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ASIA EDITION

Achieving high-quality healthcare in South Asian regions

April 25, 2023 | Analysis

"Bangladesh remains a favorable South Asian region for private investors and public-private partnerships (PPP) around healthcare sector", explains Massimiliano Colella, Chief Executive Officer, The Evercare Group.



In recent years, the South Asian healthcare industry has made rapid progress, contributing to the economy and well-being of the region. A growing share of healthcare expenditures is spent in the healthcare industry. The sector consists of healthcare providers such as hospitals, clinics, and diagnostic centers. This includes digital healthcare services, clinical research, medical device manufacturing, and trade/ distribution.

Over the past few decades, Bangladesh has seen an impressive transformation in its healthcare system. The industry has nearly doubled from 2010-2019 reaching $6.76 billion in 2018 (in terms of healthcare expenditure). One of its notable achievements is the reduction in child death rate ahead of the 2015 target, thereby achieving Millennium Development Goal (MDG) 4. The country has also improved in other key indicators such as maternal death, immunization coverage, and mortality rate from infectious diseases. Big progress is therefore being made, however, there remain further opportunities to expand access to quality healthcare for all.

In spite of the increase in the number of healthcare facilities, the demand has consistently outpaced the supply with an available bed density of 0.8 per 1,000 populations in 2016. There is also a general shortage of trained healthcare staff. Bangladesh has a density of 9.9 doctors, nurses, and midwives per 10,000 people compared to the global median of 48.6. Meanwhile, the demand and spending on healthcare services are likely to increase as nearly 30 to 40 million people will graduate from poverty to the middle-income class by 2025, and another 30 million would reach a higher standard of living.

The population is expected to reach 240 million by 2030 and the average life expectancy has grown to 72 years in 2020. It is expected that the population aged over 60 will increase to 42 million by 2050. The changing disease profile also warrants additional need for healthcare services. The prevalence of chronic conditions such as cardiovascular disease, cancer and diabetes is expected to rise in this decade. This has fueled a demand for more specialized care and could place the existing public healthcare system under pressure.

It is estimated that medical tourism outside of Bangladesh corresponds to $3.5 billion per year. When high-income patients travel overseas for treatment, this represents an outflow of money from the country's economy. Equally concerning, medical tourism dilutes political support for developing local services and so the whole system suffers.

Additionally, over 50 startups are currently offering digital and online healthcare-related services in Bangladesh, including telemedicine, e-pharmacy, online doctor directory, appointment setting, healthcare-related information, personal medical record recording, and the production of health monitoring devices. Increasingly, telemedicine services are being used in the country since the COVID pandemic.

Private hospitals: Investing in robust infrastructure.

In South Asia, the private sector plays a major role in delivering quality healthcare services and has been running the majority of tertiary healthcare institutions. On the other hand, the public healthcare system focuses on basic healthcare facilities in the form of primary healthcare centers throughout the nation with limited availability of secondary and tertiary institutions.

This presents opportunities for the private sector to offer supplementary quality care and create a robust and strengthened infrastructure. The private tertiary care centers are well-equipped and have state-of-the-art diagnostic equipment and facilities to offer personalized quality care while maintaining the highest standards of excellence. With a favorable doctor-to-patient ratio, they can also provide patients with direct access to medical specialists.

With its high population growth, changing disease profile, competitive market, and business-friendly environment, Bangladesh remains a favorable region for private investors. With appropriate investments and partnering with local government bodies, private entities can help expand the accessibility to quality healthcare. Such an example is the Evercare Group that offers high-end clinical care across key cities of Dhaka and Chattogram. They provide the latest innovation in diagnostic equipment, along with experienced physicians, trained nurses, and technicians across multiple specialties.

Bangladesh has made progressive steps to improve both the access and quality of healthcare. The government has made the sector a top priority, allocating resources to build infrastructure. Therefore, encouraging public-private partnerships (PPP) is a step in the right direction. Private partners can help in bringing health services to poor localities at affordable prices. Investors can support the overall economic growth and vitality, especially by contributing towards the reversal of outbound medical tourism. This will also lead to employment and training opportunities. With strategic PPP, governmental support, and conducive policies, this sector can become more efficient in delivering equitable healthcare for all.

A thriving market for medical equipment in South Asia

At present, over 4,000 medical devices and equipment are in use in Bangladesh, 5-7% of which are manufactured in the country, according to a recent report by Bangladesh Investment Development Authority. A majority of the locally produced items are consumables, such as disposable/precision safety syringes, needles, blood bags, blood transfusion sets, cannulas, blood collection tubes, etc. Bangladesh's consumer market is estimated to be worth $55-60 million per year. Additionally, Bangladesh produces orthopedic products (bone hooks, drill machines, spine retractors), surgical sterilizers, hospital furniture, home care devices like blood pressure and glucose monitors, compressor nebulizers, imaging films, electrocardiograms, and other small instruments, albeit on a small scale.

A large domestic market, the demand for healthcare services, and the increasing affordability of healthcare services in Bangladesh are expected to contribute to Bangladesh's rapid growth. Even though the number of healthcare facilities has increased over the last decade, it has been difficult to establish tertiary/specialized hospitals. As a result, it makes the country a desirable investment prospect for foreign investors since it indicates the untapped need for tertiary and secondary hospital establishments.

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