

White Paper

Prevailing Winds: Five Forces Reshaping Asia's Healthcare in 2025

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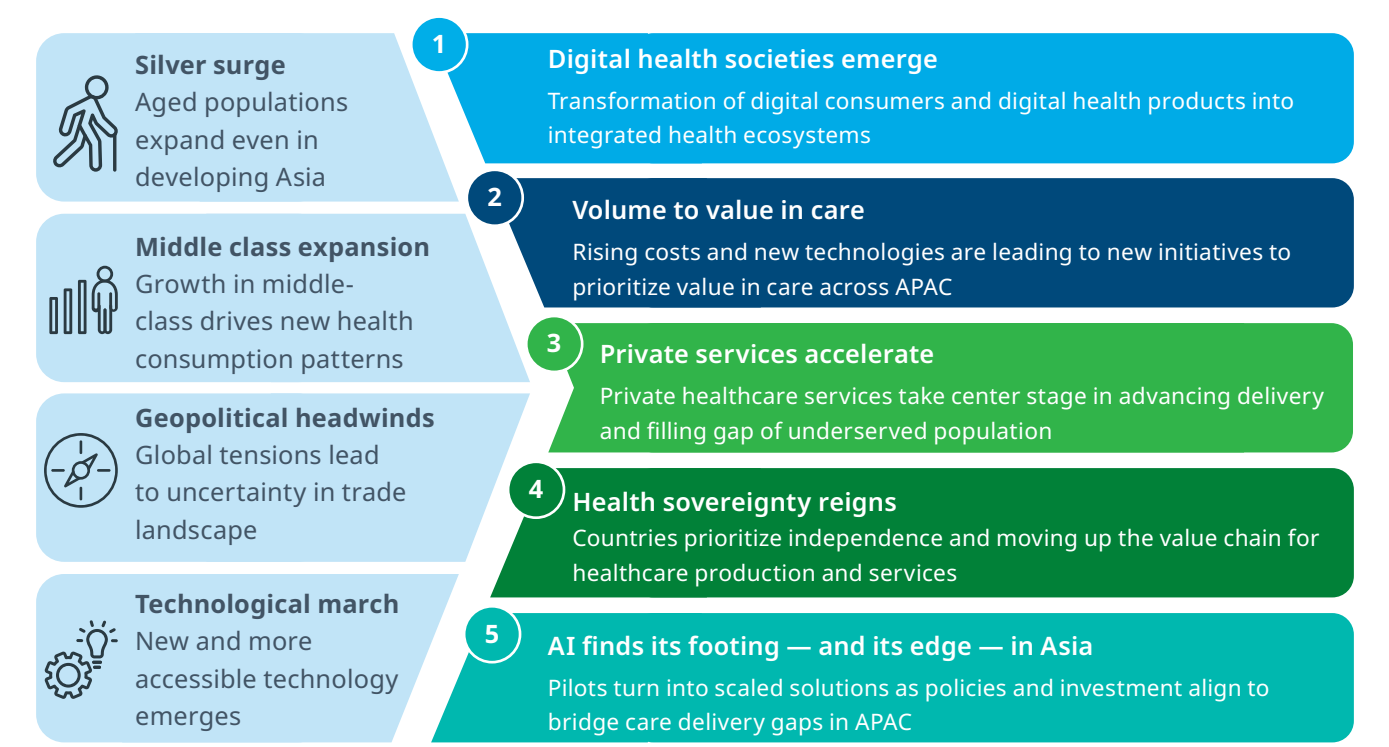
Introduction

Asia’s healthcare landscape in 2025 is undergoing a rapid transformation, shaped by deep-rooted demographic, economic, and technological shifts. As these “prevailing winds” converge, five foundational themes are emerging to redefine how health is accessed, financed, and delivered across this diverse region (Figure 1).

Firstly, digital health societies are emerging as increasingly connected and health-conscious consumers embrace digital tools to manage their care. This shift is being enabled by governments investing in national health platforms, interoperable data systems, and frameworks that support digital integration. Secondly, healthcare systems are strategically transitioning from a volume-based approach to a value-driven model. This shift marks a new phase where patient outcomes, operational efficiency, and equity take precedence over the mere quantity of procedures performed.

Thirdly, private healthcare services are rapidly advancing as the consolidation and expansion of hospitals and pharmacy chains become standard practice. Fourthly, health sovereignty is increasingly an imperative, and countries are beginning to prioritize domestic manufacturing, regulatory autonomy, and strategic control over supply chains and health infrastructure: a shift amplified by geopolitical uncertainty and lessons from the pandemic. Finally, Artificial Intelligence (AI) is set to find its footing in Asia, as consumers across the region are more open to its potential and uses.

