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F&S: Private hospital sector to grow in APAC

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Singapore: About 180 million new hospital beds will be needed over the next decade to meet the rising healthcare demand in Asia Pacific, more than 40 percent of which is expected to come from the private sector. Favourable government policies, increasing disposable income and changing demographics will drive growth in private hospitals. Private hospital revenue in Asia Pacific is expected to grow at a CAGR of 17.1 percent from 2012-to-2018.

China leads the demand as currently only 6.8 percent of all beds are in private hospitals and the China government has plans to increase it to 20 percentage by 2015 and it would create a need for about 400,000 new private hospital beds per year.

Healthcare IT presents a highly competitive market
APAC has traditionally been a laggard in implementing technology in healthcare and this trend will continue into 2013. The revenue forecast for Healthcare IT in Asia Pacific is looked to reach at a CAGR of 13.1 percentage from 2012-to-2018. Large scale implementations will generate better returns on investment for both healthcare providers and technology vendors.

The most formidable challenge is around interoperability arising from the lack of uniform standards, protocols, data definitions and data sharing laws across APAC countries. Budget constraints also hamper adoption.

Growth opportunities in top five sectors
Medical Tourism Driven by rising affluence and increasing demand of quality healthcare, Medical Tourism will be one of the top growth sectors in Asia Pacific in the short to medium term.

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Day Care Surgery and Healthcare Day Care Center is a medical service entity which performs medical and surgical procedures on patients within a day. Day Care Centre is a lucrative business option which requires lesser investment and offers better profitability.

Specialty Hospitals adue to increasing lifestyle diseases, such as diabetes and CHD, Asia will be a big market place for specialty hospitals.

Rising private medical insurance and cost of healthcare coupled with existing low penetration rates of public insurance will create a big market for private insurance companies.

Healthcare IT In order to remain competitive by increasing operational efficiency, clinical outcomes and financial profitability, private and public hospitals will invest extensively in installing, maintaining and upgrading healthcare IT.