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**LIFE SCIENCES & HEALTHCARE**



SECTOR OVERVIEW:  
March 2013

CONTACTS:  
Life Sciences & Healthcare

The last few months have seen a steady flow of activity in the Healthcare and Life Sciences sector. The UKIBC's multi-sector delegation to Western India in January saw participation of world-class businesses in healthcare, which drew attention to the scale of the Indian opportunity. Soon after, the Prime Minister's visit to India in February further highlighted the potential of the UK-India partnership: it was the largest British delegation ever led by a Prime Minister overseas. Healthcare participation was again substantial, with delegates including The Phoenix Partnership, Ultra PRT and DMC Healthcare, as well as other British businesses dedicated to infrastructure and urban development, including healthcare.

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In this quarterly report we have a closer look at India's hospital industry, outlining some areas of opportunity and facts and figures. We then share with you a commentary by the Deputy High Commissioner in Chennai following the attendance of British companies to the Indo-UK Diabetes Summit last January, which included the visit of Anna Soubry, UK Minister for Health. Along with other interesting market updates, we feature DMC healthcare as an insightful Case Study, following their steady engagement and potential in the Indian market.

We hope that you enjoy this quarterly sector report and invite you to send us your comments. For more information on UKIBC's programme of work in the Healthcare and Life Sciences sector, please contact: [Radhika.Pandey@ukibc.com](mailto:Radhika.Pandey@ukibc.com)

**In Focus: The Indian hospital industry**

A 2011 report by consultancy [Research and Markets](#) titled "Booming Hospital Services Market in India" identified the country's hospital services market as one of the most lucrative in India's healthcare industry. The report names India's increasing prevalence of diseases, affordability, and rising penetration of health insurance as important factors for growth.

According to the [India Brand Equity Foundation](#), the country's hospital services market is expected to be worth US\$ 81.2 billion by 2015, with forecasts of 20% annual growth in the country's overall healthcare sector.

The market has experienced a steady influx of foreign investment. Data by India's Department of Industrial Policy and Promotion shows that the hospital and diagnostic segment attracted FDI worth US\$1.48 billion during April-October, 2012. Meanwhile, the medical and surgical appliances industry registered FDI worth US\$ 571.91 million over the same period. 100% FDI is permitted in the health and medical services under the Government of India's automatic route.

Private sector is a very strong player in India's healthcare industry and it has attracted worldwide attention. Private investments are estimated to comprise around 80% of the market in the hospital industry. India's private hospitals are so well known overseas in fact that medical tourism has been an emerging market in recent years and is expected to reach US\$3.9 billion by 2014.

Despite this fast growth and investment, India still needs to do more to tackle the huge deficit of healthcare services. As shown in [figures by the World Health Organisation](#), India is still behind the world average hospital

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bed density of 30 beds/10,000 population, with only 9/10,000. The Indian healthcare market remains fragmented and unorganised, with important issues to resolve including that of affordability.

Strong demand emerging from Tier II and III cities and rural areas will continue to fuel growth in the coming years. To respond to the need to reach out to communities and villages, demand has emerged for creative ways to deliver cost-effective healthcare, such as modular clinics and technology to provide e-health services remotely.

India's five-year plan to develop social infrastructure is very likely to involve government spending with a particular focus on primary healthcare. However, a lot of the demand for hospitals and healthcare provision in India is expected to be met by private investment. Opportunities surrounding the country's hospital industry are most notably: hospital services, diagnostics, medical equipment, related IT services, and healthcare skills and accreditation.

India's main players in the hospital services industry include: [Apollo Hospitals](#), [Fortis Healthcare](#), [Max Healthcare](#), [Columbia Asia Hospitals](#), and [CARE Hospitals](#).

At an event last year, we hosted the Aravind Eye Hospitals, the largest and most productive eye care facility in the world. Read our sector view from [April 2012 here](#).

## Market update

### UKIBC's multi-sector delegation to Western India and Vibrant Gujarat summit

Last January, the UK India Business Council led a multi-sector delegation to Western India. The 40-member delegation comprised UK companies across sectors, amongst which we had fantastic representatives from the healthcare and life sciences sectors including pharmaceuticals and biotech. At the Vibrant Gujarat conference, which aimed to bring together business leaders and investors, the UKIBC and the British High Commission jointly hosted a "GREAT BRITAIN" exhibition stand. This gave delegates fantastic exposure and opportunities to network.

