

A photograph of a girl in a white sari making Rangoli and decorating with oil lamps for Diwali. The scene is lit by warm, glowing oil lamps, creating a bokeh effect in the background. The girl is in the foreground, focused on her work.

Focus on India, Sri Lanka Bangladesh

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The area known as the “Indian subcontinent” comprises India (and the island of Sri Lanka), Pakistan and Bangladesh.

Covering an area approximately the size of Europe, it shows an impressive variety of cultures, languages and religion. The whole subcontinent has been shaped by a millennial history of migrations and conflicts, including the British colonisation and violent clashes of the two main religions, Islam and Hinduism. In the last half century, remarkable transformations have occurred in the economic systems of India and its neighbouring countries, followed by contradictory social developments. Still nowadays, significant cultural improvements cannot yet eliminate deep-rooted problems like the environmental consequences of intense industrial activity, the troubling inheritance of the Indian caste-system and the unceasing violence against women.

India

Lying in relative isolation from the rest of Asia, protected by the world's highest Himalayan mountain system, India has been the centre of many important civilisations since at least 2000 BC. The northern part of the country was home to the major ruling powers of India and today it is still the most populous region.

The southern area consists of a triangular peninsula, mainly occupied by the Deccan plateau, crossed by several rivers on both sides. The indigenous population of India that used to live in the central and southern regions was conquered by the Arian population as early as 1500 BC, introducing the social divisions that formed the basis of the rigid caste system still dominating the Indian culture.

The penetration of Muslim populations around the thirteenth century and the rule of Muslim kingdoms lasted until the British conquest that established a powerful presence in India. After the country gained independence in 1947, many Muslims moved from India into the Muslim states of West and East Pakistan (today Pakistan and Bangladesh), although still around 75 million Muslims remain in India. However, Hinduism remains the dominant religion, practised in its various forms by about 80% of the population.

Over the last decades India has gained a prominent role as one of the two Asian superpowers together with China. With its 1.02 billion people, or 16.7% of the world's population, India is now the second most populous country in the world. The United Nations estimates that by 2050 India will take China's first place, due to the faster annual population growth rate (2% compared to China's 1%).

The urbanization rate is still far from China's one, as India has the largest rural population with 857 million, while only about 32% of population live in urban areas.

Nevertheless, figures about Indian cities are still impressive. Just to cite some data from the latest census, in 2011 there were 53 cities over 1 million inhabitants, all together hosting 14% of the total urban population.

Out of these cities, Delhi, Mumbai and Kolkata have the largest population (over 18, 16 and 14 million inhabitants respectively). According to UN estimates, in 2030 Delhi population is projected to rise to 36 million.

Eight-largest Indian cities (over 5 million inhabitants)

Mumbai	18.4
Delhi	16.3
Kolkata	14.1
Chennai	8.6
Bangalore	8.4
Hyderabad	7.7
Ahmedabad	6.3
Pune	5.04

Source: Census of India 2011

Economic and social developments

India's economic development has followed a rather distinctive pattern, different from the intensive industrialization experienced in China, and more service-oriented.

Over the last three decades a series of economic reforms and liberalisations boosted GDP and average income growth, although with very wide gaps between the single States as they have considerable autonomy.

Currently India ranks as the tenth-largest economy in the world, the third by purchasing power parity (World Bank and IMF ranks). Despite the considerable achievements in several sectors, such as reduction of the infant mortality rate, increase of literacy rate and life expectancy, improvements in transport and industrial infrastructure, poverty reduction and social welfare haven't kept the pace of economic growth. In fact, still 32.7% of India's population (about 335 million people) live below the poverty line, calculated at \$1,25 per day; about 300 million people are illiterate; over 40% of children are below acceptable nutrition levels; and basic medicines are unavailable in about three on four villages.

India's middle class – how large?

Many economic analysts over the last years have pointed at a "huge" Indian middle class as the driver for the future growth prospects, in the effort to bring foreign investments in the country. While it is undeniable that a considerable expansion of the middle-income group, many past and current studies about the Indian middle class (sometimes referred to as "neo middle class") do not take into account the structure of employment, that is still marked by a dualism between the informal sector, including self-employment and other subsistence employment, and the formal sector, whereas the majority of the workforce is under-employed and even some groups in the formally employed sector must still deal with poverty issues.

