

~ Asia Care Group ~



Healthcare market report | CHINA 2019



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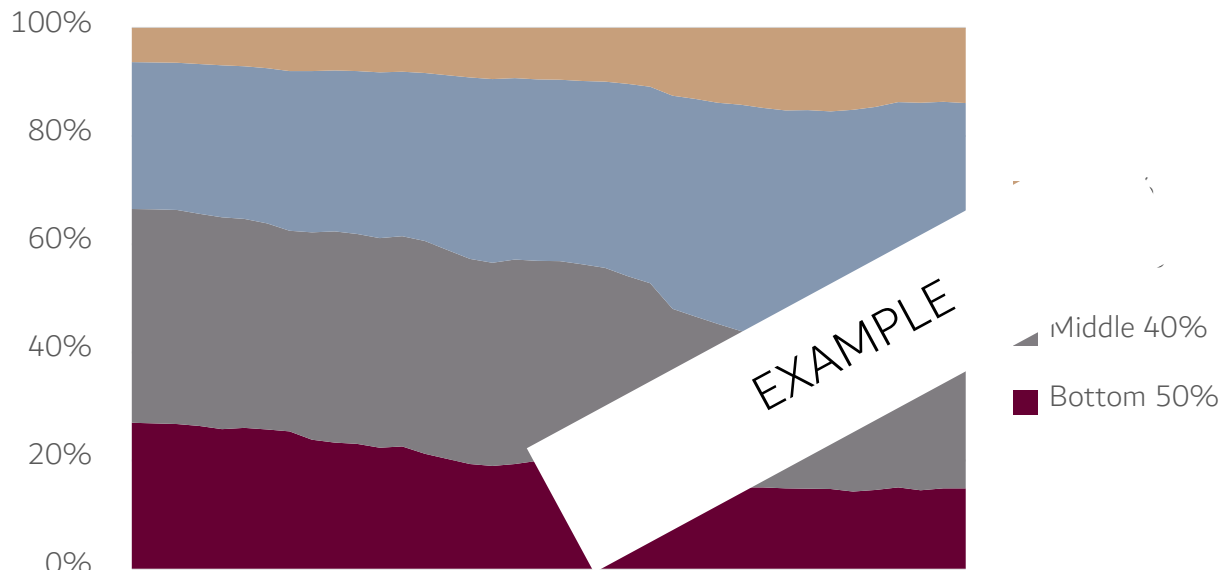
Trends in market access, sales and distribution

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China has successfully reduced absolute poverty over a short period, but the majority of the population are still classed as “low income”, after adjustments for purchasing power

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SHARE OF TOTAL INCOME OWNED BY THE POPULATION (STRATIFIED)
1978 -2015



- Wealth inequity has increased dramatically across China. The top 10% of the population, defined by income level, have seen rapid increases in the proportion of the countries' total income that they own and control. For the remaining 90%, the proportion of wealth owned has decreased. So whilst China is becoming richer, with growth in GDP overall, the distribution of this increased wealth skews heavily towards the richest in society.
- This situation poses a number of opportunities and challenges for healthcare companies. The richest in society, with increasing disposable income, are a core market for many international hospitals and insurance firms. However, the market is – in many regions- already saturated, making market entry prone to fierce competition. Creating services and solutions for the mass market – a relatively undersaturated space – means managing the very real affordability issues facing this segment of society.