Figure 1: 2025 APAC healthcare landscape



Abbreviations: APAC — Asia Pacific
Source: IQVIA analysis

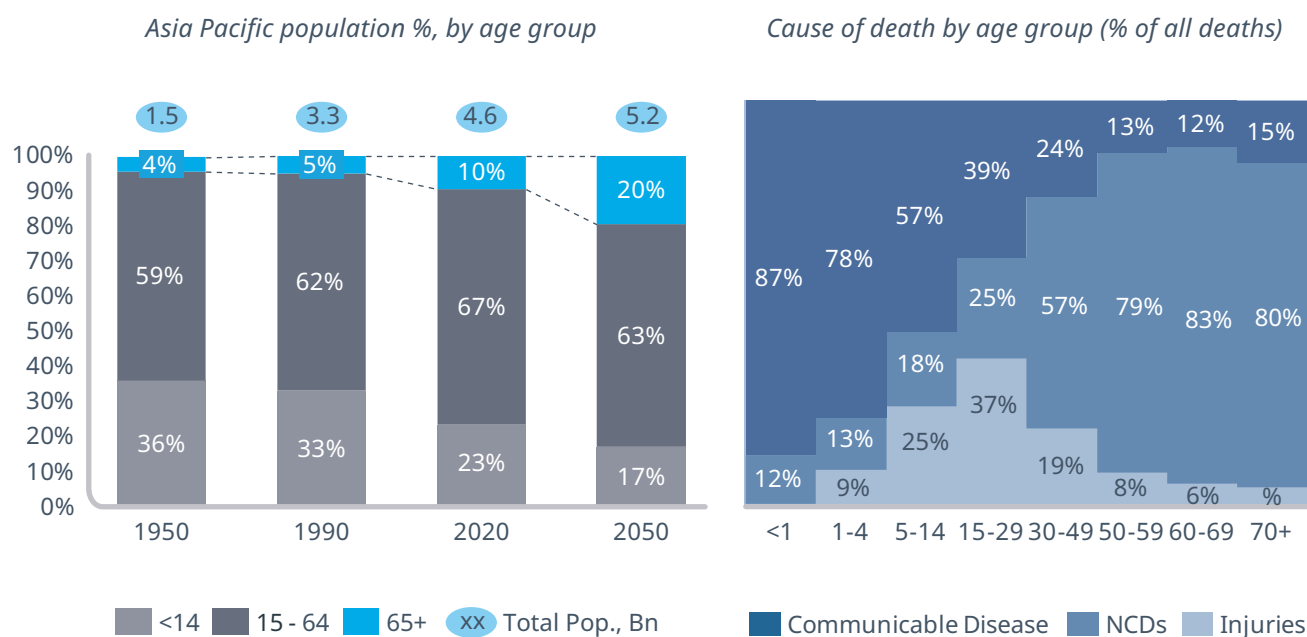
Prevailing winds

The silver surge

Asia is experiencing one of the fastest demographic transitions in the world. By 2050, more than one in five people, or 20% of the population, across the Asia-Pacific region will be over 65 years of age, up from just 10% in 2020. While East Asia leads this trend, Southeast Asia and India are quickly catching up (Figure 2). This

demographic shift is straining existing infrastructure and reshaping demand toward chronic disease management, eldercare, and home-based solutions. This shift is also prompting health systems to evaluate the best mechanisms to transition from acute, episodic models to proactive, forward-looking care frameworks to support sustainability and health outcomes.

Figure 2: Elderly populations are burgeoning, driving up rates of chronic disease



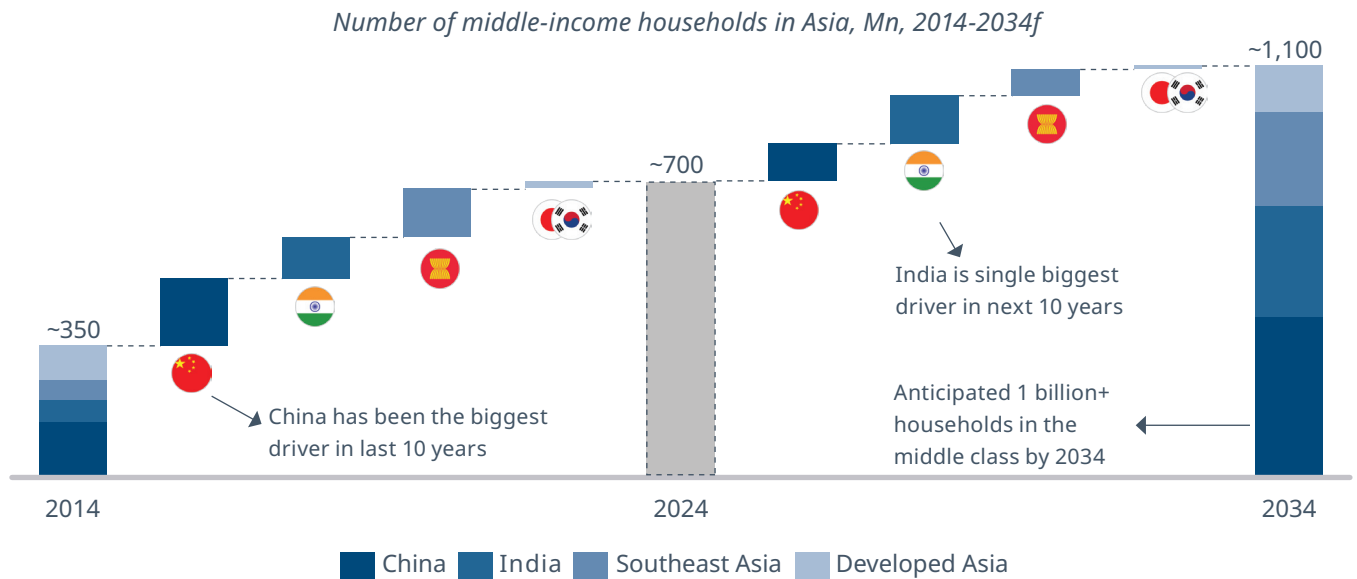
Abbreviations: NCD — Noncommunicable Diseases
Source: UN ESCAP, IQVIA analysis

Middle class expansion

Rising incomes and the emergence of a robust middle class, especially in India, China, and Southeast Asia, are also reshaping healthcare preferences across the region (Figure 3). Consumers increasingly seek convenience, quality, and personalized services. This

shift is particularly impactful among younger, digitally native populations, who now often expect healthcare to be as seamless and user centric as any other modern service. On the supply side, governments are enhancing healthcare infrastructure, while private investments are increasing to address the rising demand.

Figure 3: The middle class continues to expand rapidly in Asia



Source: IQVIA analysis

Geopolitical headwinds

In a post-pandemic world, geopolitical tensions and supply chain disruptions have prompted many Asian nations to prioritize health resilience and strategic autonomy. Health is now firmly established as a geopolitical issue. Governments are investing in local manufacturing, securing supply chains, and asserting regulatory independence to protect national interests and ensure continuity of care.

