

Focus India: A Business Guide for Canadian Medical Devices and Services Firms

INTRODUCTION

While the government of India is committed to providing adequate health services to its entire population by 2000, the large, and growing, middle class is able to fund its own. That segment of the population, estimated to be 200-million strong, can afford, and is starting to demand, health care at facilities outfitted with state-of-the art equipment and services.

New facilities are being built and equipped, and older ones are being refurbished. The latter needs a wide range of products: a member of a Canadian hospital group visiting India was astonished to see hospital beds from the 1930s, and light in operating rooms not much brighter than candlelight.

Medical professionals are highly trained and will opt for the best equipment they can afford, indigenous or imported. They're looking for diagnostic, therapy, rehabilitation and patient-monitoring equipment. The largest segment of the medical market is electronics equipment: it's growing by 20% each year. The Government of India's Department of Electronics projects the demand for medical electronic equipment

will exceed US\$300 million by 1997.

Despite India's large pool of scientific and technical manpower, there is not yet a great deal of indigenous medical technology development. Although companies will import equipment to meet the growing demand, they would rather establish joint-ventures and do the manufacturing themselves.

Canadian corporations and professionals will benefit from entering the Indian market early. Canada is at the international forefront of medicine. Understanding what India needs will ensure its leadership in that country as well.

AN OVERVIEW OF INDIA'S MEDICAL INDUSTRY

- * Medical equipment market growing 15% to 25% per year
- * Imports: 60% to 70% of the market
- * Percentage of GDP spent on health care: 1.5%. World Health Organization recommends 4.8%.
- * GDP, US\$252 billion.
- * Per capita spending: US\$21.
- * Government spending on health care: approximately 20% of total health care spending. Private sector: 80%

of total.

- * Percentage of spending taken up by salaries: 70% to 80%.
- * No. health care facilities in India: 25,452
- * No. hospitals: 7,300
- * No. medical colleges: 146
- * Ratio of people to beds, 1991: 0.74:1,000
- * Government target, 2000 AD: 1:1,000.
- * No. of new beds that must be added to reach target: 400,000.
- * People per doctor: 2,165. In Canada: 446.

HEALTH CARE SYSTEM

The central government manages and finances the infrastructure, and provides preventive care, while the private sector provides mostly ambulatory care for acute illnesses, or those that don't require hospitalization. Government's contribution to total health care spending is 20%; private enterprise's is 80%. Salaries account for up to 80% of health care spending.

Of all India's hospitals, 4,000 are owned or managed by government; 2,000 by charitable trusts, which receive