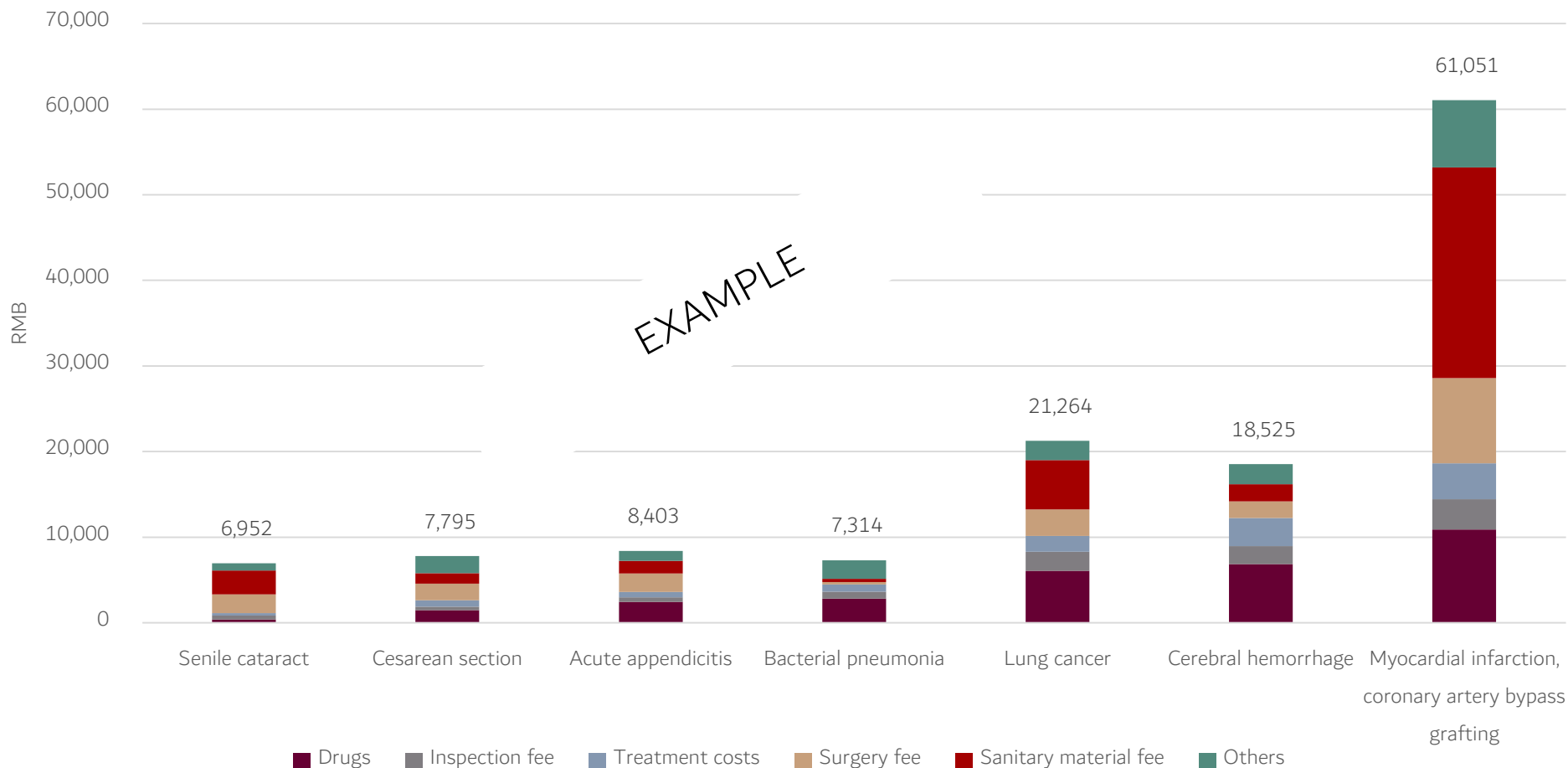
	1978	2015	Difference over time
Top 1%	6%	14%	8%
Next 9%	27%	41%	14%
Middle 40%	40%	30%	-10%
Bottom 50%	27%	15%	-12%

Source: World Inequality Database

A detailed breakdown of the charges for select conditions, highlights an increasing tendency to charge high fees for medical devices and consumables

