, government websites, internet etc.

## TOURISM STATISTICS:

The Indian Tourism Statistics 2022 (Revised) as per the Ministry of Tourism, India provides the following details:

1. Due to restriction related to COVID-19, The number of Foreign Tourist Arrivals (FTAs) in India during 2021 decreased to 1.52 million as compared to 2.74 million in 2020, registering a negative growth of 44.5%.
2. While foreign tourist arrivals (FTAs) experienced a negative growth rate in 2021, NRI and ITA arrivals experienced positive growth. Arrivals of NRIs have increased by 52.6% from 2020 to 2021. In comparison to 2020, there was a 10.6% increase in yearly international tourist arrivals in India in 2021.
3. In 2021, the top 15 source markets for FTAs in India were the United States, Bangladesh, the United Kingdom, Canada, Nepal, Afghanistan, Australia, Germany, Portugal, France, the Maldives, Sri Lanka, the Russian Federation, Iraq, and the Netherlands. In 2021, the top 15 nations accounted for approximately 80.9 percent of total FTAs in India.
4. Tourism continues to play an important role as a foreign exchange earner for the country. In 2021, foreign exchange earnings (FEE) from tourism were US \$ 8.797 billion as compared to US\$ 6.958 billion in 2020, registering a positive growth of 26.4%.
5. India received 677.63 million domestic tourist visits in 2021, an increase of 11.05 percent from 610.22 million in 2020. Due to worldwide pandemic limitations, fewer foreign visitors came. As a result, India received 1.05 million foreign tourist visitors in 2021 than that in 2020 (7.17 million), representing a negative 85.29 percent growth rate.
6. The two states with the most domestic tourists visiting are Tamil Nadu and Uttar Pradesh, with 140.65 million and 86.12 million, respectively. Maharashtra and Tamil Nadu have the highest numbers of foreign tourist visits, with 1.26 million and 1.23 million, respectively.
7. India's ranking in the global Travel and Tourism Development Index (TTDI) is 54th in 2021.

## FOREIGN TOURIST ARRIVALS IN INDIA ACCORDING TO PURPOSE

In 2016, the Ministry of Tourism started to derive purpose of Arrivals by clubbing various visa type categories in which foreign tourist travel to India. In 2021, as per the analysis 39.4% of foreign tourist arrivals was for the purpose "Indian Diaspora" followed by, Medical (21.2%), Business and

Professionals (12.1%) and other purpose (9.4%). In 2021, Leisure Holiday and Recreation and Student is lowest, 5.8% and 2% respectively.

64.6% of tourists from Australasia came under the category, “Indian Diaspora” followed by North America (62.0%) and Western Europe (52.9%). 68.4% of arrivals from South Asia was under the category Medical followed by West Asia (61.1%) and Africa (40.0%). 88.1% arrivals from East Asia was for ‘Business professionals’ followed by Central & South America (46.5%).

The details of country-wise FTAs in India distributed according to purpose during 2021 are given in Table 2.8.1 below:

**TABLE 2.8.1**  
**DISTRIBUTION OF NATIONALITY-WISE FTAs IN INDIA ACCORDING TO PURPOSE, 2021**

(in percentage)

Country of Nationality	Arrivals (in numbers)	Business and Professional	Indian Diaspora	Leisure Holiday and Recreation	Medical	Student	Others
<b>North America</b>							
Canada	80437	1.1	72.6	2.5	0.3	0.1	23.4
United States of America	429860	3.3	60.1	7.5	0.5	0.1	28.6
Others	2	100.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>510299</b>	<b>3.0</b>	<b>62.0</b>	<b>6.7</b>	<b>0.4</b>	<b>0.1</b>	<b>27.8</b>
<b>Central and South America</b>							
Argentina	530	63.1	21.2	8.3	1.4	1.6	4.5
Brazil	2055	68.9	11.3	7.9	0.4	2.3	9.1
Mexico	859	47.2	26.6	15.3	0.4	2.9	7.6
Others	3354	30.0	31.0	12.3	3.4	2.5	20.9
<b>Total</b>	<b>6798</b>	<b>46.5</b>	<b>23.7</b>	<b>11.1</b>	<b>1.9</b>	<b>2.4</b>	<b>14.3</b>
<b>Western Europe</b>							
Austria	4411	25.5	48.1	3.8	0.7	0.4	21.4
Belgium	7382	14.0	49.2	3.8	0.5	0.1	32.4
Denmark	2025	45.6	32.1	7.0	1.4	1.4	12.5
Finland	1329	23.3	38.0	8.1	1.7	0.6	28.2
France	30374	32.2	39.8	7.9	0.6	1.2	18.4
Germany	33772	24.5	49.7	7.5	0.9	0.5	16.9
Greece	1144	61.2	15.0	6.8	0.4	0.4	16.2
Ireland	7600	5.5	70.7	3.5	0.5	0.1	19.6
Italy	13659	21.6	61.8	3.3	0.5	0.4	12.5
Netherlands	15631	17.6	49.7	7.9	1.2	0.2	23.4
Norway	2790	11.6	57.0	7.3	1.4	1.5	21.2
Portugal	32064	18.6	38.4	2.2	0.1	0.0	40.7
Spain	6982	40.3	36.6	5.7	0.4	1.1	15.9

