

China to allow private hospitals in 7 cities

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Singapore: The Chinese ministry of commerce (MOC) has announced that China would allow private hospitals, solely owned by foreign investors in seven cities of the country.

The Ministry said in a statement that wholly owned hospitals are permitted in Beijing, Tianjin, Shanghai, Jiangsu, Fujian, Guangdong and Hainanwill. The MOC, however, specified that only investors from Hong Kong, Macao and Taiwan may set up hospitals featuring traditional Chinese medicine.

China is slowly encouraging inflow of foreign investments and expertise into the country and had previously allowed overseas investors to own 70 percent stakes in hospital joint ventures.

The number of private hospitals in China is growing. Statistics indicate that last year 11,300 hospitals had private ownership in contrast to 3,200 hospitals in 2005.

Reports suggest that 8000 public hospitals in China are to be privatized by the next ten years. Mr Guo Wei, general manager of the healthcare branch at HCR, a market research company, stated that China's healthcare system lacked enough medical expertise. He further added, "Medical talent is limited in China. It's difficult to find enough doctors specialized in different medical fields to establish a general hospital."

Healthcare expert, Mr Bruce Liu, said that this was a step in the right direction which would not only attract global investments but will also result in greater inflow of global expertise and talent in hospital management."