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INDIA

THE FUTURE OF HEALTH

Capitalizing on the Next Wave of Growth

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Gil Bashe,
Managing Partner,
Chair Global Health and
Purpose, FINN Partners

COMMUNICATION CAN UNLOCK THE POTENTIAL OF INDIA'S VAST HEALTH SECTOR OPPORTUNITIES

The Right Moment for Multinationals to Focus on Securing Their Southeast Asia Reputation

Expanding into Asia, particularly India, presents unique advantages for multinationals, especially for global pharmaceutical and health innovation companies. With its burgeoning economy, sizable population, and rapidly evolving health ecosystem, India is becoming a priority market for organizations aiming for growth. However, achieving success in India requires more than entering the market and signing deals—it requires a strategy for building a reputation and securing relationships.

India's health landscape is undergoing measurable changes. The government's increasing investment in health infrastructure, including favorable policies to entice innovators, coupled with a population that is becoming more health-conscious, creates tangible opportunities for multinational biopharma companies and health provider systems. Yet, to realize these opportunities, leaders must look beyond “big muscle” marketing tactics and secure trusted relationships within India's medical communities.

A multinational company's success in India is intricately tied to its ability to collaborate with local health providers and grassroots organizations. This means more than introducing innovative interventions and working with medical professionals to support patient education initiatives that can enhance health literacy nationwide. By doing so, companies can demonstrate their commitment to social impact by improving outcomes and building trust rather than quarterly sales goals.

But it also means showing an operational ability to help this nation of 1.4 billion people—with a growing middle class of more than 300 million—address pressing public health priorities head-on, such as infectious childhood and non-communicable illnesses. Companies at the forefront of vaccine development have shown their long-term commitment to partnerships through research and distribution, which has been critical in improving health outcomes in India. Those global companies that tie innovation to on-the-ground



applications secure opportunities to work closely with the government and health providers.

The Government of India knows well that to attract multinational innovation companies, it must demonstrate that its regulatory environment is evolving and more welcoming. Multinationals who see India and Southeast Asia as regions of opportunity are engaging in policy conversations and are better positioned to shape the economics that benefit patients, providers, and policymakers. This engagement fosters long-term trust and positions a company as a partner.

Brand reputation is the cornerstone of any multinational company's success in India. Trust is not won by just appearing interested. Yet once established, it secures partnerships that withstand competitive pressures. To succeed in India, company leaders must realize that their economic scale alone will not win over decision-makers. To be a trusted partner in health innovation requires investment in reputation-building communications. The return on investment in brand building—access to a dynamic, growing market—is significant, and the approach must be thoughtful and focused on building lasting value by making a difference.



PREFACE

Aman Gupta,
Managing Partner,
Health practice Asia Lead,
SPAG FINN Partners

Asia is where the future of health will be written, as the sector is brimming with opportunities, but tapping into this potential demands a deep, on-the-ground understanding. Amongst Asian countries, India, Vietnam, Indonesia, the Philippines, Singapore, and Malaysia are at the forefront, each offering unique opportunities that could redefine health as we know it. The continent is quickly becoming the focal point of global health innovation, driven by its dynamic economies, growing populations, and increasing demand for health advancements. As the region's middle class expands and life expectancy rises, the need for accessible, high-quality health services is more urgent than ever.

With diverse health needs, ranging from chronic disease management to advanced medical research, Asia is a region where both traditional health systems and new-age digital solutions are converging to meet evolving patient demands. From telemedicine to AI-driven diagnostics, Asia's health sector is embracing digital transformation to tackle its unique challenges. With governments increasingly investing in health infrastructure and

policies aimed at expanding access, the stage is set for significant improvements in both urban and rural outcomes. The focus on preventive health, public health initiatives, and increased private sector participation are accelerating this growth.

However, the complexity of Asia's health landscape requires more than just investment. Success hinges on understanding the socio-economic factors, regulatory environments, and cultural intricacies that shape the health sector in each country. Those looking to tap into this burgeoning market must build strong local partnerships, as these relationships are critical for navigating challenges and capturing the immense opportunities present. Asia's future in health is not just about numbers—it is about collaboration, innovation, and a deep commitment to meeting the needs of diverse populations.

As one of the most dynamic markets in Asia, India stands out as a pivotal player in this health transformation, offering unparalleled opportunities.

With a population surpassing a billion, India is at a crossroads where health expectations are rising in tandem with the growing middle class. Health is no longer viewed as a luxury but as a fundamental right, and this shift is driving unprecedented demand for quality services, both public and private.

India's health sector presents a diverse range of opportunities. On one end, the government is pushing forward with its ambitious Ayushman Bharat scheme, the world's largest government-funded health program, aimed at providing free health coverage to over 500 million citizens. On the other hand, the private sector is flourishing, with significant investments in specialized care, hospitals, pharmaceuticals, and telemedicine. India's rapidly growing digital health ecosystem, supported by the government's National Digital Health Mission, is creating new avenues for innovation—from teleconsultations to electronic health records (EHRs) to AI-driven diagnostics.

However, the challenges are just as vast. The rise of non-communicable diseases (NCDs) is putting immense strain on the health system. In rural areas, health infrastructure is still inadequate, with a lack of skilled personnel and medical facilities exacerbating the urban-rural divide. Additionally, managing infectious diseases also remains a priority.



Despite these hurdles, India's health market is on an upward trajectory, buoyed by its youthful population, increasing health literacy, and digital adoption. The rise of telemedicine, driven by widespread smartphone penetration, has unlocked access to quality care for millions who previously had none. Additionally, the growing focus on preventive care and wellness has opened up new avenues for health service providers and wellness companies.

For investors, India offers a wealth of opportunities, but success hinges on an intimate understanding of the local landscape.

Here's the key takeaway: India is no monolith. Each state is a mosaic of languages, cultures, and traditions. The secret to unlocking these markets? Partnering with local agencies that live and breathe these intricacies. These agencies understand the cultural sensitivities and communication strategies that resonate with diverse patient populations. For global investors, these partnerships are not just beneficial—they are essential. They help navigate complex regulations, engage meaningfully with local stakeholders, and tailor communication strategies to effectively connect with diverse audiences. Through these collaborations, investors can turn challenges into opportunities, ensuring short-term wins and long-term success.

The future of health lies in the most populous country in the world—are you ready to answer the call?



