

## China's Healthcare Industry Overview: Continued Rapid Growth Expected, Fueled by Multiple Factors Led by the Healthy China 2030 Initiative

### Introduction/Executive Summary

#### Healthcare Statistics Snapshot and Comparison

Country/Region	China	U.S.	European Union
<b>Demographics (2016)</b>			
Population	1.38 billion	325 million	512 million
Share of Population Aged ≥ 65	10.8%	15.6%	19.0%
Life Expectancy	76.3 years (2015)	78.6 (2016)	80.6 years (2015)
Birth rate	1.30%	1.22%	1.00%
Death rate	0.71%	0.84%	1.00%
Population's Natural Growth Rate*	0.59%	0.38%	-
<b>Healthcare Statistics (2016)</b>			
Healthcare Spending	RMB 4.6 trillion	US\$ 3.3 trillion (RMB 22.0 trillion)	EUR 1.5 trillion (RMB 12.1 trillion)
As a % of GDP	6.23%	17.90%	7.10%
Doctors per 1,000 People	2.31	2.95	3.55 (2014)
Nurses per 1,000 People	2.54	11.3	~8.00 (2015)
Hospital beds per 1,000 People	5.37	2.75	5.15 (2015)

\* Birth rate less death rate

Source: Respective government's statistics

**China's healthcare industry, which accounted for about 6% of the country's GDP in 2016, is expected to expand rapidly in coming years.** China is vying to establish a modernized system of healthcare coverage and service delivery, and develop innovative medical products and therapies to accommodate surging demand from the world's highest population.

**Rising demand for medical services in China is driven by multiple factors,** including a rapidly-aging population, changing of diets and lifestyles that are unhealthy, worsening air and water pollution, abolishment of the one-child policy, growing urban population, and increasing disposal income as well as health awareness. Consequently, a significant shortage of medical services and professionals already exists in China today.

**China formally laid out its vision for improving the country's healthcare capabilities through the *Healthy China 2030 Initiative*.** This unprecedented reform package includes commitments from over 20 government departments, outlining a blueprint to substantially upgrade China's healthcare capabilities and catapult it as an international healthcare center for the world, with a focus on innovative drug and medical device research and development, improving medical service accessibility and affordability, and enhancing the country's health awareness.

**China will modernize its currently inefficient and increasingly inadequate healthcare service infrastructure.** A large majority of healthcare services are delivered at the largest public hospitals in the most populated cities in China. This concentration of China's healthcare service provision has led to overburdened public hospitals, emphasizing on patient turnover above all else. A key component of *Healthy China 2030* is to encourage investment of non-public healthcare facilities so as to relieve strained state hospitals, including their personnel. Nurturing the development of the non-public healthcare service market is timely, as it caters to China's expanding middle class, which has gone to great lengths for high-quality,

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