Country of Nationality	Arrivals (in numbers)	Business and Professional	Indian Diaspora	Leisure Holiday and Recreation	Medical	Student	Others
Sweden	5579	13.9	49.9	6.0	1.1	0.3	28.9
Switzerland	4198	20.5	47.7	9.2	4.2	1.3	17.0
United Kingdom	164143	3.6	59.2	3.3	0.4	0.1	33.4
Others	1767	48.3	24.8	10.1	2.5	1.4	12.9
<b>Total</b>	<b>334850</b>	<b>13.1</b>	<b>52.9</b>	<b>4.4</b>	<b>0.6</b>	<b>0.3</b>	<b>28.7</b>
<b>Eastern Europe</b>							
Czech	983	74.7	11.1	6.2	0.4	1.6	6.0
Hungary	653	49.6	21.9	13.9	1.5	1.0	12.2
Kazakhstan	2378	9.6	5.0	72.4	9.5	1.5	2.0
Poland	2461	61.2	16.0	10.4	0.7	0.6	11.2
Russian Federation	17567	58.0	10.1	20.5	2.5	1.2	7.6
Ukraine	5197	44.6	11.8	13.0	4.4	0.9	25.3
Others	13875	34.2	7.8	5.4	45.5	2.2	4.9
<b>Total</b>	<b>43114</b>	<b>45.8</b>	<b>9.7</b>	<b>16.7</b>	<b>17.9</b>	<b>1.5</b>	<b>8.4</b>
<b>Africa</b>							
Egypt	1739	69.6	11.9	4.0	3.3	5.8	5.3
Kenya	13373	8.2	23.9	3.9	25.6	2.5	36.0
Mauritius	2118	2.4	25.3	7.2	52.5	5.0	7.6
Nigeria	5516	5.7	8.3	0.1	52.8	31.1	2.0
South Africa	3820	40.3	24.8	5.0	4.2	1.6	24.2
Sudan	6781	18.9	4.6	0.0	57.6	17.6	1.2
Tanzania	6480	8.2	15.1	2.8	33.9	23.7	16.3
Others	29087	12.8	8.3	1.1	46.7	20.6	10.4
<b>Total</b>	<b>68914</b>	<b>13.7</b>	<b>13.2</b>	<b>2.1</b>	<b>40.0</b>	<b>16.1</b>	<b>14.9</b>
<b>West Asia</b>							
Bahrain	1727	3.0	42.1	11.5	21.4	0.4	21.7
Iraq	16213	1.7	1.0	0.0	94.7	2.1	0.4
Israel	4601	70.5	6.1	12.6	1.4	0.3	9.1
Oman	10174	1.5	6.3	14.5	74.8	0.3	2.6
Saudi Arabia	1088	32.7	17.6	3.3	13.6	2.2	30.6
Turkey	3710	75.6	3.5	3.4	4.5	1.2	11.9
United Arab Emirates	3927	5.1	15.7	49.8	18.9	0.5	9.9