Current health dynamics

India's public health landscape is a paradox of immense progress and persistent challenges. On one hand, the country has made remarkable strides in reducing child mortality, eradicating polio, and expanding access to essential medicines. Yet, these achievements are often overshadowed by the pressing health challenges that continue to strain the system.

With a population of over 1.4 billion, India's health infrastructure is stretched thin, especially in rural areas where access to quality care remains limited. The public health system is overburdened, with an underfunded workforce and inadequate resources to meet the needs of a rapidly growing population.

Urban areas fare better but are grappling with a surge in lifestyle diseases that require more sophisticated care and management.

The biggest health challenges in India today are NCDs like diabetes, cardiovascular diseases, and cancer, which account for nearly 60% of all deaths in India. These are exacerbated by urbanization, unhealthy diets, and sedentary lifestyles. Meanwhile, infectious diseases like tuberculosis and dengue continue to pose significant threats, particularly in densely populated regions. Moreover, the growing elderly population adds another layer of complexity, with geriatric care becoming increasingly crucial.

Health market growth

Health market projected to reach USD **320** billion by **2028**

Health expenditure is around **2.1%** of GDP (**2022-23**)

Medical Tourism Revenue expected to reach USD **13** billion by **2026**

Medical devices market projected to reach USD **50** billion by **2030**

Digital health market projected to reach USD **9.90** billion in **2029**

Pharmaceutical market size projected to grow to USD **130** billion by **2030**

Health infrastructure & workforce

Doctor density is **5.0** per **10,000** persons

Nurses/midwives density is **6.0** per **10,000** persons

WHO threshold of **44.5** doctors, nurses, and midwives per **10,000** population

0.6 hospital beds per **1,000** population

Financial strain on households

Out-of-pocket health expenses contribute to **62.6%** of total health expenditure

Over **7%** of population pushed into poverty every year due to health costs

70% of the population has insurance coverage



PROGRESSIVE REFORMS UNLOCKING GLOBAL INVESTMENT OPPORTUNITIES



India has implemented a wide array of forward-thinking government policies to bolster its health, pharma, and medtech sectors, making the country an attractive destination for global investments. These policies, alongside regulatory reforms and incentives, create a conducive environment for global investors looking to tap into India's growing health market.



1 Foreign Direct Investment (FDI) policies

The FDI policies in the health and pharmaceutical sectors have been crafted to attract global investors by offering streamlined, investor-friendly processes. One of the key policies is the approval of 100% FDI under the automatic route in these sectors, which allows foreign companies to invest without requiring prior government approval. This significantly reduces bureaucratic hurdles, enabling faster decision-making and smoother market entry for global firms. Additionally, India actively encourages FDI in research and development (R&D) within the pharmaceutical industry, promoting innovation, technological advancements, and the development of new

drugs and treatments. By fostering a supportive environment for R&D investment, the government not only seeks to enhance India's domestic capabilities but also aims to position the country as a global hub for pharmaceutical innovation. These policies create immense opportunities for international firms to expand their operations, benefit from cost-effective production, and tap into India's vast and growing health market. Moreover, global firms investing in India can leverage the country's skilled workforce, advanced infrastructure, and growing demand for health solutions, ensuring both short-term growth and long-term sustainability in one of the world's most promising markets.

2 Tax incentives

India offers a range of tax incentives and customs duty exemptions aimed at attracting global investment in the pharmaceutical and health sectors. Companies involved in pharmaceutical manufacturing and R&D can benefit from tax holidays or deductions on income taxes, significantly reducing their financial burden. These incentives are designed to encourage long-term investments, particularly in sectors critical to national growth. For global firms, this means not only an

opportunity to lower operational costs but also to reinvest savings into innovation, expansion, or other strategic initiatives. In addition to tax relief, India also provides customs duty exemptions on the import of raw materials and equipment used in pharmaceutical manufacturing. This reduction or elimination of import duties helps to lower production costs for foreign investors, making India a cost-effective destination for manufacturing. By easing the financial pressures related to equipment and materials, these policies enable international firms to establish or expand their manufacturing bases in India more efficiently. Together, these measures create an attractive investment environment, offering global companies the dual advantage of reduced costs and access to one of the largest and fastest-growing health markets in the world.

3 National Pharmaceuticals Pricing Authority (NPPA)

The NPPA plays a critical role in regulating drug prices to ensure affordability and prevent excessive pricing. This regulation creates a stable and predictable pricing environment, which is particularly beneficial for long-term investors. By capping prices on essential medicines, the NPPA aims to make health services more accessible to the wider

population, thus expanding the market for pharmaceutical products. For global firms, this offers the advantage of operating in a market where pricing volatility is minimized, enabling better financial planning and risk management. Additionally, the government's focus on expanding health access means that demand for essential and innovative medicines continues to rise. Global firms investing in India can therefore leverage this stable pricing environment to build long-term strategies, tapping into the country's vast consumer base and growing health needs, while benefiting from the transparency and predictability of the market.

4 National Health Policy (NHP)

The NHP lays a strong foundation for fostering public-private partnerships (PPPs) and attracting investments in critical health areas such as hospitals, diagnostics, and other health services. The policy emphasizes the role of private sector collaboration in enhancing health infrastructure, improving service delivery, and expanding access to quality care. By facilitating investment, the NHP aims to bridge gaps in health accessibility, particularly in underserved regions, creating a favorable environment for private investors. The government's active support for PPPs offers global firms an opportunity to contribute to and benefit from the modernization of India's health system. Moreover, with increasing demand for advanced diagnostics and specialized health services, foreign companies can capitalize on the rising need for innovative solutions, while contributing to India's long-term health infrastructure goals.

5 Production Linked Incentive (PLI) scheme

The PLI scheme is a game-changer for the pharmaceutical and medical devices industries, offering financial incentives to companies that enhance their production capabilities and scale up domestic manufacturing. For the pharmaceutical sector, this scheme aims to boost competitiveness by encouraging the production of high-quality drugs and reducing dependency on imports of active pharmaceutical ingredients (APIs) and other raw materials. This initiative strengthens India's self-reliance in critical health supplies and positions it as a global manufacturing hub for pharmaceuticals, offering attractive opportunities for international investors to benefit from cost-effective production and government support. Similarly, the scheme for the medical devices sector provides incentives to companies that invest in local manufacturing and innovation. By reducing reliance on imported medical equipment, the scheme encourages foreign firms to set up manufacturing units in India, thereby tapping into the growing demand for health solutions in the country. For global firms, these policies represent a strategic advantage, as they can leverage the financial incentives to lower production costs, drive innovation, and meet both local and international market demands.