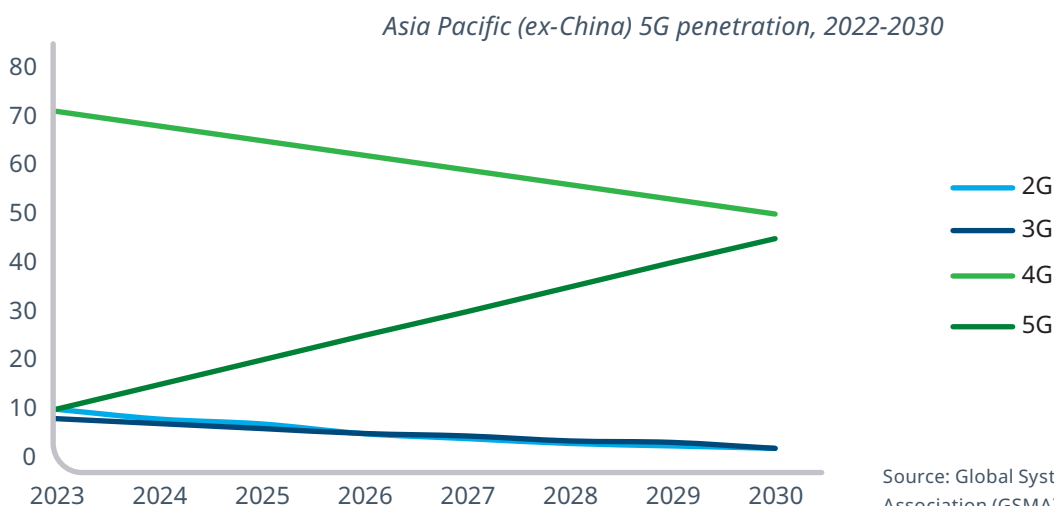
over 2.7 billion internet users, high smartphone penetration, and cloud-native startups, Asia is transitioning from adopter to exporter in the realm of technology. The proliferation of 5G mobile connectivity, AI capability, cloud-based health records, and government-led digital health initiatives has positioned Asia not just to catch up but also to leap ahead of the curve when it comes to technological development and implementation (Figure 4).

Technology's forward march

Traditional barriers to innovation have rapidly diminished due to technological progress. With

Together, these macro forces are laying the groundwork for five key transformations in healthcare in Asia.

Figure 4: 5G penetration continues steady advance through 2030



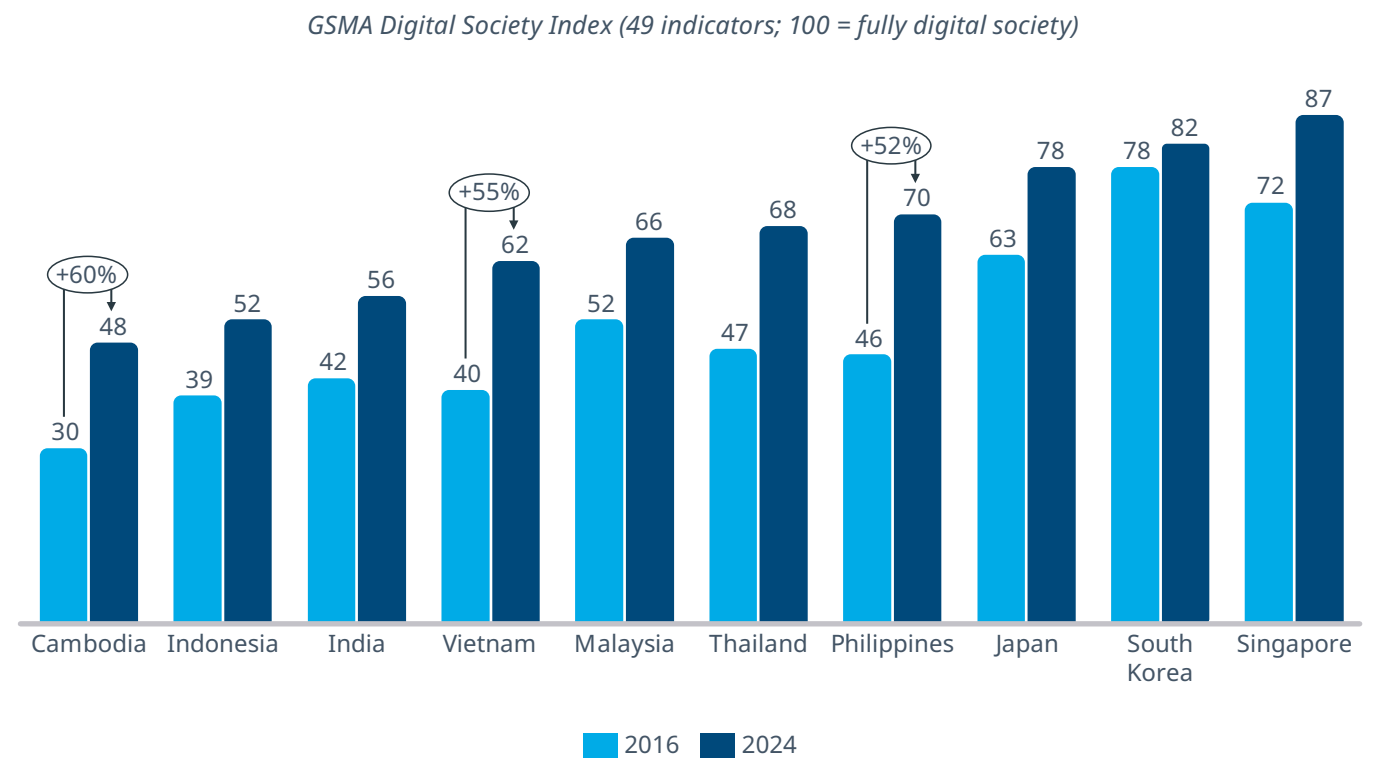
Source: Global System for Mobile Communications Association (GSMA), IQVIA analysis

5 key healthcare themes

Theme 1: From digital consumers to digital health societies

Asia is transitioning from a region of digitally connected individuals to one of digitally integrated health societies. What began with rising smartphone adoption and mobile health apps is evolving into full-scale digital ecosystems. These shifts are transforming how care is consumed, managed, and delivered.