There is indeed a rapidly-growing number of people with rising incomes and significant spending power, but rather than a huge addition to the middle class, they represent a minority, facing a majority of people that are only slightly above the official poverty line counts.

Of course, this is not at all diminishing the importance of the Indian middle class, but how can it be concretely measured? Far from the early 1990s projections of 300 million people joining the group, an interesting chart from the 2011 census takes into account four basic assets such as television, computer/laptop, scooter/car and telephone/mobile phone. The percentage of population owning all of these assets is 4.6%, in other words around 50 million people.

According to the Mail Online India that reported about these charts in 2013, a so-called affluent belt, spread across the regions of Himachal Pradesh, Punjab, Haryana and Uttar Pradesh in the north, and some parts of Kerala, Tamil Nadu and Andhra in the south, while a "poverty belt" starts from the tribal belt of North-West India, which includes the Central India Tribal Belt, parts of Bihar, Orissa and the North-East. Moreover, the article claims inequality to be rising both between and within affluent and poor states, for instance, in Maharashtra and Bihar. Considering that around 30% of India's population live below the poverty line and 17.8% owns none of the specified assets, it is clear that measuring the middle-class isn't a straightforward, merely income-related task, and that only focused estimates, narrowed on specific segments of households and taking into account the different regional averages, are able to give a more realistic account of the Indian middle class size.

Healthcare industry

India's health system in figures

Total expenditure on health as % of GDP (2012)

4.1

Public health expenditure share of GDP (2012)

1%

Public health expenditure share of total health expenditure (2012)

33%

Private health expenditure share of GDP (2012)

3%

Number of physicians (2009)

757,377

Source: WHO

According to a report issued by the India Brand Equity Foundation, the size of the Indian healthcare industry

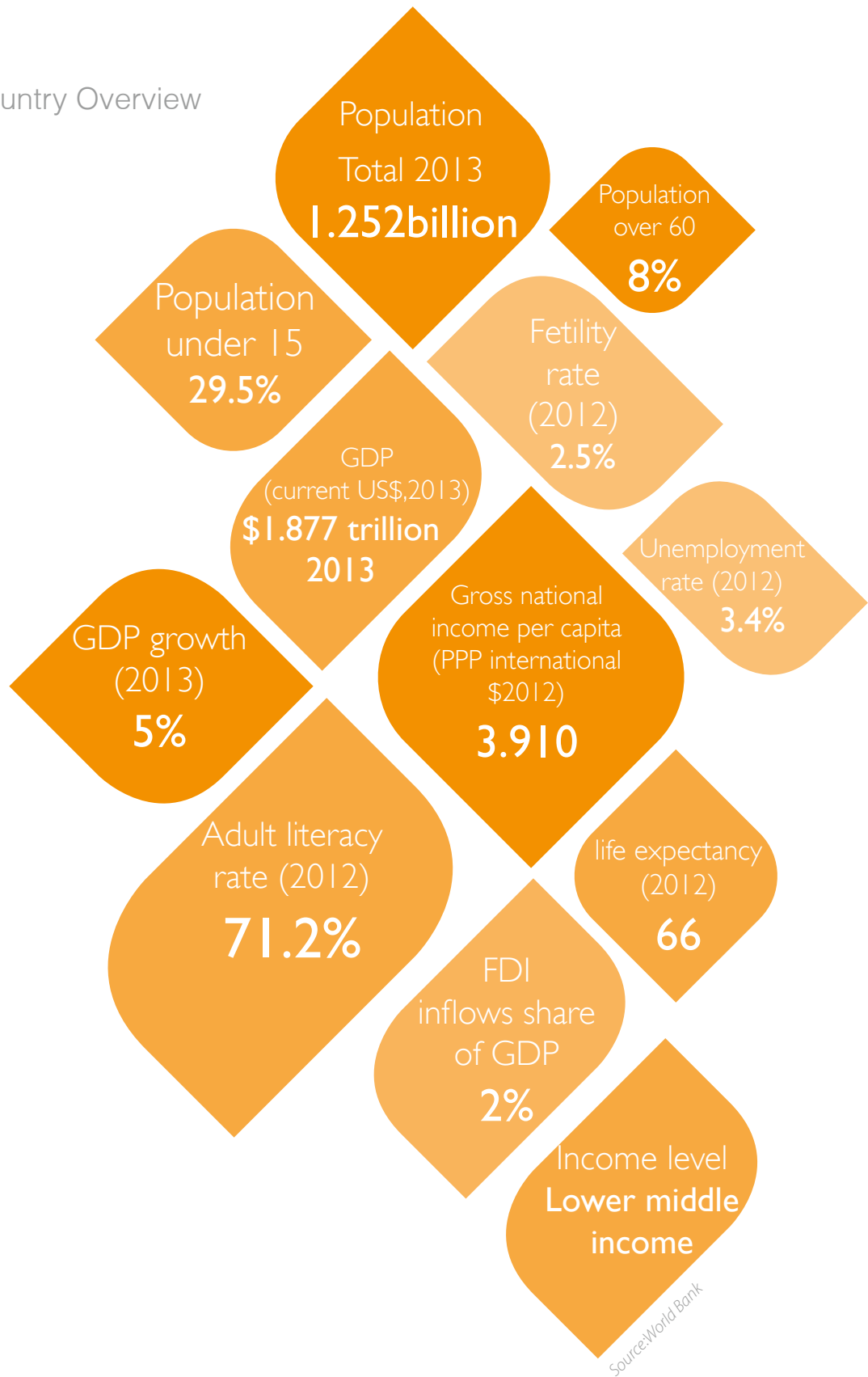
contributes to around 5% of GDP and employs 4 million people. The Foundation indicates the well-trained medical workforce as one of the main assets of the country's health system, followed by the attractiveness of lower costs for most medical treatments compared to the more developed economies.

