



A STUDY ON THE HEALTHCARE INDUSTRY IN GUJARAT: PERFORMANCE OF THE PUBLIC HEALTH FACILITIES AND THE PHARMACEUTICAL SECTOR

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ABSTRACT

Health sector remains a high priority for the Central government as well as the Gujarat government. Through careful policy formulations and implementations, the governments have ensured continuous improvement in the healthcare facilities provided by them, side by side encouraging private participation in providing quality medical facilities to the citizens. On the other side, there has been equal efforts in ensuring the pharma sector does its best to cater to the need of the citizens. This has resulted in Gujarat being a very important hub, not only for medical tourism but also in pharma production.

INTRODUCTION

The healthcare sector in India is one of the largest in terms of its contribution towards revenue as well as employment. With a very well trained and experienced pool of talents in its fold, the valuable human resource has been of great help in India's successful journey in this segment. In this paper, we focus on two main components of the healthcare industry within the geographical scope of Gujarat – (1) The healthcare service providers, i.e, the hospitals and treatment facilities; and (2) the Pharmaceutical industry.

Gujarat has been one of the leading states in providing healthcare services as well as in manufacturing of pharmaceuticals and medical devices. The hospital networks can be divided into public and private, and both the segments have shown tremendous improvement as well as growth in the state. The state has formulated many health schemes for the benefit of the citizens, and it has also ensured proper implementation of the central schemes, so as to provide the best possible medical facilities for the citizens.

The state is also a leading force in the pharmaceuticals industry, as many of the top pharma companies are from Gujarat, and even the SME segment is contributing a lot in the overall pharma market of the state.

While there are many success stories that back the efforts of the government in enhancing this sector, still there are many challenges that both the public sector and the private sector players face in this field.

REVIEW OF LITERATURE

Nilaiish (2017) has reviewed the overall healthcare infrastructure of India, by identifying the market size as well as doing an in-depth analysis of the performance of this sector, vis-à-vis the initiatives taken by the government at various stages to improve the healthcare facilities in India.

Kasthuri, Arvind (2018) has highlighted the contrasting state of health scenario in the country, while comparing the urban facilities and the rural facilities. The author has very aptly identified 5 A's of challenges viz, Awareness, Access, Absence of manpower, Affordability and Accountability, that affect the healthcare sector of India.

Yadav, Laxmi and More, Anurag (2022) have encapsulated the reasons behind the success of pharma units in Gujarat. They have pointed out the government's investor-friendly policy as well as the robust infrastructure of the state that attracts existing pharma companies as well as new companies to operate in Gujarat.

Shah, Viral (2018) did an extensive study on how pharmacy as a subject and pharmaceuticals as an industry emerged and developed in India, with Gujarat being a leading force. The author has documented the chronological sequence of all such developments in India as well as Gujarat, and emphasized on how this sector has fared with respect to the global challenges as well as intra-disciplinary sectors within the country and the state.

Chugan, Pawan and Singh, Shivani (2015) did an elaborate study on export-oriented SME pharma companies in Ahmedabad, with focus on their commitment towards such exports, the role played by the top management of the firm, and how clustering of such units have helped them achieve their goals. The findings suggest that clustering of pharma units have helped in forming of linkages, common supply chain network, labour pooling, knowledge sharing, etc.

OBJECTIVES

Keeping in mind the nature of the study, following points :-

- 1) To have an overview of the Healthcare service industry as well as pharmaceuticals industry in the country, along with that of Gujarat.
- 2) To understand the various schemes formulated by Gujarat government, as well as those Central government schemes that have been implemented in the state .

RESEARCH METHODOLOGY

This study is being done on a macro-economic context and intends to touch upon matters related to the overall economy. Therefore secondary data has been used, based on published materials on this relevant topic. While more emphasize has been given towards research papers to understand the overall framework of this segment, many news articles as well as government reports and portals have been referred to, in order to get an exact picture in terms of the numbers.

No complex data analysis has been done, therefore the authors have not used any statistical tools during the course of writing this paper.

FINDINGS

THE COUNTRY SCENARIO

The total healthcare industry in India is estimated to be around Rs. 24 Lakh Crores, which has been growing at a CAGR of 22.5%. The country is home to 13 Lakh doctors and the number of medical colleges in the country is 612. As per the Economic Survey of 2022, India's public expenditure of healthcare was 2.1% of the GDP. The number of public health facilities stood at approx.. 2 lakhs, 80% of which were Sub-centres, which is the most basic public health facility. The number of public facilities that can be categorized as hospitals is about 26,000. The number of private hospitals in the country were about 44,000.

Talking about the pharmaceutical industry, India is the 3rd largest in the world when measured by volume, and with an overall annual turnover of Rs. 3 Lakh Crores, value-wise India is the 14th largest pharma products manufacturer in the world. India is presently known as the 'Pharmacy of the World' because of its giant stride in production of world-class medicines at highly affordable prices, that has helped the country in becoming a major exporter of pharma products to every corner of the world. Today, half of our pharma production goes as export to overseas market including catering to 40% of the generic demand for US and 25% of all medicines for UK markets; and this industry contributes to 1.72% of the country's GDP.