Figure 5: Digital societies emerge across the Asia Pacific region



Source: Global System for Mobile Communications Association (GSMA) Digital Society Index, IQVIA analysis

Across Asia, a surge in digital readiness is laying the groundwork for health transformation. According to the Global System for Mobile Communications Association Digital Societies Index, a 49-indicator framework to assess a country’s progress toward becoming a “fully digital society,” Asian nations have been progressing faster than most of the world (Figure 5). Countries such as Singapore and South Korea rank among the highest globally for digital infrastructure, affordability, and user engagement. Meanwhile, emerging economies such as Vietnam and

the Philippines have seen rapid improvement in digital capabilities over the past decade. Beyond owning a smartphone, digital societies indicate readiness for systemic digital integration: from interoperable platforms to data-sharing protocols and user-friendly applications. Asian countries benefit from not having outdated IT infrastructures. This allows them to create cloud-native and mobile-first environments, including in the healthcare sector, giving them an edge over Western nations.

Figure 6: Top-down digital health ecosystems are being forged across Asia



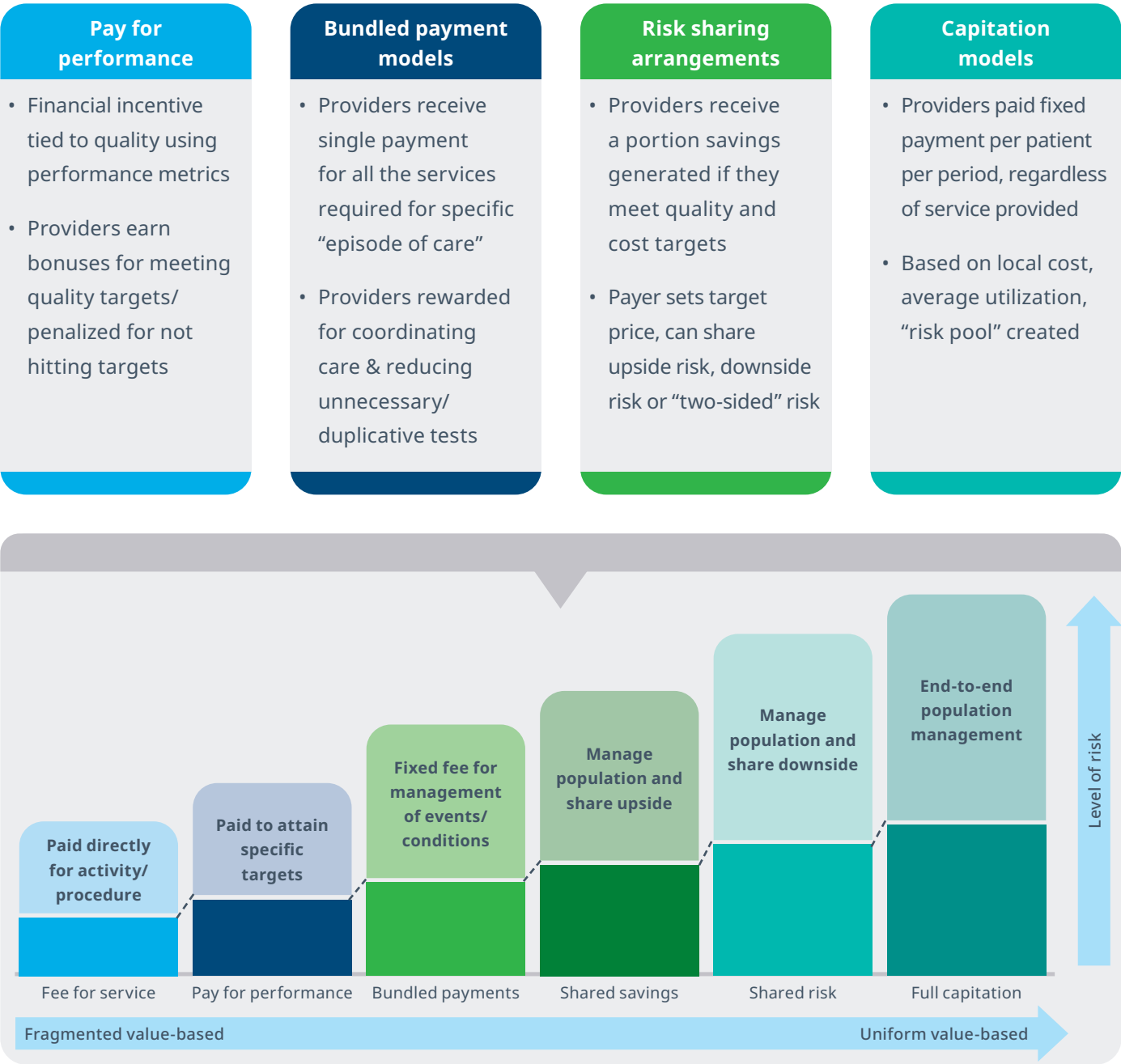
Abbreviations: EMR — Electronic Medical Records; ABDM — Ayushman Bharat Digital Mission; ABHA — Ayushman Bharat Health Account; IHIS — Integrated Health Information Systems
Source: Ayushman Bharat, SatuSehat, Synapxe, IQVIA analysis

Now, government preparedness is compounding consumer readiness. National digital health strategies are no longer pilots. They are now multibillion-dollar programs that centralize health data, digitize workflows, and shift the burden of care from hospitals to the home (Figure 6). National health data infrastructure plans are taking shape across the

region, such that digital health is becoming embedded within national transformation in countries as varied as India, Indonesia, and Singapore. Together, these programs are revealing a new model of care: state-led, platform-enabled health ecosystems that allow both public and private innovation to flourish atop a trusted digital backbone.

Theme 2: From volume- to value-based care

Figure 7: The spectrum of value-based care



Source: IQVIA analysis

Historically, Asia's healthcare systems have been volume driven, incentivizing higher throughput rather than better outcomes. But with aging populations, the rising incidence of non-communicable diseases, and the growing fiscal strain, this model is proving unsustainable. The region is now starting to undergo a shift toward value-based care. This approach — centered on outcomes, equity, and efficiency of service provision — is evolving from experimental pilots into national policy frameworks and commercial standards. This shift is not just a financial adjustment; it will increasingly require organizational realignment of how care is measured, delivered, and rewarded.