Country of Nationality	Arrivals (in numbers)	Business and Professional	Indian Diaspora	Leisure Holiday and Recreation	Medical	Student	Others
Yemen	6235	6.4	5.0	0.6	74.0	10.6	3.4
Others	4499	37.5	13.4	10.4	11.3	16.5	10.9
<b>Total</b>	<b>52174</b>	<b>14.0</b>	<b>6.9</b>	<b>9.3</b>	<b>61.1</b>	<b>3.5</b>	<b>5.1</b>
<b>South Asia</b>							
Afghanistan	36451	21.9	13.4	0.4	53.6	9.7	0.9
Bangladesh	240554	9.8	5.0	3.9	77.6	1.8	2.0
Bhutan	6081	5.1	0.0	23.1	15.4	0.0	56.4
Iran	2369	33.5	10.7	10.3	1.5	23.1	20.9
Maldives	26571	3.1	5.8	0.1	85.8	3.9	1.2
Nepal	52544	1.8	9.7	71.9	0.5	1.8	14.3
Pakistan	8163	21.9	3.2	0.2	6.8	0.2	67.7
Sri Lanka	25989	46.2	13.6	16.6	3.4	8.1	12.1
<b>Total</b>	<b>398722</b>	<b>14.0</b>	<b>6.7</b>	<b>4.4</b>	<b>68.4</b>	<b>3.4</b>	<b>3.0</b>
<b>South East Asia</b>							
Indonesia	2105	34.6	22.6	6.4	3.6	7.5	25.2
Malaysia	6628	17.7	21.4	11.7	2.6	12.5	34.1
Myanmar	3013	8.0	5.9	5.2	56.7	17.2	7.0
Philippines	6927	18.5	18.4	11.8	4.6	0.2	46.4
Singapore	13407	2.4	37.2	6.3	0.1	0.1	53.7
Thailand	4668	57.3	14.0	6.5	0.1	4.1	17.9
Vietnam	1104	26.9	7.8	14.6	0.3	21.0	29.4
Others	622	2.3	1.1	1.3	85.2	5.7	4.3
<b>Total</b>	<b>38474</b>	<b>16.6</b>	<b>24.3</b>	<b>8.0</b>	<b>8.1</b>	<b>5.3</b>	<b>37.7</b>
<b>East Asia</b>							
China	3502	73.3	15.6	0.5	0.1	0.7	9.7
Japan	15358	91.4	3.1	1.7	0.1	0.3	3.4
Korea (Republic of)	13330	92.7	1.7	1.2	0.0	2.9	1.5
Others	1572	50.9	20.2	7.7	9.1	0.0	8.7
<b>Total</b>	<b>33762</b>	<b>88.1</b>	<b>4.7</b>	<b>1.6</b>	<b>0.4</b>	<b>1.9</b>	<b>3.3</b>
<b>Australasia</b>							
Australia	33864	2.8	65.4	8.9	0.3	0.0	22.6
New Zealand	4497	4.9	62.3	5.1	0.2	0.3	27.2
Others	504	6.3	33.0	2.3	50.9	2.7	4.8
<b>Total</b>	<b>38865</b>	<b>3.1</b>	<b>64.6</b>	<b>8.3</b>	<b>0.9</b>	<b>0.1</b>	<b>22.9</b>

## **MEDICAL TOURISM IN INDIA:**

India has a large medical tourism sector which is also expected to grow significantly. India is placed among the top three medical tourism destinations in Asia (with Thailand and Singapore), mainly due to the low cost of treatment, quality healthcare infrastructure and availability of highly skilled doctors. India is home to some of the finest hospital facilities and well-trained manpower. Most medical procedures offer world-class expertise and facilities at extremely competitive prices. Quality accreditation of hospitals, insurance coverage and a focused campaign in identified markets can yield handsome dividends.

The Indian medical tourism market was valued at US\$ 2.89 billion in 2020 and is expected to reach US\$ 13.42 billion by 2026.

## **WELLNESS TOURISM**

Ayurveda Centres are becoming a standard feature in most hotels and resorts. Many foreign visitors now come to India only for Ayurveda treatments. Ayurveda has been included in top tour operators' brochures promoting health tourism worldwide.

The Ministry of Ayush was formed on the 9<sup>th</sup> of November 2014 with a vision of reviving the profound knowledge of our ancient systems of medicine and ensuring the optimal development and propagation of the Ayush systems of healthcare. Earlier, the Department of Indian System of Medicine and Homoeopathy (ISM&H) formed in 1995, was responsible for the development of these systems. It was then renamed as the Department of Ayurveda, Yoga, and Naturopathy, Unani, Siddha and Homoeopathy (Ayush) in November 2003 with focused attention towards education and research in Ayurveda, Yoga and Naturopathy, Unani, Siddha, and Homoeopathy so that India will be positioned as a centre of Ayurveda, Yoga, Sidha, Naturopathy, etc. together with the spiritual philosophy that has been integral to the Indian way of life. The initiatives are as given below:

- a) Ministry of Tourism has drafted guideline for wellness tourism which address issues regarding making available quality publicity material, training and capacity building for the service providers, participation in international & domestic Wellness related events, etc.
- b) The Guideline for Accreditation of wellness centers have been developed by National Board for Accreditation of Hospitals & Healthcare Services (NABH) in consultation with AYUSH to ensure Quality service.
- c) The Ministry of Tourism has also extended its Market Development Assistance (MDA) scheme to wellness tourism service providers including accredited wellness centers.
- d) The initiative of accreditation of wellness centre by NABH and AYUSH has been greatly driven be the Ministry of Tourism as also in consultation with the Wellness Tourism Service Providers, State Governments and other stakeholders.

## MEDICAL TOURISM

Medical tourism (also called medical travel, health tourism or global healthcare) is a term used to describe the rapidly-growing practice of travelling across international borders to seek healthcare services. Services typically sought by travelers include elective procedures as well as complex surgeries, etc.

