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F&S: APAC hospital market touches $378 bn

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Singapore: According to a Frost and Sullivan report, Asia Pacific hospital market earned revenues of more than $377.90 billion in 2012 and estimates this to reach $1085.98 billion in 2017. The countries covered in the research are China, India, Indonesia, Thailand, Vietnam, Malaysia and Hong Kong.

Prevalence of chronic and infectious diseases, changing demographics, and increasing disposable incomes have created tremendous opportunities for the hospital sector in Asia Pacific. Rising patient awareness spurs demand for quality healthcare services, forcing hospitals to adopt innovative technology, thereby aiding market development.

Governments in Asia Pacific remain the main financiers of healthcare, with more than 55 percent of the total healthcare expenditure in the region incurred by the public sector. However, inadequate budgets have led to resource constraints in terms of doctors, nurses, hospitals and hospital beds in public hospitals. The lack of resources to handle the growing number of patients decreases the quality of care in these choked facilities.

"Private hospitals, on the other hand, are growing by virtue of favourable government policies, which encourage investments in state hospitals and public-private partnerships," said Frost & Sullivan healthcare senior industry analyst, Mr Nitin Dixit. "Nevertheless, high costs in the sector may deter potential consumers even if the quality of care is good."

A major market challenge is the uneven distribution of healthcare facilities and resources in Asia Pacific. Rural areas in most countries have poor access to healthcare. In addition, more than 90 percent of large, quality private hospitals in the region are located in Indonesia and Thailand alone.