6 Make in India initiative

The Make in India initiative is a flagship program designed to transform India into a global manufacturing hub by encouraging domestic production across a wide range of sectors. This initiative provides robust support for infrastructure development, regulatory reforms, and the simplification of business procedures, all aimed at fostering a business-friendly environment. By improving the ease of doing business, the government has streamlined processes such as company registration, licensing, and compliance, significantly reducing the bureaucratic hurdles that previously deterred foreign investors. Additionally, Make in India is focused on enhancing the country's manufacturing capacity in critical sectors like pharmaceuticals, medical devices, and health infrastructure, helping India reduce its dependency on imports while also catering to the growing domestic demand for high-quality health products and services. For global firms, Make in India offers a compelling opportunity to invest in a rapidly growing market with the potential for high returns. The program's focus on infrastructure development means foreign companies can benefit from modern industrial parks, logistics facilities, and supply chain networks that support efficient manufacturing and distribution. Regulatory reforms, such as streamlined approval processes and relaxed foreign ownership norms, further

incentivize FDI, making it easier for global players to establish or expand their operations in India. By tapping into the initiative, international companies can leverage India's skilled workforce, low production costs, and government-backed incentives to build a competitive advantage not only in India but also in global markets.



seamlessly across different health providers and locations. This digital transformation is expected to address the existing inefficiencies in India's health system by reducing paperwork, minimizing errors, and enabling more personalized and data-driven care. For global firms, the NDHM presents a significant investment opportunity, especially in areas like health tech, telemedicine, digital diagnostics, and data analytics. The growing demand for remote health services has accelerated the adoption of digital health solutions, and the NDHM aims to institutionalize these advancements in a comprehensive manner. Foreign companies specializing in telemedicine platforms, wearable health devices, AI-powered diagnostics, and electronic health systems can find immense potential in India's vast health market. The initiative also promotes collaboration between public and private sectors, allowing global firms to partner with local players. Additionally, the government's support for digital health innovations, alongside its push for data privacy and security, ensures that international investors can operate in a regulated and secure environment. The NDHM offers a strategic entry point into India's rapidly modernizing health system, providing opportunities for long-term growth in a digitally empowered and patient-centric health landscape.

These reforms have significantly streamlined regulations and simplified procedures for setting up and operating businesses, creating a more inviting environment for global investors. The government's comprehensive efforts to improve the business climate include faster approval processes, reduced bureaucratic hurdles, and enhanced transparency across various regulatory and administrative functions. By implementing single-window clearance systems, digital submission platforms, and expedited licensing procedures, the government has effectively minimized the time and effort required for foreign firms to enter and establish themselves in the Indian market. These reforms also enhance transparency by providing clearer guidelines and streamlined processes, which reduce uncertainty and facilitate smoother interactions with regulatory bodies. For global firms, these improvements translate into a more predictable and efficient operational environment, allowing for quicker market entry and reduced overhead costs. The simplified procedures not only make it easier to obtain necessary licenses and approvals but also enable

faster scaling of operations and more agile responses to market changes. Additionally, the increased transparency helps build trust between foreign investors and Indian regulatory authorities, fostering a more collaborative and supportive business climate.

7 Digital health initiatives

The National Digital Health Mission (NDHM) is a transformative initiative aimed at creating a robust digital health ecosystem, opening up vast opportunities for investment in health tech and digital health solutions. The NDHM seeks to digitize health delivery by establishing a unified digital health infrastructure that includes EHRs, telemedicine platforms, and digital health IDs for citizens. Through the

integration of technology with health services, the initiative is designed to improve the accessibility, quality, and efficiency of health delivery in India. One of the key pillars of the NDHM is the development of a digital health registry that allows patients to store and access their medical records

8 Ease of Doing Business reforms

9 Special Economic Zones (SEZs)

India has strategically established SEZs dedicated to the health and pharmaceutical industries, offering a host of benefits designed to attract and support global investments. These SEZs are designated areas where businesses can operate under more favorable conditions compared to the general business environment. They provide substantial advantages such as tax exemptions, including reduced or zero customs duties on imported raw materials and equipment, and income tax holidays, which significantly lower operational costs. Additionally, SEZs offer robust infrastructure support, including state-of-the-art facilities, logistics hubs, and utilities, which are essential for efficient manufacturing and distribution operations. The streamlined regulatory framework within these zones further enhances their appeal by reducing bureaucratic red tape and simplifying compliance requirements. This includes faster approvals for project clearances, reduced paperwork, and more straightforward procedures for obtaining necessary licenses and permits. For global firms, these benefits translate into a more cost-effective and less cumbersome business setup, allowing them to focus on their core activities. The infrastructure and regulatory advantages offered by SEZs not only facilitate smoother entry and operation but also foster a conducive environment for innovation and growth. By investing in India's SEZs, global companies can leverage these advantages to establish or expand their operations with greater efficiency and reduced costs.

11 Biotechnology Industry Policy

The Biotechnology Industry Policy is a forward-looking initiative designed to foster substantial investment in biotechnology research, development, and commercialization. This policy aims to create a vibrant biotech ecosystem by offering a range of incentives to both domestic and international biotech firms. These incentives include financial support, tax breaks, and grants for R&D activities, as well as subsidies for setting up state-of-the-art facilities. The policy also emphasizes the importance of fostering collaboration

10 Biotechnology Research Innovation and Entrepreneurship Development (Bio- RIDE) scheme

The Bio-RIDE scheme is aimed at positioning the country as a global leader in biotechnology and biomanufacturing. It is structured around three key components: Biotechnology Research and Development (R&D), Industrial & Entrepreneurship Development (I&ED), and Biomanufacturing and Biofoundry. The scheme focuses on fostering innovation, promoting bio-entrepreneurship, and advancing sustainable biomanufacturing. By supporting startups with seed funding, incubation, and mentorship, Bio-RIDE aims to create a robust ecosystem for bio-entrepreneurs. It also offers grants for cutting-edge research in synthetic biology, biopharmaceuticals, bioenergy, and more, while encouraging industry-academia collaboration to fast-track commercialization of

bio-based products. Furthermore, Bio-RIDE emphasizes environmental sustainability by promoting green biomanufacturing practices and provides extramural funding to researchers and institutions. The scheme also prioritizes nurturing human capital by investing in the holistic development of students, young researchers, and scientists in multidisciplinary biotech fields. Through capacity building and skilling programs, Bio-RIDE seeks to empower a new generation of professionals to harness the full potential of bio-innovation in addressing national and global challenges. The scheme presents significant opportunities for global firms by providing access to a pool of top-tier research and talent. They can also engage with emerging startups.

