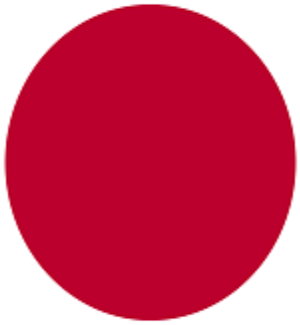
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Japan market forecast

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Japan market forecast



Singapore: Japan's demographic profile will continue to create revenue earning opportunities for the pharmaceuticals and healthcare industry. Supported by an expansive universal healthcare program, Japan's elderly population will increasingly spend on medical services and drugs, particularly therapeutic areas such as dementia. In addition, the greying medical workforce will create demand for new approaches in healthcare delivery including a greater use of telecare.

Japan's ageing demographic profile will remain a fundamental factor shaping the pharmaceuticals and healthcare industry. The country has the highest proportion of its populace over the age of 65 in the world at 25 percent in 2014, ahead of other developed markets such as Germany and France at 21 percent and 18 percent respectively. By 2050, this proportion will grow to 36 percent, with the country having a median age of 53. The items that account for the majority of Japan's spending will shift in tandem, and in this new business environment, there will be opportunities for firms across the healthcare spectrum.

Healthcare services

Demand for healthcare services will rise in tandem with Japan's ageing population. While the correlation seems intuitive, its impact cannot be overstated. According to statistics released by the Ministry of Health, Labour and Welfare (MHLW), the population aged 65 and older accounted for 68 percent of the total number of daily in-patient cases in 2011 and 46 percent of the outpatient visits. This has also translated into a higher healthcare expenditure, with the authorities estimating that the 'ageing effect' contributed, on average, 1.3 percent to top-line expenditure increases from 2006 to 2013. A key challenge that this presents to government officials is meeting such healthcare needs while ensuring the financial sustainability of the system, even as the country has a negative budget balance amounting to 7.2 percent of GDP.

Higher demand for pharmaceuticals

An ageing population will lend support to the demand for pharmaceuticals across Japan, with selected therapeutic areas standing to gain more substantially. According to Globocan, 72 percent of the number of new cases of cancer were found in those who were 65 years or older with elderly men forming the majority of cases. Similarly, Alzheimer's Disease International projects the number of patients with dementia in Japan will grow from 3.0 million in 2015 to 5.2 million by 2050, an increase of

72 percent. Dovetailing with the country's strong intellectual property protection, innovative treatments addressing such key areas of medical need in Japan will be further supported by the introduction of the Sakigake designation in October 2015.

Telecare cecomes critical

Moreover, Japan's ageing demographic profile will increase the demand for telecare services in the country. In terms of healthcare provision, telecare has the potential to drive higher efficiencies that are needed to both reduces pending and adapt to the ageing of Japan's medical workforce. According to a study published by PLOS One, the percentage of doctors aged 60 or older in Japan is projected to rise from 20 percent in 2010 to 36 percent by 2035. This has ramifications on healthcare access, as elderly physicians work far fewer hours. In a study conducted by the MHLW in 2012, male doctors in their late 60s work only 48 hours a week as compared with the 85 hrs a week logged by physicians in their 20s.

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