Value-based care is not a one-size-fits-all model. It exists along a spectrum of payment and accountability

mechanisms that align incentives with outcomes (Figure 7). At one end, there are pay-for-performance models, which reward providers for meeting specific quality or efficiency targets. Further along are bundled payment models, where providers receive a fixed fee for an entire episode of care, incentivizing coordination and cost control. More advanced are risk-sharing arrangements, in which providers and payers jointly bear financial responsibility for outcomes, encouraging proactive management and data-driven decision-making. At the far end of the spectrum lie capitation models, where providers are paid a set amount per patient, regardless of how many services are used, and requiring a full shift toward population health management.



Figure 8: Diverse array of value based care initiatives emerge across Asia

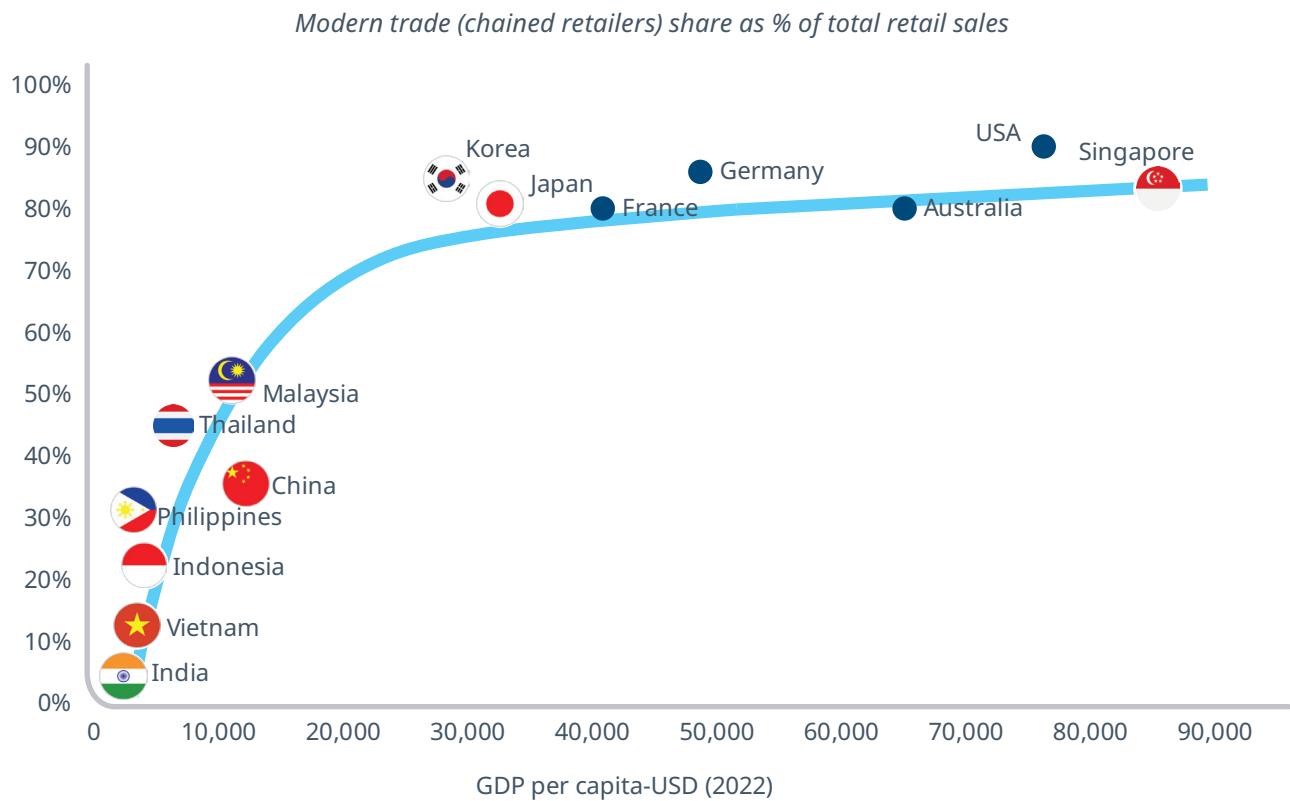


Abbreviations: VDO — Value Driven Outcomes; NUHS — National University Health System; VBC — Value Based Care; HMO — Health Management Organization
 Source: NUHS, IHH, Narayana Health, IQVIA analysis

Across Asia, health systems are now experimenting with combinations of these models, adapting them to local financing structures, disease burden, and data capabilities (Figure 8). From pilot projects to population-wide shifts, countries are beginning to rewire their systems for value. The shift is opening space for a new class of health innovators: AI-powered remote monitoring, chronic care management, and digital health platforms that can enhance value in care models across the region.

Theme 3: Private services accelerate

Figure 9: The trend towards consolidation in Asia



Source: World Bank, IQVIA analysis

The private healthcare sector in Asia is undergoing a strategic evolution. What was once a story of geographic expansion and bed count growth is now leading to a phase of consolidation, integration, and vertical capability building in the private healthcare service sector. As public systems face fiscal and operational strain, private players are stepping in to fill the gap while simultaneously redefining the care experience. From hospital groups to pharmacy chains, the most successful private providers are eyeing a transformation toward full-service health platforms, delivering care across the continuum, and increasingly dominating the ecosystem in which they operate.

As countries move up the income curve, healthcare markets tend to follow a familiar trajectory: from fragmented networks of independent, often physician-owned clinics and hospitals to consolidated corporate chains that offer scale, consistency, and brand trust (Figure 9). This shift is driven by both demand-side and supply-side forces. On the demand side, rising consumer expectations for standardization, digital access, and quality assurance push patients toward branded networks. On the supply side, regulatory pressure, workforce requirements, and capital intensity make it harder for standalone providers to compete. Larger chains benefit from economies of scale, shared technology platforms, centralized procurement, and cross-facility data integration.