India's great need and appetite for partnerships in the skills and healthcare sectors were clear. In our conversations with policymakers, including at the outstanding conversation with Chief Minister of Gujarat, CM Narendra Modi, the ties between the UK and India were highlighted.

#### *A team effort*

Over the course of our visit to India, we quickly became aware of the solid offering of British companies to India's healthcare sector. The joint capabilities of participating companies alone, which included Bournemouth and Poole College, DMC Healthcare, Tpp, and 3DiFM, could easily be described as a prêt-a-porter solution for India: skills providers, healthcare providers, hospital services, and healthcare-focussed IT solutions. Essentially all the components needed to increase capacity in India.

With a high record of achievements and backed by the reputation of Britain's National Health Service, we identified key areas where UK healthcare providers are remarkably well-suited to do business in India. As is cleverly pointed out by Shailja O'Leary from The Bournemouth and Poole College: *"The British healthcare offering has a high standard of care that is regulated by law and a model of vocational training (NVQs/ QCF). India is starting to emulate the same now. British providers don't necessarily need to be connected to the Indian opportunity anymore. Instead, a process needs to be in place to enable progress of partnership working"*. Her comments highlight many areas of opportunity that can be explored, for instance, via partnerships forged within the UK.

At the UKIBC, we are keen to carry on the work set out at the delegation in January. For more information on opportunities and ways to engage with India's healthcare sector and other British healthcare providers, please contact: [Radhika.Pandey@ukibc.com](mailto:Radhika.Pandey@ukibc.com).

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**Business opportunities in healthcare – momentum building on diabetes, plans building on cancer**

*By Mike Nithavrianakis, British Deputy High Commissioner, Chennai*

The Indo-UK Diabetes Summit and related events were held in Chennai in January 2013 under the auspices of the Chennai-based Indo-British Health Initiative (IBHI) last month, with significant support from the Deputy High Commission and UKTI. Never before has such a large expert group been brought together in India for a high-profile bilateral healthcare event of this nature.

600 registered delegates from India, faculty as well as universities and companies from the UK attended. This was followed by an excellent networking reception halfway through the Summit for UK delegations, attended by 100 non-diabetes healthcare professionals. The visits and networking event hosted the day before the Diabetes Summit were particularly well-received, and the B2B seminar at the Deputy High Commission, with the Confederation of Indian Industry had 90 attendees from across Tamil Nadu and Kerala. UK universities were, in particular, inundated with interest.

Having Anna Soubry, UK Minister for Health inaugurate the Summit in the presence of the new Principal Secretary-Health in India's Ministry of Health and Family Welfare, Mr Keshav Desiraju, undoubtedly gave the event the high profile start we wanted. Dr V Mohan and Dr Vijay Viswanathan, two of India's most highly-respected diabetes experts, were fully involved in the event organisation and this helped add credibility and prestige to the event. The Summit has greatly helped raise the UK's profile in healthcare in South India. The IBHI is going from strength to strength and is making its mark on transforming UK healthcare links in the south.



*Anna Soubry in India 14-18 January 2013*

*Anna Soubry, UK Minister for Health attends the first part of a break-out session titled "A Picture of Diabetes in India and the UK" during the IBHI Diabetes Summit in Chennai on Friday, 18 January. For more on the visit: <http://ht.ly/gVfJr>. Follow us on [www.twitter.com/ukindia](http://www.twitter.com/ukindia).*

We are now turning our attention to arranging a two-day Cancer Summit on 6 - 7 September, which will be even more ambitious and high-profile in its business/networking objectives. We know that there is huge interest in bringing together experts, Higher Education Institutions, NHS centres of excellence and companies for an event focused on issues related to

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cancer. The IBHI is keen to trail the event in the UK with a small, focused seminar in London in the second half of May for the cancer community and our key target audiences, as well as promote opportunities in the healthcare sector in India more broadly.

The Cancer Summit would interest and attract leading UK faculty from all the major disciplines, including children's cancer, blood and oral cancers. The UK delegation will be drawn from leading NHS hospitals, expert officials from the UK Department of Health, NICE and the Medical Royal Colleges. We will also involve relevant oncologists' associations, top UK universities with expertise in cancer training, as well as specialist oncology nurse experts, commercial healthcare providers and medical technology firms and biomedical/life sciences players. More information will be available soon.