between international biotech companies and local firms, encouraging joint ventures, strategic partnerships, and knowledge exchange. By promoting such collaborations, the policy facilitates the integration of global best practices with local expertise, driving innovation and accelerating the commercialization of biotech innovations. For global firms, the policy offers a strategic advantage by providing a supportive framework for entering and expanding in the Indian biotech market. The financial incentives and collaborative opportunities reduce the barriers to investment and allow foreign companies to leverage India's rich pool of scientific talent and research capabilities. Furthermore, the policy's focus on commercialization and R&D aligns with the growing demand for advanced biotech products and solutions in India, offering international firms a lucrative market with significant growth potential.



KEY GROWTH DRIVERS:

As demand for quality health services rises, both local and international investors have an unprecedented opportunity to tap into India's expanding market for high-end medical facilities, specialized treatments, and pharmaceuticals. India's cost-effective health system, supported by government incentives and favourable policies, positions the country as a prime hub for global players looking to enter or expand. The future for health and pharmaceutical companies in Asia, particularly in India, holds unmatched potential. By investing in the region, global firms can achieve substantial financial returns and significantly impact health delivery in one of the world's most populous and diverse areas. This market offers a rare blend of growth, innovation, and strategic advantage. For companies willing to navigate its complexities, the rewards are transformative—not only for their bottom lines but also for the millions of lives they will touch across Asia.

Unleashing Growth Through Demand, Innovation & Partnership



Rising demand:

With more disposable income and an increasing focus on health and well-being, the middle class is seeking higher-quality medical care, specialized treatments, and preventive health services. This shift is not

Access to a flourishing market:

With a prospering middle class and rapidly increasing demand for health services, India is set to become a significant revenue generator for global health and pharma companies. The health market, valued at approximately USD 180 billion in 2023, is projected to soar to around USD 320 billion by 2028. This impressive growth is driven by multiple factors: rising life expectancy, a growing awareness of health and wellness, and an increase in lifestyle-related diseases such as diabetes, hypertension, and cardiovascular issues. As the middle class expands, so do their expectations and demands for more advanced services, from diagnostics to specialized treatments. Moreover, the shift in health needs is compounded by India's aging population and an increase in disposable income, leading to higher spending on preventive care and chronic disease management. As urbanization accelerates, the demand for private health services, digital health solutions, and telemedicine is also on the rise, offering global firms a wealth of opportunities to innovate and invest in this dynamic and rapidly evolving health ecosystem.

limited to urban centers; even smaller towns and rural areas are witnessing a rise in demand for modern health facilities and services. The growing awareness around lifestyle diseases, preventive health, and the importance of early detection has further accelerated this demand.

For global firms, this represents a vast investment opportunity. As health infrastructure expands to meet the growing needs of this population, there is ample room for foreign companies to introduce cutting-edge medical technologies, establish facilities, and offer advanced pharmaceutical products. The demand for more sophisticated health services creates opportunities for global firms to partner with Indian providers, invest in specialized hospitals, diagnostic centers, and telemedicine platforms, and collaborate on health innovations. India's rising demand is a clear signal for global investors to tap into one of the world's fastest-growing health markets, ensuring both profitable returns and impactful contributions to India's health evolution.

Expanding pharma manufacturing base:

India's status as the 'pharmacy of the world' stems from its robust pharmaceutical manufacturing base, which plays a crucial role in the global health supply chain. The country is a major producer of generic drugs, accounting for

a significant share of the world's generic medication supply. India also excels in the production of vaccines, contributing substantially to global immunization efforts. This extensive manufacturing capacity is supported by a well-established infrastructure, a skilled workforce, and cost-efficient production processes. The Indian pharmaceutical industry's

ability to produce high-quality medications at lower costs has made it an essential partner for many international companies. Moreover, in recent years, Indian companies have developed significant expertise in chemical synthesis, particularly for more complex products, as well as in injectables and fermentation processes. Also, India's expanding proficiency in advanced technologies such as analytics and AI/ML has led to a rise in pharma service providers offering these solutions.

Investing in or partnering with Indian pharmaceutical manufacturers allows companies to significantly reduce their overall manufacturing expenses. Additionally, India's established supply chain and logistics networks ensure efficient distribution of products both within the country and to international markets. This is particularly advantageous for firms looking to scale up their operations and expand their market reach without incurring high overheads.

Strategic position for global expansion:

India's strategic position makes it a prime base for global health and pharmaceutical firms aiming for expansion, not just within India but across other emerging markets. Its central location in Asia allows easy access to key markets in Southeast Asia, the Middle East, and Africa, making India an ideal hub for exporting health and pharmaceutical products. By establishing a presence in India, global companies can leverage the country's robust

manufacturing capabilities and low-cost production environment to scale their operations. The government's supportive policies further enhance local manufacturing capacities, allowing foreign firms to benefit from financial incentives while expanding their production base. Additionally, the skilled workforce, technological advancements in areas like AI, digital health, and R&D, and its vast patient pool for clinical trials make it an attractive destination to innovate, develop new treatments, and tap into new growth opportunities.

Innovation and R&D opportunities:

India is rapidly emerging as a global hub for R&D in pharmaceuticals, biotechnology, and medical technologies, driven by a robust talent pool of scientists, engineers, and health professionals. The government's push towards innovation coupled with favorable policies is accelerating advancements in these fields. From drug development to cutting-edge medical devices and diagnostics, India offers a fertile ground for groundbreaking health solutions. Collaborating with Indian companies on cutting-edge technologies, clinical trials, and drug development will help reduce costs and accelerate time-to-market for new treatments and technologies. With India's growing focus on biosimilars, vaccines, and personalized medicine,

global investors stand to benefit from the country's growing innovation landscape. Moreover, India's expertise in advanced analytics, AI, and biotechnology makes it an attractive destination for global investments, particularly as the number of tech startups and R&D hubs continues to grow. The country is also becoming a pivotal player in clinical trials, thanks to its diverse population and evolving regulatory environment. Recent reforms have streamlined the approval process, making India a cost-effective and efficient location for conducting trials in critical areas. Multi-national trials for cancer therapies and cardiovascular treatments underscore India's growing role as a hub for global clinical research.

