

Industry Insight

Hospital industry

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4th & 5th Floors, Road No. 1, Banjara Hills, Hyderabad -500034, India
Tel: +91-40-23430303-05, Fax: +91-40-23430201, E-mail: info@cygnusindia.com
Website: www.cygnusindia.com

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PREFACE

Hospital industry is an important component of the value chain in Indian Healthcare industry rendering services and recognized as healthcare delivery segment of the healthcare industry, which is growing at an annual rate of 14%. The size of the Indian healthcare industry is estimated at Rs. 1,717 billion in 2007. It is estimated to grow by 2012 to Rs. 3,163 billion at 13% CAGR. The private sector accounts for nearly 80% of the healthcare market, while public expenditure accounts for 20%. The country had 15,393 (2005) hospitals, which had 8.75 lakh hospital beds. According to the WHO report, India needs to add 80,000 hospital beds each year for the next five years to meet the demands of its growing population. Newfound prosperity of many Indian households is spurring demand for high-quality medical care, transforming the healthcare delivery sector into a profitable industry. Medical tourism is changing the face of traditional healthcare industry in India. India's excellence in the field of modern medicine and its ancient methods of physical and spiritual wellbeing make it the most favourable destination for good health and peaceful living. India's cost advantage and explosive growth of private hospitals, equipped with latest technology and skilled healthcare professionals has made it a preferred destination for medical tourism. According to Ministry of Commerce and Industry, Indian medical tourism that was valued at US\$350 million in 2006, is estimated to grow into a US\$2 billion industry by 2012.

The above background initiated need for a comprehensive Industry Insight on Hospital industry. Overview of the hospital industry in India with a brief preamble of global healthcare and hospital industry is discussed in the beginning along with its classification according to its objective, ownership and system of medicine. Application of technology, growth drivers, issues and challenges, regulatory environment and most importantly quality control and accreditation is discussed in total 10 chapters. The report will be useful for various international investors interested in hospital industry in India, entrepreneurs for setting up hospitals or hospitals in expansion mode, other components of value chain in healthcare contemplating to enter into healthcare delivery, banking sector and students enrolled in healthcare /hospital management.

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