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Globalization, demography drive APAC healthcare industry

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Singapore: The healthcare industry in Asia Pacific (APAC) is rapidly growing, fuelled by increased spending on health, liberalization of investment policies, growing medical tourism activity, and high adoption of new technologies. Accounting for more than 60 percent of the world's total population, the region presents significant growth opportunities to meet the growing needs of rapidly growing and ageing population.

In 2011, the APAC healthcare market held 27.5 per cent of global healthcare market share. By 2015, this expected to grow to 33.1 per cent, according to a new analysis from Frost & Sullivan.

Frost & Sullivan Asia-Pacific Healthcare Outlook 2012-2015 provides insights on the pharmaceuticals and biotechnology, medical devices, clinical diagnostics, IT, and imaging segments of the healthcare industry. In addition to an overview, the study covers market drivers, restraints, revenues, growth rates, and growth opportunities and outlines the top 10 trends for the Asian market.

"APAC is giving rise to important mega trends in the segments of safety and outcomes, globalization, economics, convergence, and demographics that are affecting the region's healthcare market," said Frost & Sullivan Consultant Poornima Srinivasan. "The hospital delivery market is likely to grow rapidly and hospital group consolidation will stretch beyond regional borders due to the liberalization of the services sector under the Association of Southeast Asian Nations (ASEAN) Economic Community (AEC), and more non-traditional healthcare players likely will acquire stakes in health institutions."

In addition to rising wealth and demand for quality healthcare, low infrastructure costs, availability of skilled workforces, and emergence of private hospitals, are some of the key factors favouring growth of the regions' healthcare industry. Most APAC countries are encouraging private sector investment across the entire spectrum of healthcare, thereby providing attractive opportunity for growth.

Further, increase in communicable and non-communicable diseases, changes in health insurance patterns and favourable investment policies present growth opportunities for medical devices and pharmaceutical and biotechnology segments.

"The healthcare service industry is shifting focus to target the entire spectrum of population rather than urban areas through advanced technologies like home monitoring and telemetries," noted Srinivasan. "This has led to wide adaptation of networking and information technology in APAC countries."

As such, healthcare revenues in the region are expected to grow from the $337.94 billion in 2011 to $521.42 billion in 2015 at a compound annual growth rate (CAGR) of 11.5 percent, as compared to rest of the world, which showed a CAGR of 4.3 percent.