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**Dr Reddy, the man behind India's private healthcare transformation, turns 80**

Last February, [Dr Pratap Chandra Reddy](#), founder and chairman of the Apollo Hospital Group, turned 80. Three decades ago, Dr Reddy played a part in the transformation of India's healthcare landscape by launching the country's first private multi-specialty facility in Chennai. The facility responded to the huge demand for healthcare services by India's middle class. Today, Apollo Hospitals has grown to run 54 hospitals, 1,600 pharmacies, 60 diagnostic clinics and 11 nursing colleges and is arguably India's largest private healthcare provider. More than 32 million people have been treated at various Apollo hospitals, and the group has ambitious plans for expansion within India and overseas. Dr Reddy himself has recently penned a book on India's healthcare titled "*Stay Healthy, India!: 108 Thoughts For My Country's Health Care*". A biography of Dr Reddy by Pranay Gupte is also set to be published by Penguin later this year.

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**Investment update**

**Teva Pharmaceuticals OTC plant in Gujarat**

In collaboration with Procter & Gamble, the Israeli firm, Teva Pharmaceuticals announced plans set up an over-the-counter facility in Sanand, near Ahmedabad, Gujarat, to cater to the growing demand for non-prescription drugs in India and across Asia. The plant is expected to be completed in two years. Teva Pharma is the world's largest generic drug maker.

[http://articles.economictimes.indiatimes.com/2013-01-30/news/36635999\\_1\\_pgt-healthcare-vicks-p-g](http://articles.economictimes.indiatimes.com/2013-01-30/news/36635999_1_pgt-healthcare-vicks-p-g)

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**Delcam promotes Healthcare Division on UKTI Mission to India**

Birmingham-based software developer Delcam recently visited India as part of UKTI's healthcare mission to New Delhi, Mumbai and Chennai. At the Indo-British Health Initiative conference on diabetes, the company promoted products and services from its healthcare division including a new version of the OrthoMODEL software for the design of custom orthotic insoles for patients with diabetes. Delcam's Healthcare division was established in 2009, helping companies across the medical, dental and associated industries to take advantage of the latest computer-based design and manufacturing techniques.

[http://www.delcam.co.uk/news/press\\_article.asp?releaseld=1489](http://www.delcam.co.uk/news/press_article.asp?releaseld=1489)



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**Company profile: DMC Healthcare International**

The DMC Healthcare Group has delivered quality healthcare services and solutions on behalf of the NHS in the UK for over 40 years. The group operates nine healthcare centres across the UK, treating around 100,000 patients per annum, and employs 200 staff and clinicians.

DMC Healthcare International, a division of the DMC Healthcare Group, aims to bring the company's high standard of services, dedication to patients, and decades of healthcare expertise to India. DMC will achieve this through launching a series of cost-effective, sustainable, localised primary care clinics across the country, as well as offering a suite of services to existing healthcare providers to help them bring patients the best possible standards of care.

**Market Entry Strategy**

The company recently launched a head office in Ahmedabad, Gujarat, combining local knowledge and capability to the company's proven expertise in managing innovative patient-centric primary care systems. DMC's owners, who are of Indian origin, have an invaluable knowledge of the local business culture and environment, which has been instrumental in our efforts setting up a presence in India.

At present, we continue our efforts conducting feasibility studies to determine the best course for our Indian venture.

DMC Healthcare International offers a range of services tailored to meet the challenges of the developing Indian primary care market. The company's services are divided into four categories, each offering solutions to address issues facing primary care provision in India:

**Medical:** To bring affordable, accessible primary care to India, via a series of branded primary care centres, specially adapted to the unique demands of the Indian healthcare market.

**Human Resources:** DMC Healthcare International's Human Resources team manages the recruitment of doctors, nurses and care staff for healthcare providers in India, including temporary clinical staff. The company also provides organisations with skills training and accreditation.

**IT:** Our IT offering will help healthcare organisations to implement cost-effective, state of the art information technology services including Telehealth, Telemedicine and e-learning.

**Corporate Services:** Joining local knowledge and primary care expertise to help clients grow their primary care business. We offer corporate services: market research, consumer analysis and feasibility studies.

**Outlook for our business in India**

DMC Healthcare is now taking its experience of providing NHS Services to other countries, with its first clinic opening in India in 2013.