The estimated growth of the healthcare sector is an annual 15%, from US\$45 billion in 2008 to US\$78.6 billion in 2012. By 2017, the most optimistic forecasts expect almost two-fold increase to US\$158.2 billion. Similarly, per capita health expenditure is expected to rise from US\$57.9 in 2011 to US\$88.7 by 2015, favoured by rising incomes and better access to high-quality healthcare facilities. A leading role in this growth is assigned to the private sector, whose share in healthcare delivery is expected to increase from 66% in 2005 to 81% by 2015.

Among the factors contributing to such projected growth, there are:

- Higher demand for better healthcare facilities at affordable prices from Indians with increased purchasing power. As health insurance adoption rises, growing segments of the population can afford high quality treatments.
- Growth of healthcare expenditure: although health spending still lies significantly below the average of the developed economies, total expenditure on health in India was over 4% of GDP in 2010 as compared to 2% in the year 2004 (World Bank 2012 data). Government spending on health is still less than 20% compared to 80% from private spending; however, it has increased to US\$83 billion under the 12th Five Year Plan, about US\$60 billion more than in the 11th Plan, raising public expenditure on health to 2.5% of GDP.
- Government Policies adopted to promote investment in healthcare sector and infrastructure:
 - 100 per cent FDI permitted for health and medical services under the automatic route.
 - Customs duty on all medical, surgical and dental equipments reduced from 7.5% to 5%.
 - Full exemption from excise duty/Countervailing Duty granted to six specified lifesaving drugs/vaccines.
 - International dental manufacturers allowed to establish joint ventures and outsourcing facilities.
 - Lower tariffs and higher depreciation on medical equipment and income tax exemption for 5 years granted to hospitals in rural and smaller urban areas.
 - National Rural and Urban Health Missions are going to converge into the National Health Mission, with higher budget allocation (US\$3.9 billion in 2013-14), as part government's commitment to raise public spending from less than 1% to 2-3% of GDP.

Country Overview



Healthcare investments

According to data released by the Department of Industrial Policy and Promotion (DIPP), hospital and diagnostic centres attracted over US\$2 billion foreign direct investment (FDI) between April 2000 and July 2014.

Among the major investments there are:

- US\$ 4.9 million to set up a public stem cell bank;
- Constructing a modern women and children cancer hospital at Parel in Mumbai;
- BlackBerry plans to launch an integrated healthcare service to enable early detection of illnesses, in partnership with healthcare technology firm NantHealth;
- Public funded HIV preventive services to transport sector workers;
- Government of Odisha was required to allocate 25 to 30 acres of land for a satellite centre of the All India Institute of Medical Sciences (AIIMS) Bhubaneswar as a super specialty healthcare facility;
- A proposal was approved to set up the National Cancer Institute (NCI) worth US\$ 332.62 million in the Jhajjar campus (Haryana) of AIIMS, New Delhi.