Figure 10: Formation of Asia ‘Mega-Chains’ in private hospital sector



Abbreviations: AMRI — Advanced Medical Research Institute
Source: Siloam, Asia OneHealthcare, Manipal, Temasek, IQVIA analysis

In many middle-income markets in Southeast and South Asia, this consolidation wave is underway. Major hospital chains such as IHH Healthcare in Malaysia and Singapore, Bangkok Dusit Medical Services in Thailand, and Apollo in India are expanding into Tier 2 and 3 cities while integrating diagnostics, pharmacies, and insurance partnerships across their networks. Now, acquisitions and consolidations are occurring at a rapid pace, including both through private equity and domestic chain acquisitions (Figure 10). The result

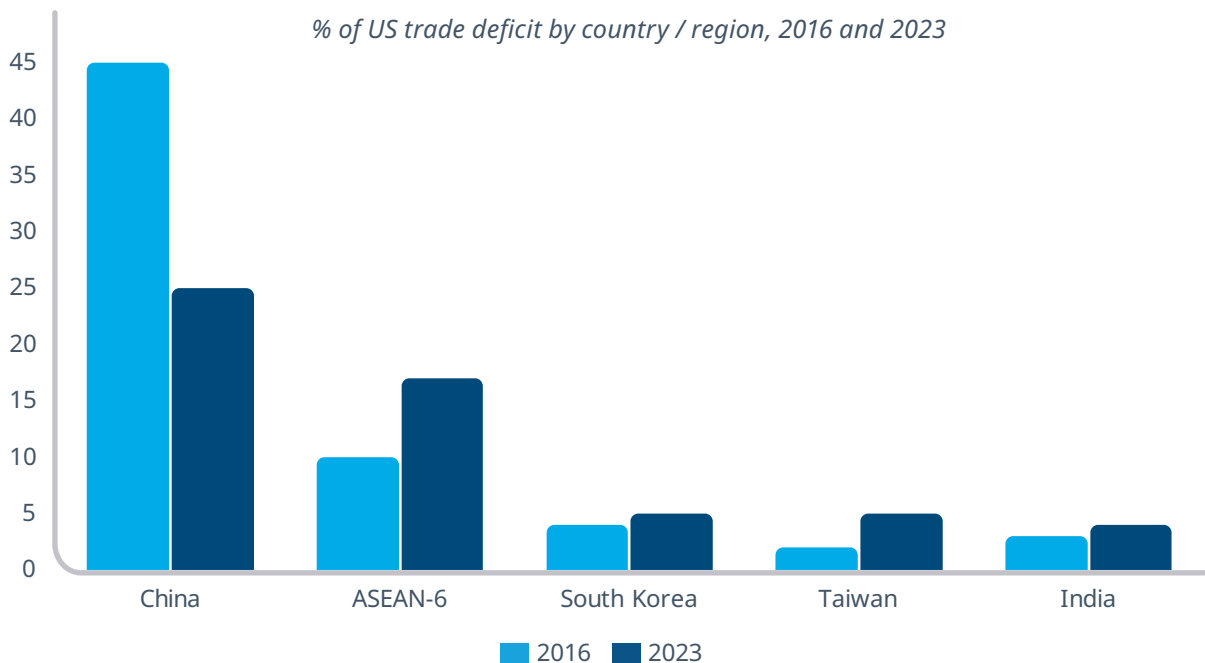
is often a nation-spanning set of private hospital chains that continue to grow and dominate emerging markets. A similar phenomenon is taking place within pharmacy chains, with major chain businesses such as Generika in the Philippines and BIG Pharmacy in Malaysia undertaking major acquisitions to expand their footprint within each country ([Link](#)).

Theme 4: Health sovereignty reigns — nationalism meets necessity

As the global political situation enters a period of renewed volatility, health systems across Asia are

recalibrating their dependencies. First, the emergence of geopolitical tensions in multiple global arenas and the growing uncertainty around the direction of U.S. foreign policy — including the potential for an accelerating tariff war — have cast a spotlight on the risks of global interdependence in healthcare (Figure 11). The COVID-19 pandemic revealed the fragility of cross-border supply chains, and today’s geopolitical climate is reinforcing the need for strategic autonomy. For many countries in Asia, health sovereignty is no longer a policy ambition; rather, it is an operational necessity.

Figure 11: U.S. trade deficits with ASEAN have grown



Abbreviations: ASEAN — Association of Southeast Asia Nations
Source: Nikko Asset Management, ITC, HSBC, IQVIA analysis

The shift toward domestic self-sufficiency is already well underway. Across Asia, countries are moving to localize the production of critical inputs, from pharmaceuticals and biologics to medical devices, diagnostics, and healthcare services (Figure 12). India has launched extensive incentive schemes under its Production-Linked Incentive Program, covering APIs, vaccine production, and high-end MedTech. The country is investing in manufacturing clusters and encouraging global players to partner with

local Contract Development and Manufacturing Organizations (CDMOs). Indonesia meanwhile has made health industrialization a policy priority, with a local content target. Meanwhile, Association of Southeast Asian Nations (ASEAN) , more broadly, is pushing for further regional integration with the Pharmaceutical Regulatory Policy, which aims to harmonize standards and encourage intra-ASEAN trade and development of pharmaceutical products, which would reduce reliance on imports from outside the bloc.

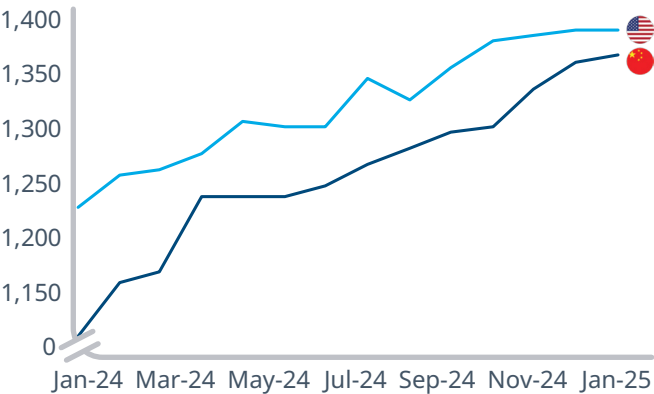
Figure 12: Steps toward health sovereignty in APAC



All of this is leading toward a world in which more pharmaceuticals, biologics, and devices are produced, regulated, and procured domestically. Multinational firms operating in Asia are already facing stronger expectations to manufacture in-market, co-invest with local partners, and comply with evolving domestic content requirements. While this may challenge traditional global sourcing models, it also creates opportunities: local CDMOs , regional Active Pharmaceutical Ingredient suppliers, and adaptive regulatory teams will become indispensable allies in navigating this new environment.