Digital health revolution:

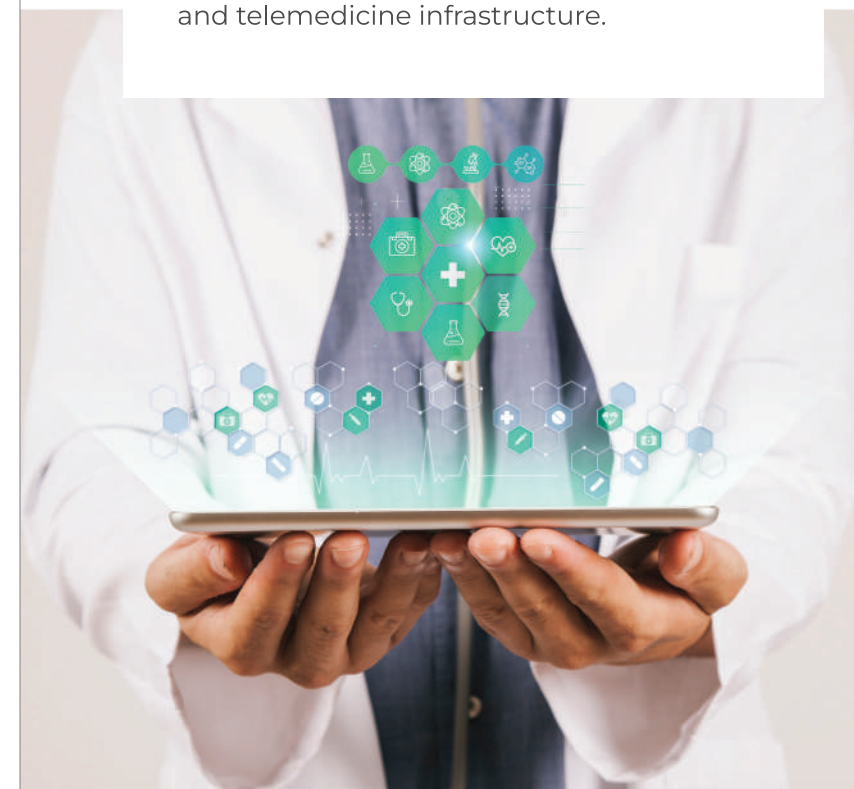
India is at the forefront of a digital health revolution, with rapid adoption of cutting-edge technologies and telemedicine transforming health delivery. The widespread use of smartphones, coupled with increasing internet penetration, has enabled millions of people, even in remote areas, to access health services that were previously out of reach. Digital health solutions, including telemedicine platforms, health apps, wearable devices, and AI-powered diagnostic tools, are not only improving patient care but also significantly reducing costs and expanding access. These technologies are bridging the gap in rural and underserved regions by offering virtual consultations, remote monitoring, and digital prescriptions. Global companies specializing in health tech can collaborate with Indian startups or health providers to develop and scale innovative solutions that meet the unique needs of the Indian market. There is immense potential to introduce AI-driven diagnostic platforms, telehealth solutions, and data analytics tools to enhance patient outcomes and streamline health processes. Additionally, investors can tap into the growing demand for health information management systems, EHRs, and telemedicine infrastructure.

Driving health equity:

By supporting local innovation—whether in biotech, digital health, or affordable medical devices—investors can help bridge the gap between demand and accessibility. India's growing focus on health infrastructure provides a platform to develop scalable, cost-effective solutions that can be replicated in other low- and middle-income markets globally. Investing in India aligns global companies with a broader movement to reduce global health disparities. This goes beyond profitability; it enhances a company's reputation as a socially responsible leader. Additionally, firms investing in health equity in India benefit from strong government support through policies, making these efforts not only impactful but also financially rewarding.

Cost efficiency and high returns:

India's health infrastructure offers a highly cost-effective environment for manufacturing, R&D, and overall operations. With labor costs significantly lower than in many Western markets, along with access to highly skilled talent, companies can scale their operations without the high overheads typically associated with global expansion. This cost advantage is further enhanced by India's sophisticated manufacturing capabilities, which have been optimized for producing high-quality generic drugs, APIs, and medical devices at competitive prices. As a result, global firms can expect higher profit margins while maintaining world-class quality standards. In addition to operational efficiencies, the government has created a favorable investment climate through various financial incentives. These policies significantly reduce the cost of entry and ongoing operational expenses, improving return on investment (ROI).



Cultural and operational synergies:

India's unique blend of cultural diversity makes it an ideal testing ground for innovations that can be applied globally. By partnering with Indian companies, global firms can gain deep insights into local consumer preferences, health challenges, and regulatory environments, allowing them to create more personalized and region-specific solutions. Moreover, India's expertise in areas such as telemedicine, affordable diagnostics, and large-scale pharmaceutical manufacturing aligns well with the operational goals of global companies looking to expand their reach. This synergy will foster a more agile approach to addressing global health trends, such as the rise of NCDs. Investing in India provides a dynamic platform to test and refine scalable health models that can be replicated in other emerging markets.

Enhanced market competitiveness:

India's vast and diverse patient population provides access to an unparalleled pool of real-world data, offering critical insights for developing new treatments, refining existing ones, and customizing therapies for different demographics. The scale of patient data available in India, combined with advanced data analytics capabilities, allows companies to optimize drug development timelines, improve clinical trial designs, and predict market trends more accurately. This depth of insight accelerates product development cycles, reduces R&D costs, and enables quicker market entry—giving global firms a significant competitive edge. Additionally, India's focus on digital health initiatives further strengthens its position as a data-rich environment. These digital tools not only streamline health delivery but also offer an opportunity for companies to refine market strategies by analyzing patient behaviors and health trends in real-time. Global firms stand to benefit from the wealth of actionable insights that can enhance product differentiation, improve patient outcomes, and drive long-term market success.

Expanding medical tourism:

India has established itself as a leading destination for medical tourism, thanks to its reputation for offering high-quality health services at a fraction of the cost compared to many Western countries. From complex procedures like cardiac surgeries, organ transplants, and orthopedic treatments to elective surgeries and wellness programs, India attracts patients from across the globe seeking world-class care at affordable prices. This growing demand is driven by highly skilled doctors, state-of-the-art medical facilities, and cutting-edge technologies. Additionally, India's health institutions are known for providing shorter wait times, which further enhances the country's appeal to international patients. The influx of foreign patients increases the need for advanced health facilities, luxury hospitals, and specialized services, creating opportunities for global investors to partner with Indian health service providers or establish new health ventures. Furthermore, foreign companies can invest in supporting industries such as medical travel agencies, telemedicine platforms, rehabilitation centers, and wellness resorts, capitalizing on the growing demand for holistic medical experiences.