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AVERAGE CHARGE OF SELECTED CONDITIONS (PUBLIC HOSPITALS), 2017

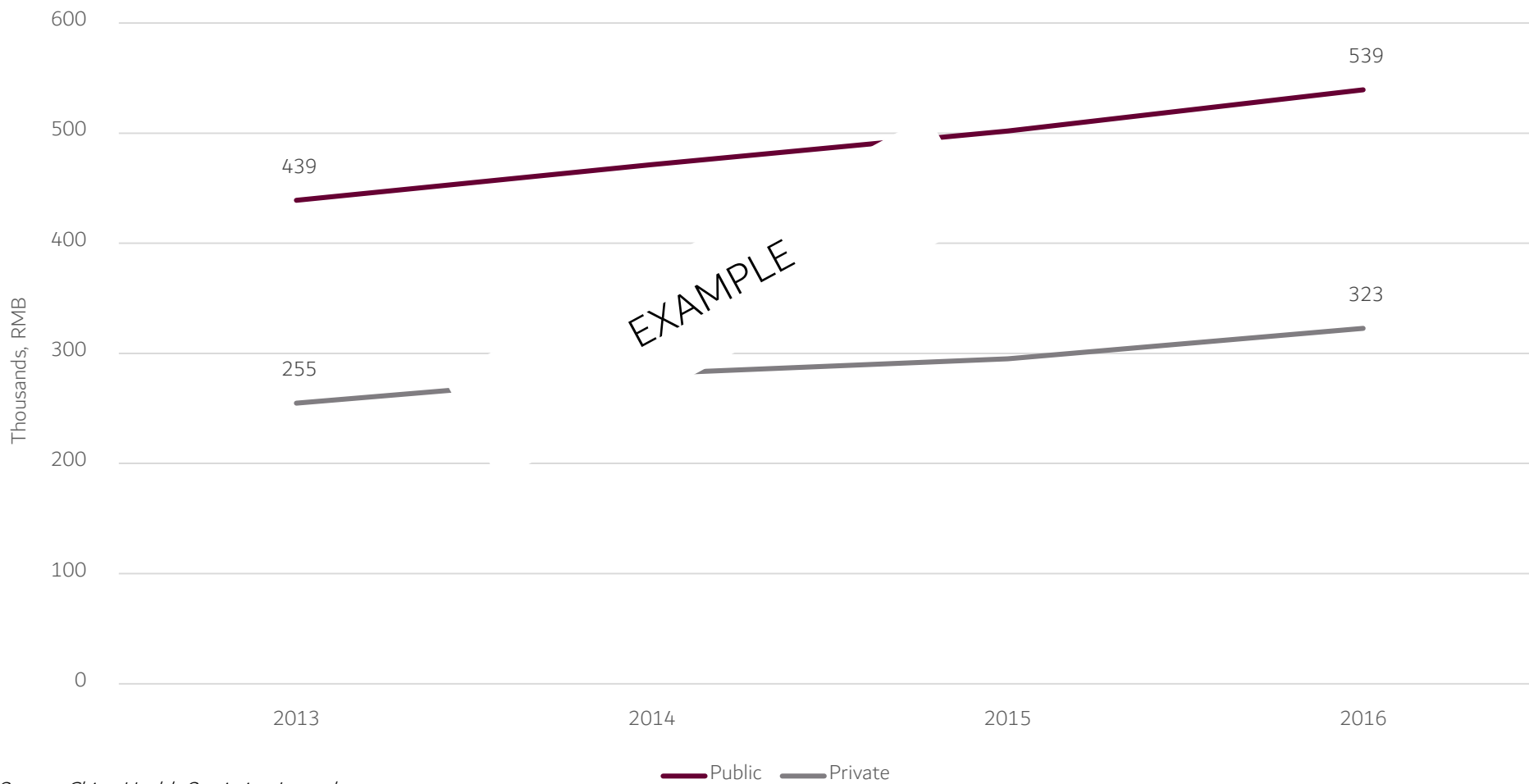


Source: China Health Statistics Journal

Despite changes to occupancy, revenue per bed has increased significantly in both public and private hospitals, pointing towards rapid medical inflation

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HOSPITAL AVERAGE REVENUE PER BED (PUBLIC & PRIVATE HOSPITALS), 2013 - 2016