Figure 13: China approaches parity with the U.S. in AI

LMSYS Chatbot Arena performance, country top model, Jan '24 — Jan '25



Abbreviations: AI — Artificial Intelligence; LMSYS — Large Model Systems Organization
Source: Stanford University Artificial Intelligence Index Report 2025

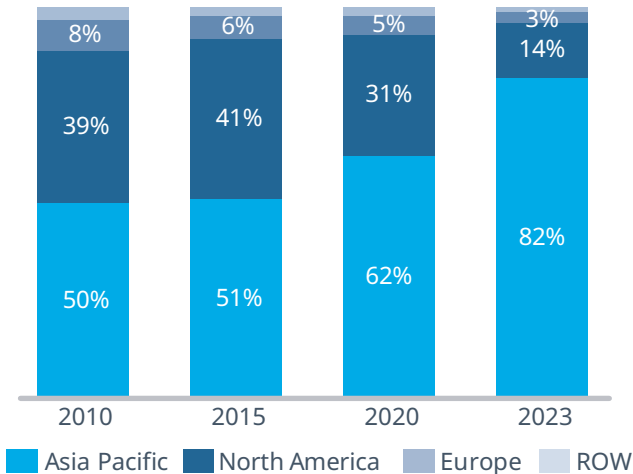
Beyond technical capability, Asia’s edge lies in cultural and political openness to AI. Surveys consistently show that populations across Asia believe AI will profoundly change daily life and is likely to have more benefits than drawbacks (Figure 15). Countries in the region

Theme 5: AI finds its footing — and its edge — in Asia

AI has long since shifted from the experimental frontier to a mass market product. While early dominance of generative AI stemmed from large language models in the U.S. China is now rapidly catching up, particularly in foundation models and domain-specific applications. Meanwhile, the broader Asia-Pacific region is now outpacing the West in AI-related patents, with more than 80% being granted in the region (Figures 13 and 14). As we enter 2025, Asia is not just beginning to adopt AI; it is increasingly producing and refining it.

Figure 14: AI patents expand into Asia Pacific

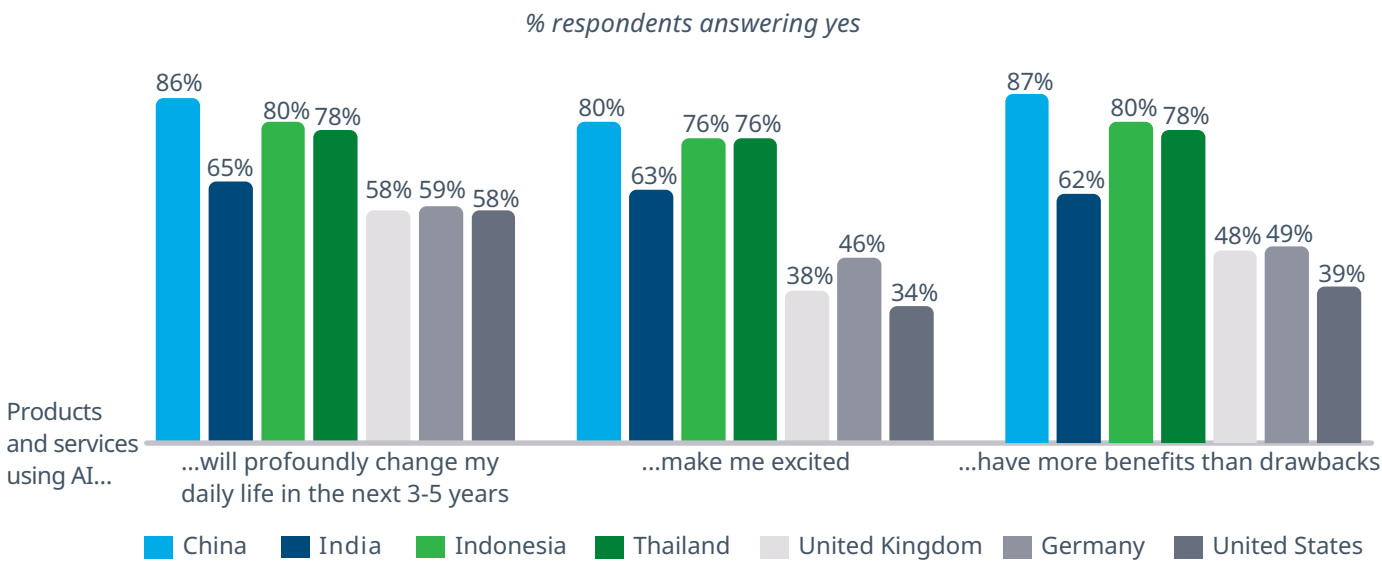
Granted AI patents (% of world total) by region, 2010-23



Abbreviations: AI — Artificial Intelligence; ROW — Rest of World
Source: Stanford University Artificial Intelligence Index Report 2025

also score higher in terms of the level of excitement inspired by AI tools. This openness is being mirrored by governments, which are now launching regulatory sandboxes, AI strategies, and public-private pilots to fast-track adoption.