Navigating global health trends:

By investing in India, international firms can lead the charge in adopting personalized and tech-driven health solutions. India's shift towards precision medicine, powered by advancements in genomics, AI, and big data analytics, offers a unique opportunity for collaboration on cutting-edge treatments tailored to diverse populations. The country serves as an ideal testing ground for innovations that can later be scaled globally, positioning early movers to integrate their products into a health system increasingly reliant on technology. From AI-powered personalized treatment plans to remote patient monitoring, global companies can capitalize on India's tech-first approach to health. Investing in India signals a commitment to future health advancements and bolsters a firm's prestige on the global stage, attracting further investment and partnerships in other high-growth regions such as Southeast Asia, the Middle East, and Africa.



Building resilience:

India's rapidly growing health market provides a relatively stable and insulated environment for international investors. For investors facing fluctuations in developed markets, India's robust health sector offers consistent growth opportunities. Its status as a leading producer of generic drugs and vaccines adds another layer of reliability, ensuring steady demand and production even in volatile times. Moreover, India's favorable policies create an encouraging investment climate that minimizes regulatory risks and maximizes returns. By establishing a presence in India, companies can mitigate the impact of disruptions in other regions, ensure continuity, and leverage India's growing importance in the global health supply chain.

Corporate Social Responsibility (CSR) initiatives:

CSR initiatives in India have become a significant part of the country's business landscape, especially after the introduction of the Companies Act, 2013, which mandates businesses with a certain revenue threshold to spend at least 2 per cent of their average net profit on CSR activities. This has led to a rise in impactful initiatives across sectors, including health and pharma, focusing on community health, education, sanitation, and environmental sustainability. By contributing to community health programs, improving access to health, and supporting public health infrastructure, global companies can build strong local partnerships and earn goodwill. Participation in CSR initiatives also opens opportunities for firms to collaborate with government, NGOs, and community organizations, providing insights into regional health needs and challenges.



WHO'S WHO IN INDIA'S HEALTH ECOSYSTEM: KEY PLAYERS TO ENGAGE

To successfully navigate the health and pharma sectors, staying updated on regulatory changes, particularly around drug pricing and approval timelines, is essential. Engaging with industry associations can provide valuable platforms for influencing policy development and staying informed on key regulatory shifts. Additionally, building strong relationships with bureaucrats and advisors is crucial for effective policy advocacy and ensuring compliance with evolving regulations. These connections and insights can help companies stay ahead of the curve and adapt to the dynamic landscape.



1 Government bodies and regulators

2 Pharmaceutical companies

To thrive in competitive markets, fostering collaborations with large pharmaceutical companies is crucial for enhancing distribution, and R&D capabilities. A deep understanding of market dynamics, including the competition between generics and branded drugs, as well as the growing importance of biosimilars, will help businesses strategically position themselves. Additionally, investing in technology partnerships and innovative solutions is vital for staying competitive.

3 Hospital chains and health providers

Forging partnerships with hospitals for clinical trials, as well as the development of new treatments and therapies, is key to advancing health solutions. The growing opportunities in telemedicine and integrated health services present a significant area for expansion, enabling wider access to care. Additionally, collaborating on health delivery innovations such as mobile clinics and outreach programs can enhance patient reach, particularly in underserved regions, helping to create a more inclusive health delivery system, while addressing the evolving needs of the population.

Staying ahead of technology trends like AI in diagnostics, surgical robotics, and IoT is crucial for success in the medical device industry. Partnering with hospitals and diagnostic centers to run pilot programs can help test and refine new medical devices, ensuring they meet real-world needs. Additionally, navigating regulatory pathways is essential for gaining approval and market access. By focusing on innovation and regulatory compliance, companies can position themselves as leaders.



4 Medical device manufacturers

Forming alliances with CROs is a strategic move for conducting cost-efficient clinical trials. To ensure trial success, it is important to focus on local patient recruitment strategies that meet regulatory standards and reflect the diverse population. Additionally, understanding the regulatory landscape, including the ethical guidelines, is essential for compliance and maintaining the integrity of clinical trials. These combined efforts can help streamline the clinical research process and drive innovation.



5 Contract Research Organizations (CROs) and Clinical Research Stakeholders



9 Investors and venture capitalists

To attract investment, it is essential to highlight innovative solutions and business models that address current and future health challenges. Aligning with investor interests involves emphasizing scalability, profitability, and regulatory readiness, demonstrating a clear path to growth and compliance. Also, maintaining transparency and a long-term strategic vision builds investor confidence and secures ongoing funding, ensuring sustained support for development and expansion.

6 Industry associations and trade bodies

Attending industry forums and conferences is vital for staying connected with market leaders and policymakers, providing a platform for networking and gaining insights into the latest trends. Actively participating in working groups and committees allows companies to influence industry policies and guidelines, ensuring their interests are represented. Moreover, leveraging trade bodies for market insights, networking opportunities, and advocacy on critical issues like drug pricing and intellectual property rights can significantly enhance a company's strategic positioning.

7 Retail pharmacy chains and e-pharmacies

Exploring partnerships with e-pharmacies can significantly expand access to a wider customer base, tapping into the growing demand for online health solutions. To ensure success in this space, it is crucial to remain compliant with legal standards governing online drug sales and consumer privacy, safeguarding both the business and customers. Additionally, focusing on omni-channel strategies that seamlessly integrate traditional and digital pharmacy models will help create a more comprehensive and flexible service, enhancing the customer experience and strengthening market presence.

10 Non-governmental organizations (NGOs) and health foundations

Partnering with NGOs for public health campaigns is crucial, particularly in areas such as immunization, sanitation, and health education, to drive meaningful improvements in community health. Leveraging foundation support can provide essential funding for health access projects, especially in underserved regions, ensuring that these initiatives reach those who need them most. Moreover, collaborating with international agencies helps align local health efforts with global agendas.