Moreover, other public initiatives include:

- Free Drug Service and Free Diagnosis Service to achieve 'Health For All'
 - Two National Institutes of Ageing to be set up at AIIMS, New Delhi and Madras Medical College, Chennai;
 - A national level research and referral Institute for higher dental studies;
 - AIIMS-like institutions in Andhra Pradesh, West Bengal, Vidarbha in Maharashtra and Poorvanchal in Uttar Pradesh;
 - 12 new government medical colleges to be set up;
 - 15 Model Rural Health Research Centres to be set up for research on local health issues concerning rural population.
- Further developments in the healthcare infrastructure include the establishment of retail clinics, single speciality, secondary and tertiary care centres in tier II/III cities, due to tax incentives and rising demand coming from affluent Indian households across these areas.

Oral health industry

According to the Indian Dental Association, in 2012 there were over 180,000 dentists in India, including 35,000 specialists in different disciplines. The dentist-to-population ratio differs in urban and rural areas, with an average 1 : 9,000 and 1 : 200,000 respectively. 297 dental schools, 125,000 dental clinics and over 5,000 dental laboratories constitute the dental services network.

As more than 24,500 new dentists graduate every year, their number is expected to rise to 300,000 by 2018, while the number of dental specialists should grow to 50,000.

As regards dental technicians, since only 32 colleges offer such courses there is a shortage of dental technicians compared to the rapidly growing demand, but the number is increasing.

More than 90% of dental practitioners work in larger urban areas and play a determinant role in the purchase of dental devices and materials for hospitals, clinics and other healthcare facilities. Most dentists prefer to work in private dental offices as opportunities are less in the public sector.

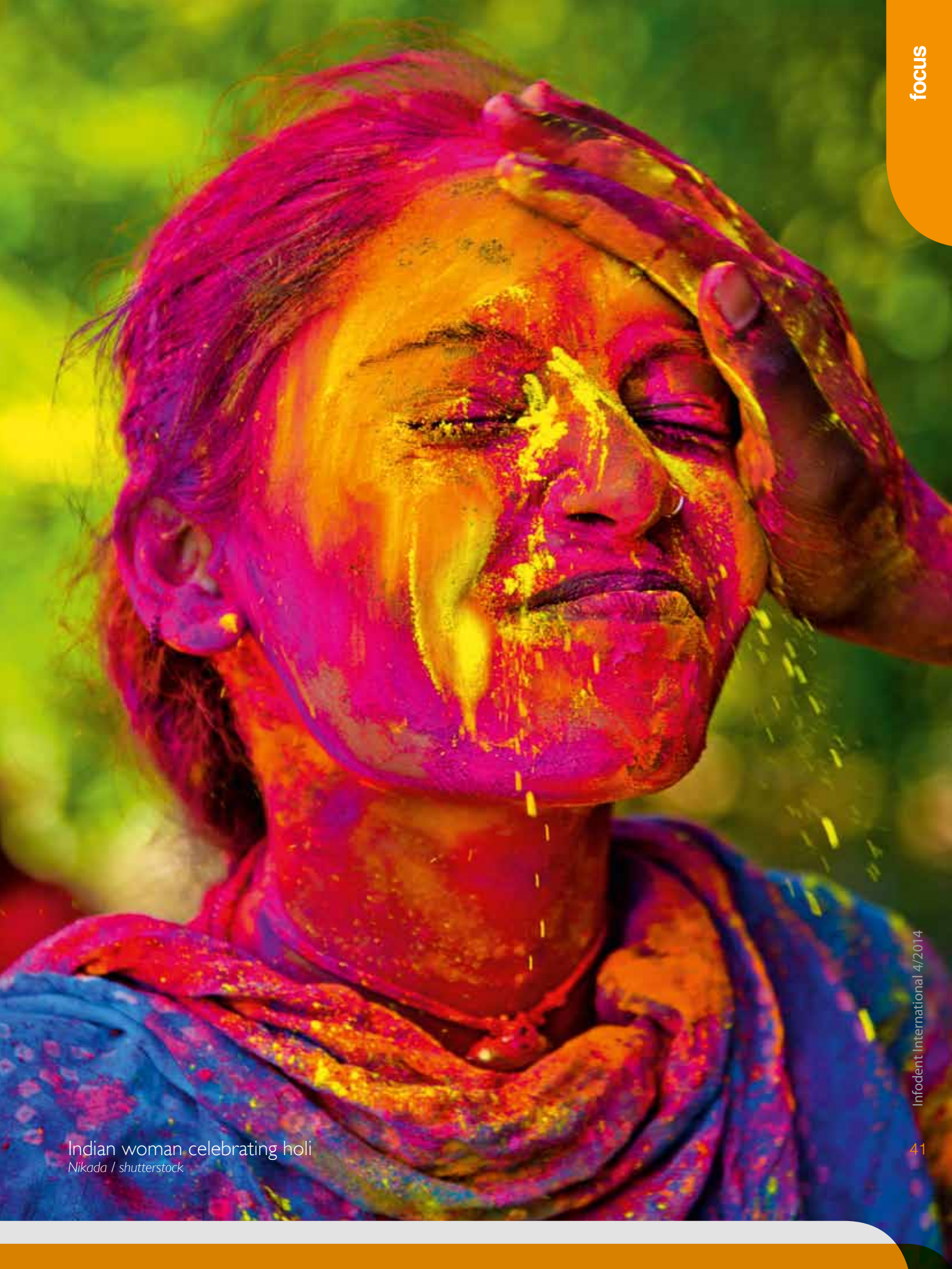
Moreover, the large majority (almost whole) of patients choose private practices since public facilities are often of poorer quality. In line with other countries, a growing trend is the establishment of group practices and dental clinics chains.