Figure 15: AI is very positively perceived in Asia

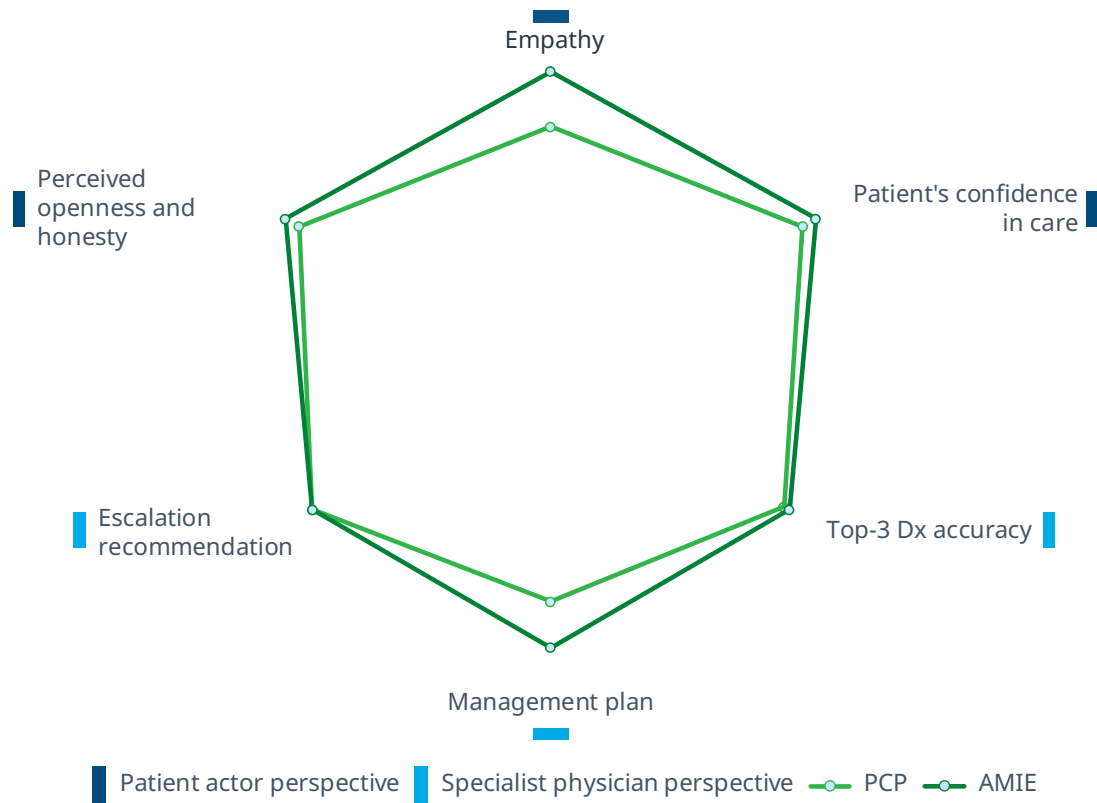


Abbreviations: AI — Artificial Intelligence
Source: Stanford AI Index, IQVIA analysis

AI’s potential impact on healthcare, meanwhile, continues to grow. In the latest clinical study published in April 2025, Google DeepMind’s Articulate Medical Intelligence Explorer (AMIE) was shown to outperform primary care physicians across multiple clinical reasoning metrics, demonstrating both diagnostic accuracy and empathetic communication (Figure 16).

Figure 16: AI starts to outperform even in the human aspects of healthcare

Performance of Google’s Articulate Medical Intelligence Explorer (AMIE) AI system compared to PCPs, April 2025



Abbreviations: AMIE — Articulate Medical Intelligence Explorer; AI — Artificial Intelligence; PCPs — Primary Care Physicians
Source: Tu, T., Schaekermann, M., Palepu, A. et al. Towards conversational diagnostic artificial intelligence. Nature (2025)



The technology has arrived. The ongoing challenge lies in identifying suitable models for deployment: facilitating support for overburdened clinicians, improving access in rural regions, and integrating intelligence into patient care pathways. Asia is particularly well positioned to lead this next phase. Its digital health infrastructure is rapidly maturing, its

care systems are under pressure, and governments are increasingly willing to trial new models at scale. The opportunity in the region is to leapfrog legacy systems, enabling more, including health coverage and better outcomes. The opportunity is thus not just to catch up, but to leap ahead.

Key implications for stakeholders

These five themes are shifting roles, responsibilities, and opportunities for stakeholders across the system. For industry players, healthcare service providers, and governments alike, adapting to this new landscape will require a nuanced understanding of the forces at play.



Industry

Localization imperative: Tariffs, local trial mandates, and sovereignty-driven procurement are incentivizing localization of operations. Regional manufacturing hubs (e.g., India's Production Linked Incentives, Indonesia's bio-localization policies) will reward early movers, while CDMOs should align to rapidly adapt to divergent national standards and ensure a competitive edge.

Partnership-driven ecosystems flourish: The path to market now runs through local platforms. Pharma and MedTech companies should integrate into digital health ecosystems. It is anticipated that more collaborations will occur involving international industry leaders, local healthcare ecosystem participants, and AI providers in the upcoming years. The landscape will increasingly favor flexible firms that are open to building models that meet external requirements.

Essential outcomes: As payers and providers increasingly demand real-world value demonstration, outcome tracking and risk-based pricing will define commercial success across markets. Industry players able to generate, analyze, and act on local outcomes data, particularly in chronic and specialty care, will lead the charge.



Healthcare services

Tech-enabled scale becomes a differentiator: Integration across Electronic Medical Records, diagnostic and service provision (including virtual care) is fast becoming a baseline. Chains that deploy unified data layers can more effectively move toward the type of predictive, preventive care that will define success and enable operational and clinical return on investment in the years to come.

New care models = new value engines: In rising cost environments and with increasing government pressure, resilience for providers will come from reinventing care models. Expanding and sustaining margins will require a data-driven approach to evolving delivery and producing the value that is required, including for the bottom line of the business.



Government

Data governance must supplement health infrastructure: Robust data governance frameworks are urgent, especially as national health records, AI tools, and decentralized platforms create new privacy, security, and interoperability challenges.

Balance financing reform with innovation: Universal health coverage schemes are already shifting focus from inclusion to long-term sustainability. To do this successfully will require successful expansion of risk pooling and digitization initiatives built upon the best economic and outcome data.

Conclusion

As the healthcare landscape in Asia evolves, it is not just adapting to global healthcare trends — it is beginning to reshape them. The convergence of demographics, economic growth, and digital acceleration has created a momentum shift. The eventual direction of this momentum shift will depend on the five foundational trends outlined in this white paper: digitized societies, value-based care, private sector transformation, national sovereignty, and AI-led innovations.

These are not passive forces, but more of an invitation to lead. Governments, industry stakeholders, and providers across the region should integrate into emerging ecosystems to serve as foundational elements for resilient, inclusive, and intelligent healthcare systems. Those who participate now — decisively, locally, and collaboratively — will influence future developments.



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