

## Healthcare industry faces structural and supply-side challenges: BCG report

02 November 2023 | News

### Technology to play pivotal role in addressing gaps in India's healthcare sector

The digital transformation of India's digital healthcare industry could grow ten times from \$2.7 billion in 2022 to approximately \$37 billion by 2030, according to forecasts by Boston Consulting Group (BCG) and B Capital.

The study highlights the importance of healthcare in India which is on the rise, and that the industry still lags in development due to structural and supply-side challenges.

Captured in the report '*A Digital Pill for Revolutionizing Healthcare*', the growth is fueled by rapid digitisation, an increasing number of innovative healthtech platforms and partnerships created by startups and incumbents, and the favourable funding environment for solid business models and progressive initiatives by the government.

The study shows that India's healthcare industry is expected to grow from \$167 billion in 2022 to \$458 billion in 2030. A key barometer to measure development and growth in economies has been the move towards higher spending per gross domestic product (GDP) on healthcare. In the context of India, this trend has been moving upward in recent years but still lags behind other large economies.

The study highlights the unique structural complexities across India's healthcare industry and presents the emerging themes that will shape the future of India's digital healthcare landscape. These include broader adoption of digital healthcare post-COVID-19; robust funding environment and the emergence of new models across various healthcare sectors; the creation of healthcare ecosystems through innovative partnerships and consolidation across the value chain.