11 Patient advocacy groups

Engaging with patient advocacy groups provides valuable insights into patient needs and preferences, allowing for a more informed approach to health solutions. Supporting initiatives that enhance patient care and outcomes through joint programs and awareness campaigns can drive meaningful improvements. In addition, collaborating on research and education initiatives helps address specific health conditions and strengthens patient advocacy.

Collaborating with startups on cutting-edge digital health solutions, such as AI, wearables, and telemedicine, can drive innovation and enhance health delivery. Understanding emerging areas like preventive healthcare, wellness, and patient engagement platforms is crucial for staying ahead of industry trends. Furthermore, keeping informed about incubation and accelerator programs that support health-tech ventures provides opportunities for growth, mentorship, and funding, helping companies stay competitive.



8 Startups and innovators



12 Insurance providers and health financing bodies

Developing innovative health insurance products with a focus on preventive care and wellness is essential for addressing the evolving needs of patients. Collaborating with insurers to include coverage for advanced treatments can help broaden access to necessary medical interventions, making high-quality care more accessible. It is also crucial to stay compliant with regulatory frameworks governing health insurance to ensure adherence to legal standards and build trust with consumers.

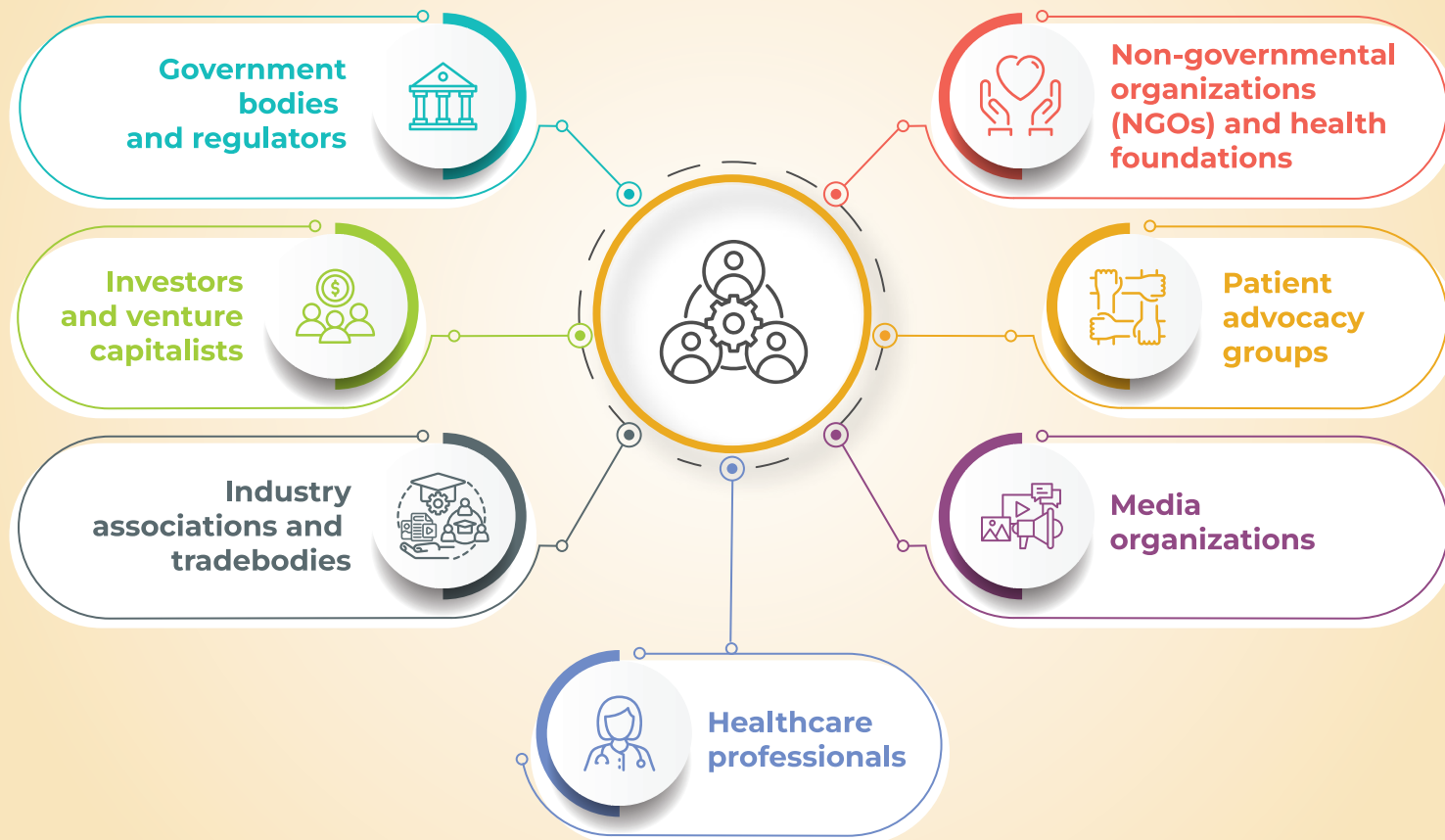
13 Media organisations

Media organizations play a pivotal role in shaping public perception, driving awareness of health issues, and influencing health policy decisions. Media outlets are essential for disseminating key information about health innovations, pharmaceutical advancements, and regulatory changes and also serve as a bridge between the public, health service providers, and policymakers. Their ability to provide timely, accurate, and

culturally resonant health communication makes them indispensable partners in promoting health literacy, combating misinformation, and fostering an informed dialogue. For investors, building strong relationships with trusted media organizations is vital for successful engagement with diverse audiences and ensuring that their initiatives have the visibility and impact they deserve.

GLOBAL COMPANIES CAPITALIZING ON EXPANSION OPPORTUNITIES IN INDIA: RECENT DEVELOPMENTS

KEY STAKEHOLDERS



In 2024, the health sector remains a prime focus for Private Equity (PE) firms throughout Asia, reflecting the region's dynamic and rapidly evolving health landscape. India's health sector is particularly compelling for PE firms due to its expansive market size and increasing medical tourism, which is attracting global attention. The rapid growth in India's middle class is driving up demand for advanced health services and

facilities. The government's supportive policies, coupled with a burgeoning digital health ecosystem, enhance India's appeal for investment. The country's vast potential is underscored by its need for improved health infrastructure, innovative solutions, and expanded access to medical services, positioning it as a strategic focus for investors.



Alkem MedTech enters into an agreement with Exactech in 2024 for manufacturing and marketing knee and hip replacement implants in India.