According to the Confederation for Indian Industries (CII), of the over 15,000 private hospitals and nursing homes in India, mostly located in the major cities, many also provide dental services and invest in sophisticated foreign medical/dental devices. Hospital chains belonging to private organisations have exclusive dental departments.

Due to the still unexploited potential, India's dental equipment market is seen as one of the most promising among the emerging economies, sized around US\$90 million. Several reports claim that the annual growth rate of the dental market may currently be around 10%, reaching US\$116.43 million already in 2014, and top 20% annual growth in the coming years, also in consequence of the investments coming to build dental specialisations departments in new hospitals, both for general and specialised care.

Several multinationals like KAVO GC, Ivoclar-Vivadent, Dentsply, 3M, Nobel Biocare, Sirona, Aceton, Ultradent, Coltene, Voco, SS White, Shofu and many others have set up offices in India, that is therefore becoming a main supplier of dental equipment and material to countries such as Sri Lanka, Pakistan, Africa and the Middle East.

The largest proportion of equipment and products, estimated at about 85%, are imported, mainly from Germany, USA, Italy, Japan and recently from China. The most important categories are consumable items, implants, X-Rays, dental units and imaging systems, with a significant growth in dental laboratory equipment and materials, dental drills, scalers and handpieces.



Indian woman celebrating holi
Nikada / shutterstock

Sri Lanka

Healthcare

Healthcare figures

Total expenditure on health as % of GDP (2011)

3.4

Private expenditure on health as % of total expenditure on health (2011)

55.4

Density of physicians per 1000 population (2006)

0.492

Density of nurses and midwives per 1000 population (2007)

1.93

Main healthcare issues

According to the WHO, Sri Lanka is on track for achieving most of the MDG targets, thanks to a continued commitment to health and education and an extensive network of public health units and hospitals, which are in general well staffed and equipped. Significant achievements have been made in nearly eradicating vaccine preventable diseases, except for dengue and some of the neglected tropical diseases. However, noncommunicable diseases and particularly cardiovascular diseases, cancers, diabetes and chronic respiratory diseases are rising and account for about 70% of deaths in the country.

In the North and Eastern Provinces, the recent civil conflict has left several damages to the health system, that still needs large-scale interventions to recover.

The Health Sector Master Plan 2007-2016 stressed the need to focus on the achievement of the health-related Millennium Development Goals, including more investment in infrastructure, more equitable development of the lagging regions, and strengthened public services delivery especially in the North and the Eastern regions that were already lacking adequate investment over a long time.