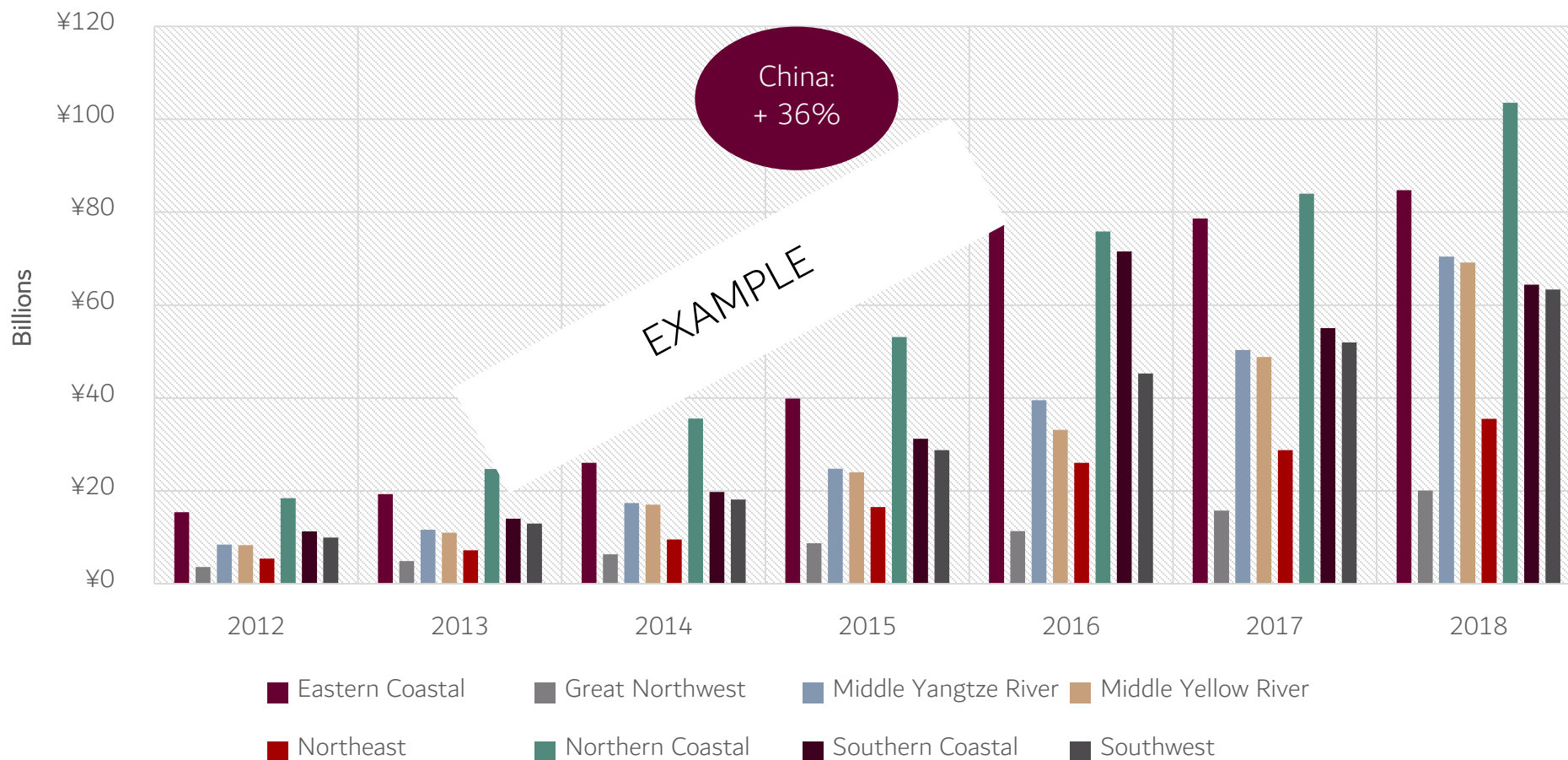


Source: China Health Statistics Journal

There has been significant growth in the private health insurance market, with a compound annual growth rate of 36% over a six year period

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GROSS PREMIUM OF PRIVATE HEALTH INSURANCE BY REGION (RMB), 2012 - 2018



Source: China Insurance Regulatory Commission



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