THE GUJARAT SCENARIO

Amongst all the states in India, Gujarat has been a reckoning force in the healthcare industry. With a motto of 'Sauno Saath, Sauno Vikas ane Sauno Prayas', the state government has been giving high priority to this sector in order to ensure better health facilities to the people of the state, alongwith ensuring all the other related parameters are within the normal range. The state has a network of about 11,000 public health facilities, out of which about 84% were Sub-centres. As a result of the government's constant push to improve the health parameters in the state, following were achieved :-

- 1) Percentage of institutional delivery improved from 56% to 99.6% in last 18 years
- 2) Death rate decreased from 7.8% to 5.6% in last 18 years
- 3) Maternal mortality rate decreased from 202 to 75 in the last 18 years
- 4) Infant mortality rate decreased from 60 to 25 in the last 18 years

Gujarat has also been a leading state when it comes to the pharmaceutical industry. The pharmaceutical turnover of the state has increased from Rs 14 crore in 1961 to Rs 96236 crore in 2021. With some of the top most pharma companies located in Gujarat, equally supported by a good number of pharma companies in the SME segment, this industry has shown a great quantum of synergy in the state. Some of the key highlights of this sector in the state are as follows :-

- 1) Gujarat accounts to one third share in India's pharma market, and 30% of the country's exports.
- 2) 130 USFDA approved units; 628 WHO GMP manufacturing units.
- 3) Over 4.5 lakh product licenses issued.
- 4) Rs. 9,000 Crores allocated to Health and Family Welfare department by government of Gujarat in Budget 2020-21.
- 5) Around 4,000 licensed manufacturers in the state, out of which more than 90% fall under the SME segment
- 6) In terms of the pharma clusters in various districts, Vadodara contributes to 23% share of the state, followed by Ahmedabad (19%) and Anklshwar (15%)
- 7) 40% of India's contract research organizations are based in Gujarat.
- 8) Over 4.5 lakh product licenses were issued for the companies of the state.
- 9) 40% of India's machinery for the pharma sector is based in Gujarat.
- 10) 53% of India's total registered medical device manufacturers are in Gujarat.

Health schemes benefitting the people of Gujarat

The Gujarat government has introduced many schemes for the benefit of the people of the state. Some of the important and successfully implanted schemes are :-

- 1) Mukhyamantri Amrutam (MA) Yojana. This was formulated in order to help the people falling under the BPL category, this scheme was introduced so that they can get quality medical and surgical care for treatment of various diseases that involve hospitalization, surgery as well as other therapies. This was implemented with the help of a network of hospitals in the state, that included both public and private hospitals.
- 2) Mukhyamantri Matru Shakti Yojana, wherein nutritious food will be provided to pregnant and lactating women and their new-born children during the initial 1000 days. This scheme has been

launched in order to deal with malnutrition and anaemia that happens during pregnancy which hinders the foetus and leads to poor health of the infant.

- 3) Mukhyamantri Poshha Sudha Yojana, which is also aimed at providing nutritious food to pregnant and lactating mothers in tribal areas. The scheme aims to improve the nutritional and health status of mother and child and reduce the infant mortality rate (IMR) and maternal mortality rate (MMR).

In addition to the above, various central government schemes have been successfully implemented in the state, the main being :-

- 1) Ayushman Bharat Pradhan Mantri Jan Arogya Yojana – launched in September 2018 with an objective of fulfilling the vision of Universal Health Coverage. More than 41 lakh patients have availed free treatment under this scheme in Gujarat, About 1.5 Crore Ayushman Cards were generated, and total 2,756 hospitals were empanelled under this scheme.
- 2) E-Sanjeevani (National Telemedicine Service) – which is an online OPD service, and the same has been rolled out in all the states and UTs.
- 3) Pradhan Mantri Jan Aushadhi Kendra – which is a network of medical shops that provides medicines at highly affordable rates
- 4) Pradhan Mantri Matru Vandana Yojana – wherein cash benefits were given to pregnant women as well as lactating mothers, through way of direct cash transfer to their bank accounts. Benefits of Rs 400 crores have been given to 9 lakh women in Gujarat, as on June, 2022

CONCLUSION

From the study, it can be concluded that the governments at both the Central as well as state level in Gujarat, have been giving good emphasis on the health sector. Not only by improving the health infrastructure for providing better treatment facilities to the public, but they are also helping the pharmaceutical industries grow tremendously. The governments have been formulating policies to encourage more of Research and Development in this sector so that technology usage is improved and the benefit reaches to the maximum. While all these efforts are being done by the government, and ably supported by the private sector specially in the pharma segment, there are still lots of challenges which have to be worked out with mutual collaboration.

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