India Healthcare Industry Growth Report – 2024

Based on EY–FICCI "Decoding India's Healthcare Landscape", April 2024

1. Executive Summary

India's healthcare industry is undergoing an accelerated transformation driven by large-scale public investments, expansion of medical infrastructure, and rapid digital health adoption. Flagship initiatives such as Ayushman Bharat, PM-JAY, and the Ayushman Bharat Digital Mission have expanded access to primary, secondary, and tertiary services while significantly reducing financial burden on households. Over the last decade, India has added substantial hospital capacity, increased medical and nursing seats, and established more than **1.70 lakh Ayushman Arogya Mandirs**, strengthening preventive and community-level care.

Simultaneously, India's pharmaceutical and medical devices sectors have grown into globally competitive industries. Mortality indicators have shown consistent improvement, insurance penetration has increased, and digital platforms such as eSanjeevani and CoWIN have delivered services to hundreds of millions. With these combined shifts, India is transitioning from a fragmented system to an integrated, technology-enabled healthcare market poised for long-term, sustainable expansion. "India's healthcare industry is projected to reach USD 600–650 billion by 2047."

2. Introduction

India's healthcare ecosystem has evolved through systematic national reforms aiming to enhance access, affordability, and service quality. Policy initiatives under the National Health Mission, Mission Indradhanush, and PM-JAY have strengthened primary healthcare and expanded insurance coverage, particularly for vulnerable populations. Infrastructure expansion—including new AIIMS campuses, medical colleges, district hospitals, and the rollout of Ayushman Arogya Mandirs—has improved the availability of services at the last mile.

Digital transformation has emerged as a defining feature of India's progress. Platforms such as ABDM, eSanjeevani, and CoWIN have enabled seamless health record management, telemedicine access, vaccination delivery, and data-driven decision-making at a national scale. As these reforms continue to mature, India is steadily moving toward a more integrated and future-ready health system aligned with long-term development goals.

3. Public Health Performance

India has demonstrated sustained improvements across key mortality indicators due to better immunization coverage, institutional deliveries, maternal health programs, and improved primary care.

Table 1: Improvement in Key Health Indicators (2005–2020)

Indicator	2005–06	2015–16	2020	CAGR (2015–20)
Neonatal Mortality Rate	37	29.5	20	-7.5%
Infant Mortality Rate	58	40.7	28	-7.2%
Under-5 Mortality Rate	69	49.7	32	-8.4%
Maternal Mortality Ratio	254	122	97	-4.5%

4. Expansion of Healthcare Infrastructure

India's healthcare infrastructure has expanded rapidly:

- **PHCs:** 31,053 (2022)
- **CHCs:** 6,064 (2022)
- **Ayushman Arogya Mandirs:** 1,70,242 (2024)
- **Public Hospitals:** Increased from 7,008 (2005) to 60,621 (2021)
- **Beds:** Increased from 4.69 lakh to 8.49 lakh

These expansions reflect strong investments in primary and district-level care systems.

5. Healthcare Workforce & Medical Education

India's clinical workforce has grown considerably:

- **Doctors:** 6.6 lakh → 13.08 lakh
- **Nurses:** 14.8 lakh → 36.14 lakh
- **Dentists:** 78,096 → 3.25 lakh
- **ASHA Workers:** 10.65 lakh

Medical education has strengthened long-term workforce supply.

Table 2: Growth in Medical Education (2004–2024)

Category	2004–05	2014–15	2023–24
Medical Colleges	229	398	706
MBBS Seats	24,690	45,456	1,09,145
PG Seats	—	31,185	70,674

6. Healthcare Financing & Insurance Coverage

India has made steady progress in financial protection:

- **Health Spending:** 0.9% → 2.1% of GDP

- **OOPE:** Reduced from 64.2% to 47.1%

- **PM-JAY:** Covers 10.74 crore families

- **Insurance Coverage:** 37% → 52%; expected 70–75% by 2025

PM-JAY has enabled over **6.5 crore hospital admissions** worth ₹81,979 crore.

7. Digital Health Transformation

India has built one of the world's largest digital health ecosystems:

- **ABHA IDs:** 58 crore

- **Linked Records:** 34 crore

- **eSanjeevani:** 22 crore consultations

- **CoWIN:** 110 crore registrations; 220 crore vaccinations

ABDM has created a national framework for interoperability, digital records, and provider registries.

8. Pharmaceuticals & Medical Devices

India remains a global leader in pharmaceutical manufacturing:

- **60% of global vaccine supply**

- **₹1.74 lakh crore pharmaceutical exports**

- Medical device exports: **12.8% CAGR** (2011–2022)

PLI schemes and the Medical Devices Policy 2023 are strengthening domestic manufacturing capacity.

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9. Medical Value Travel (MVT)

India is a major medical tourism destination due to affordability and clinical quality:

- Medical tourists: **1.71 lakh (2012) → 5.04 lakh (2023)**
- Strong inflow from Bangladesh, Iraq, Maldives, Afghanistan

India's growing private hospital networks and wellness infrastructure support this sector's expansion.

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10. Disease Control Achievements

- **Kala-azar cases:** Reduced from 9,241 to <200
- Declines in measles, dengue, and TB due to national programs

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11. India's Healthcare Vision 2047

India aims to become a global healthcare leader by 2047:

- **50 lakh doctors**
- **1.25–1.5 crore nurses**
- **30 lakh new beds**
- **100% insurance coverage**
- **Full ABDM interoperability**
- Leadership in pharma, medtech, AI, robotics, and organ bioprinting

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12. Advantages

1. Rapid infrastructure expansion
2. Strong digital ecosystem
3. Expanding insurance coverage
4. Global pharma and vaccine strength

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13. Risks

1. Uneven regional access

2. High out-of-pocket spending (47%)

3. Specialist shortages

4. Dependence on imported medical devices

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14. Overall Risk–Opportunity Outlook

- Opportunities outweigh risks due to strong policy momentum and digital transformation.

- Risks can be mitigated through public–private collaboration and investment in workforce and infrastructure.

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15. Conclusion

India's healthcare sector has made substantial progress across infrastructure, financing, digital systems, and health outcomes. Insurance expansion, digital health platforms, and growth in medical education have widened access while reducing economic burden. With strong pharmaceutical and vaccine capabilities, India holds a strategic global position.

As the country progresses toward Vision 2047, continued focus on quality, innovation, workforce development, and digital integration will be essential. India is well-positioned to build a more inclusive, efficient, and future-ready healthcare ecosystem through sustained reforms and public–private collaboration.