Healthcare Global Enterprises acquired the Mahatma Gandhi Cancer Hospital & Research Institute for USD 49.29 million, aiming to enhance oncology care standards.



Takeda and **Biological E. Limited** collaborate to accelerate access to dengue vaccine in endemic areas



Mubadala acquired a minority interest in Manipal Health Enterprises in 2024.

TEMASEK

Temasek acquired a 41% stake in Bengaluru's Manipal Hospitals for USD 2 billion in 2023, becoming the majority stakeholder and propelling the hospital's valuation to USD 5 billion.



Medtronic has announced an investment of USD 60 million to expand its Global IT Centre in Hyderabad. The centre would work on technologies such as Cloud Engineering, Data Platforms, and AI/ML.

sanofi

Sanofi has announced plans to invest USD 437.24 million in its global capability center (GCC) in India by the end of the decade, with the goal of expanding operations and more than doubling its workforce within the next two years.



Wipro GE Healthcare has announced a significant investment of over USD 955.7 million to boost its manufacturing capabilities and local R&D efforts over the next five years. The company will focus on producing advanced medical equipment such as PET CT, CT, and MR Coils, with the vision of manufacturing 'In India, for the World.'

Blackstone

Blackstone, a global PE giant, marked its entry into the Indian health space with a USD 1 billion deal to acquire a majority stake in CARE Hospitals, based in Hyderabad, in 2023. It further expanded its reach by acquiring a majority stake in Kerala's KIMS from PE player True North.



AstraZeneca and Dr. Reddy's Laboratories entered into a strategic partnership in 2024 to co-develop and commercialize oncology and cardiovascular drugs in India. The partnership includes an initial investment of USD 300 million and focuses on making innovative treatments more accessible to Indian patients.

STRATEGIC PARTNERSHIP AND SUPPORT FOR GLOBAL SUCCESS: THE ROLE OF LOCAL COMMUNICATION AGENCIES

As US health and pharmaceutical companies set their sights on expanding into India, the stakes are higher than ever. India stands out as one of the fastest-growing health markets in the world. However, this significant opportunity is accompanied by its own set of challenges—cultural nuances, regulatory nuances, and unique market dynamics that can pose hurdles even for the most meticulously crafted expansion plans. This is where local communication agencies play a crucial role. By partnering with on-ground experts who have a deep understanding of India's diverse market, companies can navigate these complexities more effectively and gain a crucial edge in capturing this promising market.



Max Health Institute made significant acquisitions, including Alexis Multi-Speciality Hospital and Sahara Hospital, amounting to USD 49.06 million and USD 111.92 million, respectively.

From language barriers to social values, India presents its own set of communication challenges. For global companies accustomed to a more homogenous market, the vast cultural differences across India can pose a steep learning curve. Communication partners act as cultural navigators, helping them craft effective and culturally sensitive campaigns. Whether it is tailoring a health campaign for face-to-face communication or adapting messaging for digital-savvy consumers, they ensure that companies speak the right language.



1 Navigating cultural differences



5 Leveraging CSR for long-term relationships

Local partners also assist in designing CSR initiatives that address specific health challenges and societal issues. Whether supporting rural health programs or investing in digital health solutions, CSR initiatives foster goodwill and help build lasting relationships in the market.

2 Business growth

Local partnerships play a pivotal role in helping global companies form strategic alliances and identify the right stakeholders for their expansion efforts. On-ground partners have insights into the business landscape, enabling companies to establish relationships with key players across the health ecosystem. These partnerships can unlock collaborations with health providers, suppliers, and governmental bodies, fostering a solid foundation for business growth. Regional collaborators provide strategic intelligence, ensuring that expansion efforts are targeted and optimized for revenue generation.

3 Navigating health regulations and bureaucracy

Local associates are well-versed in regional health regulations and can guide global companies through bureaucratic interactions. With established relationships with key regulatory bodies, they help firms secure approvals and navigate regulatory systems. This expertise is invaluable when expanding into new and unfamiliar markets.

6 Media outreach and effective messaging

Effective market penetration requires targeted media outreach. Communication experts understand the unique media landscapes, ensuring that global companies engage with the right channels, journalists, and influencers. Additionally, they help firms deliver accurate, ethical, and persuasive messaging, crucial in the era of misinformation, particularly on sensitive health topics.

Establishing trust with health providers, patients, and regulators is critical for long-term success in new markets. Communication partners are adept at bridging the gap between foreign companies and local audiences. By leveraging their established networks with the media, health providers, and public institutions, firms can build credibility quickly and authentically.



4 Building trust and credibility



Health crises can strike at any time, especially in emerging markets where public health systems may be underdeveloped. From pandemics to product recalls, navigating a health crisis in an unfamiliar market is particularly challenging. Strategic communications advisors are invaluable during such crises. They have their finger on the pulse of the local health narrative and can quickly mobilize to mitigate any reputational risks. With established relationships with various stakeholders, they can help control the flow of information, manage public sentiment, and provide strategic guidance on how to handle the situation. For global companies, looking to build a lasting presence in Asia, local communication partners are not just a nice-to-have—they are essential.



ABOUT SPAG FINN PARTNERS

Founded in 2011, FINN is one of the world's fastest growing independent agencies, serving clients through a powerful combination of hands-on partnerships, highly specialized, deep-rooted expertise and a values-driven culture that champions collaboration and innovation, and strives to create a more equitable world.

United with health marketing and communications powerhouse, SPAG/FINN is recognized as one of the **Top Global Health Agencies** by PRovoke Media and has been recently named as the best **Healthcare agency of the year APAC 2024**. With a focus on unifying the fragmented health ecosystem, SPAG/FINN is a leading global Integrated Marketing and Communications agency, specializing in sectors such as Health & Wellness, Purpose and Social Impact, and Technology.

Renowned for offering bespoke communication strategies, SPAG/FINN excels at shaping conversations, redefining perceptions, cultivating constructive knowledge, and maintaining ongoing dialogue. As an integrated communications entity, SPAG/FINN leverages a phenomenally diverse universe of conversations to shape narratives for a better world. With a strong presence across APAC, SPAG/FINN boasts over 175 professionals, full-stack service offerings, and offices in Singapore, Malaysia, Philippines, Shanghai, Beijing, Hong Kong, Indonesia, Thailand, Delhi, Mumbai, and Bangalore.



www.spag.asia
connectspag@finnpartners.com