India holds advantage as a medical tourism destination due to following factors:

- a) Most of the doctors and surgeons at Indian hospitals are trained or have worked at some of the medical institutions in the US, Europe, or other developed nations.
- b) Most doctors and nurses are fluent in English.
- c) Topoftheline medical and diagnostic equipment are available at many Indian hospitals.
- d) Indian nurses are among the best in the world. Nearly 1000 recognized nurses-training centers in India, mostly attached to teaching hospitals, graduate nearly 10,000 nurses annually.
- e) Even the most budget-conscious traveler can afford first-rate service and luxury amenities

## HEALTHCARE AND GOVERNMENT INITIATIVES

Some of the major initiatives taken by the Government of India to promote the Indian healthcare industry are as follows:

- a) In July 2022, the World Bank approved a US\$ 1 billion loan towards India's Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission.
- b) In order to promote medical tourism in the country, the government of India is extending the e-medical visa facility to the citizens of 156 countries.
- c) 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.

## Union Budget2023

The Union Budget 2023, christened as “Amrit Kaal Budget,” has laid an emphasis on creating a groundwork for a widened health infrastructure, tech-aided solutions and eliminating diseases through smart public health management. Among the highlights for the health sector is :

- a) Mission to eliminate sickle cell anaemia by 2047. It will entail awareness creation, universal screening of seven crore people in the age group 0 to 40 years in affected tribal areas and counselling through collaborative efforts.
- b) In an effort to increase skilled healthcare personnel, the Finance Minister has also announced 157 new nursing colleges will be established in core locations with the existing 157 medical colleges established since 2014.
- c) The tech edge will be imparted among doctors with the Government supporting dedicated multidisciplinary courses for medical devices in existing institutions.
- d) Following the pandemic and the need for a collaborative public health management, the Government is looking into R&D in healthcare by ramping up facilities in select ICMR (Indian

Council of Medical Research) labs. These will be made available for research by public and private medical college faculty and private sector R&D teams for encouraging collaborative research and innovation.

- e) A new programme for research and innovation in pharmaceuticals will be taken up through Centres of Excellence.
- f) The initiatives of other sectors, which are likely to contribute to better health, include the proposal to start three centres of excellence in Artificial Intelligence and launch of Aspirational Blocks Programme, covering 500 blocks for saturation of essential government services, both of which have health sub-components.
- g) A major taxation related announcement has been an increase of the National Calamity Contingency duty by 16 per cent on cigarettes and pan masala, which will make these tobacco products expensive.
- h) However, when it comes to financial allocation, the Ministry of Health and Family Welfare, including the department of health research, has received a nominal increase of around 3.5 per cent from Rs.86,175 crore in BE 2022-23 to Rs.89,155 crore in BE 2023-24. If this increase is adjusted for GDP growth, inflation and population growth, in the same period, the allocation for the health sector has effectively been reduced by around six per cent, in comparison to last year.

## INDIAN HEALTHCARE INDUSTRY DEVELOPMENTS

Between April 2000-June 2022, FDI inflow for the drugs and pharmaceuticals sector stood at US\$ 19.90 billion, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT). Some of the recent developments in the Indian healthcare industry are as follows:

- As of November 24, 2022, more than 219.88 crore COVID-19 vaccine doses were administered across the country.
- As of November 16, 2022, India has exported 28.13 crore vaccine doses.
- Abbott has committed to converting 75 Primary Health Centers (PHCs) to Health and Wellness Centers (HWCs) in nine Indian States, in collaboration with Americares India Foundation, a nonprofit organisation dedicated to relief and development in the field of health. This will benefit over 2.5 million people from under-resourced communities every year.
- In November 2022, diabetes management app BeatO raised US\$ 33 million in its Series B funding round led by impact investor Lightrock India.
- 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.
- The healthcare and pharmaceutical sector in India had M&A activity worth US\$ 4.32 billion in the first half of 2022.
- As of July 2022, the number medical colleges in India stood at 612.
- In July 2022, the Indian Council of Medical Research (ICMR) released standard treatment guidelines for 51 common illnesses across 11 specialties to assist doctors, particularly in rural regions, in diagnosing, treating, or referring patients in time for improved treatment outcomes.
- In July 2022, the National Pharmaceutical Pricing Authority (NPPA) fixed the retail prices for 84 drug formulations.

- 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 year age group.
- In January 2022, Phase 3 trials commenced of India's first intranasal vaccine against COVID-19 that is being developed by Bharat Biotech, in conjunction with the Washington University School of Medicine in St Louis, the US.

## CONCLUSION:

India's healthcare sector is extremely diversified and is full of opportunities in every segment, which includes providers, payers, and medical technology. With the increase in the competition, businesses are looking to explore the latest dynamics and trends which will have a positive impact on their business. Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.

Indian medical service consumers have become more conscious towards their healthcare upkeep. 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.

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