Oral health

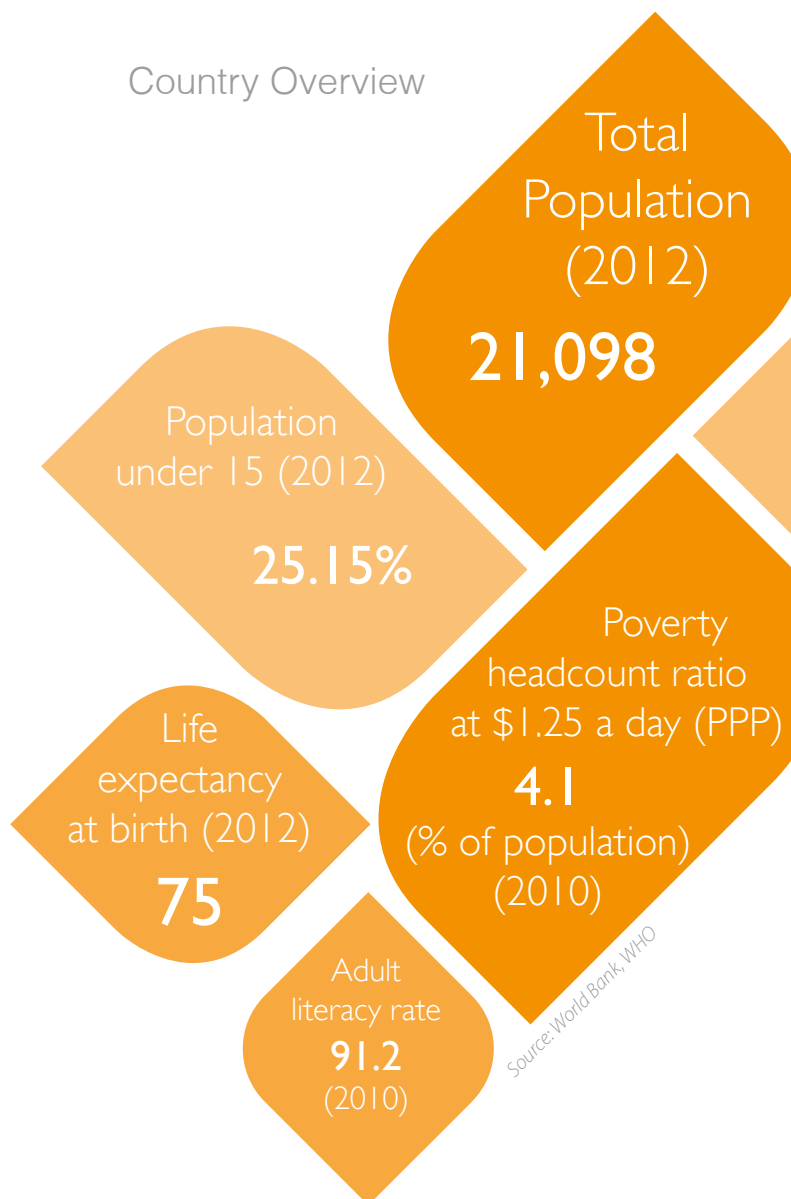
According to the last National Oral Health Survey, only about 3% of the 6 year old children have been treated for carious teeth, while 93% had unhealthy periodontal tissue and 48% has never received any type of dental treatment. More than 68% of the children of this age needed oral hygiene instructions and around 22% needed oral prophylaxis treatment.

On general terms, more than 60% of the population in all age groups were unaware of their oral disease status.

The dental service delivery is mainly curative oriented and based on hospitals for specialist care and outpatient dental clinics for primary care. Oral health prevention and promotion has received very little attention so far.

Clinical preventive care is carried out by a limited number of Community dental clinics, adolescent dental clinics and school dental clinics, mainly targeting the young population. The only available dental auxiliary category, the School Dental Therapist also targets the children aged 3 to 13. It is therefore crucial for Sri Lanka to develop a substantial oral health promotion policy favouring preventive oral health care with adequate personnel.

Country Overview



Population
over 60 (2012)
12.4%

The stilt fisherman at work, Sri Lanka, Asia
hadynyah Mortula / shutterstock

Bangladesh

As reported in a recent article by The Lancet, Bangladesh, the eighth most populous country in the world with about 153 million people, was recognised as an exceptional health performer with marked improvements in reduction of infants and children mortality, life expectancy, immunisation coverage, and tuberculosis control, despite a series of drawbacks including low healthcare spending, a weak health system and widespread poverty.

However, poverty and malnutrition remain major challenges, as the health care system, both public and private, is run by local entrepreneurs, different NGOs and international organizations. The Ministry of Health and Family Welfare is the leading public organization for policy formulating, planning and decision making with four Directorates providing health care services to the citizens.

