

## China healthcare IT market to reach \$3.97 bn by 2020

02 December 2014 | News | By BioSpectrum Bureau

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**Singapore:** China healthcare IT market earned revenues of \$1.24 billion in 2013 and is estimated to reach \$3.97 billion by 2020, according to an analysis by Frost and Sullivan.

According to the analyst, healthcare in China varies markedly across regions in terms of quality of care, distribution of resources, and depth of insurance coverage. The Chinese government has recognized healthcare as a priority area for reform and hopes to achieve international care standards by 2020. An integral part of the Health China 2020 strategy is the digitization of healthcare delivery, which will leverage sophisticated healthcare information technology (IT) systems.

"The government is doggedly pushing for the use of regional health information networks that will integrate healthcare services and information across hospitals and regions," said Ms Natasha Gulati, healthcare industry manager, Frost and Sullivan. "A dense regional network will open doors for advanced analytics and population health management solutions, simultaneously creating opportunities for IT integration and security vendors."

Ms Gulati highlights that government initiatives to promote local companies might threaten the future of foreign participants. The market is already dominated by local vendors competing on price as well as the ability to customize their solutions in local language and Chinese systems of medicine. Government intervention is sending out the message that doing business in China is expected to become more challenging and less profitable for foreign firms.

Therefore, leading multinationals are establishing strategic relations with large healthcare IT vendors in China, such as Neusoft and Shanghai Kingstar Winning Software. Local partnerships will help penetrate the Chinese market better and design a suitable strategy for success.

"IT system vendors are also partnering with hospitals, health administrative agencies, government agencies and residents to provide a full range of customized support including networking, wireless technology, information security, cloud platforms, Big Data, telehealth and telemedicine," noted Ms Gulati. "Strong engagement with local healthcare providers will allow access to local distribution channels, reduce solution adoption risks, lower component incompatibility risks, and help tap unmet local needs in the Chinese healthcare IT domain."