Public health development policies have aimed at providing basic services to the entire population, particularly to the under served communities, including women, children, the elderly and the poor. Non government organizations (NGOs) are key sources of health services in both rural and urban areas, especially in providing family planning and maternal and child health services. More recently, NGOs have extended their range of services and are now the major providers of urban primary care. The Drug policy introduced in 1982 aimed to ensure the supply of essential drugs at all levels of health care delivery, at affordable price, and eventually resulted in a fairly advanced development of the pharmaceutical sector.

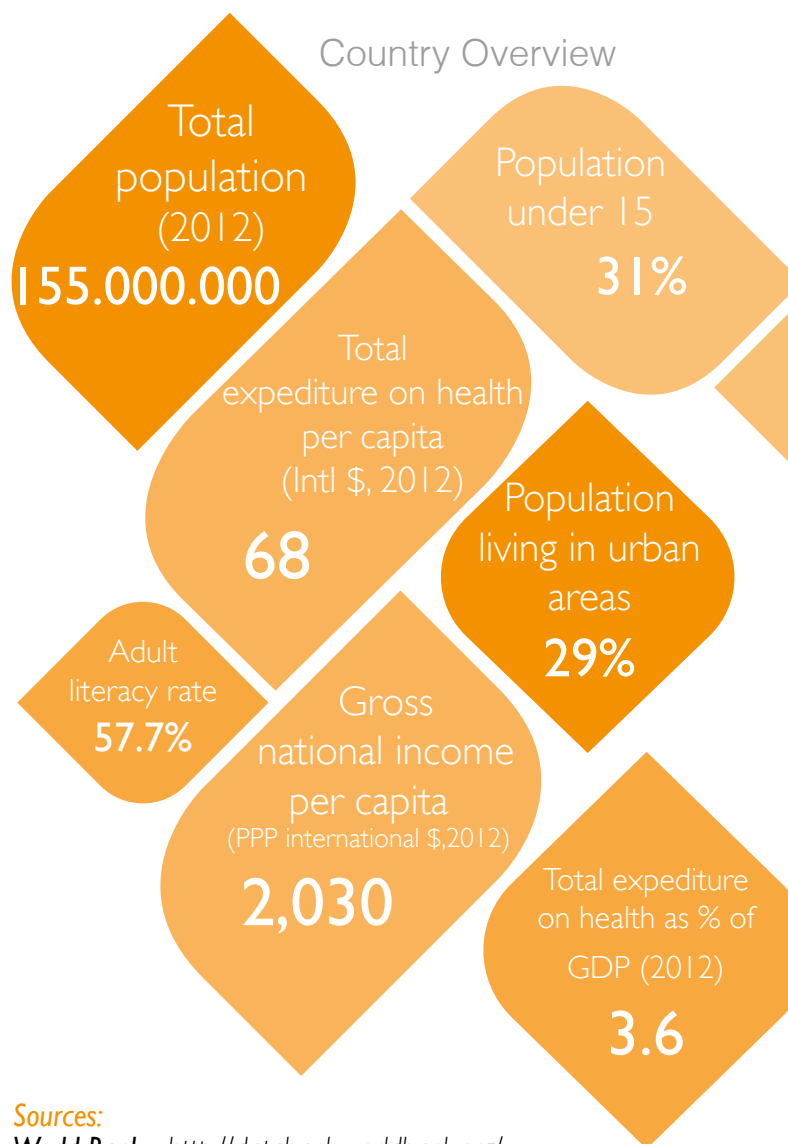
Medical industry

According to an Espicom report, in 2013 the Bangladeshi medical device market was estimated at US\$162.7 million, about US\$1 per capita. The market value is expected to rise to US\$243.6 million by 2018.

Medical device imports increased by 25.4% in the same year and topped a record US\$156 million.

The annual import total reached US\$161.3 million in the 12 months to March 2014, with an increase on the previous year of 29.7%. As local medical equipment production is extremely limited and only includes basic medical supplies, exports accounted for only US\$3.7 million in 2013 and US\$4.1 million in the 12 months to March 2014 (+21.3%)

Country Overview



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Life expectancy at birth m/f (2012)

69/71

Population over 60

6.8%



The stilt fisherman at work, Sri Lanka, Asia
hadynyah Mortala / shutterstock