

GlobalDemographics
Healthcare

Healthcare Report

Example Market

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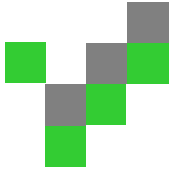


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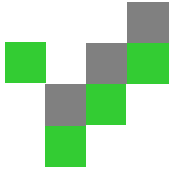


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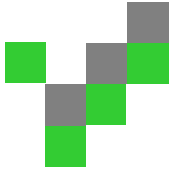
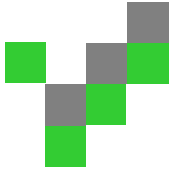


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Summary

Example Market has the -1th largest population and the -1th largest Healthcare market by value in 2010.

The Total Healthcare Expenditure (THE) of Example Market in 2010 is US\$3.3 billion. It is projected to grow to US\$3.2 billion in 2020 and US\$3.0 billion in 2030.

This represents growth rates of -0.5% pa to 2020 and -0.5% pa for 2020 to 2030.

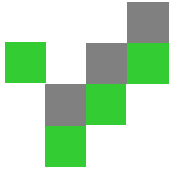
The per capita THE is consistent with that of a less affluent country at US\$442.8 pa lifting to US\$447.8 pa in 2020 at a growth rate of 0.1% pa, and reaching US\$457.0 pa in 2030, at a 0.2% pa growth rate.

The growth in the healthcare market is driven by changes in population age profile and size, epidemiology and affluence.

Example Market's population of 8 million people in 2010 will reduce over the next 2 decades by -0.6%, predominantly due to a changes in number of births and females of child bearing age. Persons aged 40 years+ will increase from 51.8% of the population or 3.9 million to 60.0% of the population or 4.0 million in 2030.

Those 65 years+ will increase from 1.3 million to 1.4 million, whereas those under 25 years decline from 2.0 million to 1.7 million.

This increasing number of older people is an important driver of healthcare demand, as the rate of developing chronic and lifestyle diseases, plus demand to see the doctor increases rapidly with age. So as the population ages, an increase in chronic diseases emerge which in turn increases demand for healthcare and treatment. Younger populations tend to have more acute infections, and focus on good maternal and child health.



Summary

At the same time Example Market is modernising and becoming more affluent. The GDP per capita increases from US\$6,021 in 2010 to US\$6,084 in 2020 at a CAGR of 0.1%, and the average per capita household income increases from US\$6,093 to US\$6,053 in 2020 at a CAGR of -0.1%. This increasing affluence not only raises demand and ability to pay for better health services and treatments, but is also associated with modernization and new lifestyle changes of physical inactivity, diet and toxin exposure which predispose to degenerative diseases, e.g. cancer and diabetes, and hence also lead to increased healthcare demand.

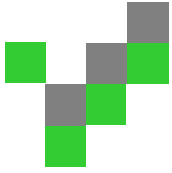
In Example Market the private sector contributes 42.8% to the Total Healthcare Expenditure in 2010, and 94.6% of this is household healthcare expenditure (out of pocket). The market value of the self pay segment (healthcare expenditure per household combined with number of households) is US\$1.4 billion in 2010 and will increase at a CAGR of -0.5% to US\$1.3 billion in 2020, and to US\$1.2 billion in 2030 at -0.6%.

Market segmentation indicates that the higher income households represent a significantly higher share of expenditure than their respective share in numbers.

This higher income segment is also expected to grow at relatively higher rate than the low income group. In 2010, 84.4% of the population are in households earning over US\$5000 pa. This will increase to 83.3% by 2030.

So higher value products and healthcare services will fare better in the high income market, especially when these have a high perceived value and benefit to patients. Whereas marketing to the lower income groups will be more challenging and opportunities here will be mainly through government and at lower prices.

The average per capita household healthcare expenditure is expected to lift from US\$ 179.3 per annum to reach US\$180.6 in 2020 (in real 2008 values). By 2030, the average per capita healthcare expenditure will be 1.0 times of that of today.



Key trends

Between 2010 and 2030:

The Total Healthcare Expenditure will decrease by -9.3%.

Example Market will remain the -1th largest healthcare market by value.

The population size will remain the -1th largest of global market.

The self pay segment will decrease -10.2%.

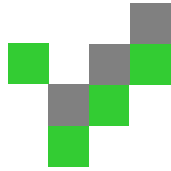
The key drivers of this increase in healthcare market are:

Increasing number of people over the age of 40 years.

Increasing degenerative disease.

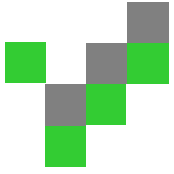
Increasing affluence.

Opportunities for healthcare companies are predominantly in the management of chronic and lifestyle diseases.



Global **Demographics** *Healthcare*

**Country overview:
Demographic and socioeconomic factors that will
impact the healthcare expenditure**

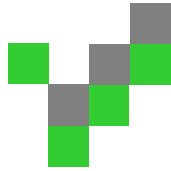


Why is the healthcare expenditure increasing?

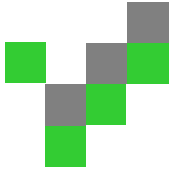
Before looking at the size and growth of the healthcare expenditure, it is important to consider why is the healthcare expenditure increasing?

The key drivers of healthcare demand which will be discussed in this section include

- Population size and growth
- Aging and size of older population
- Degenerative disease burden
- Affluence



Overall Population Trends



Total Population

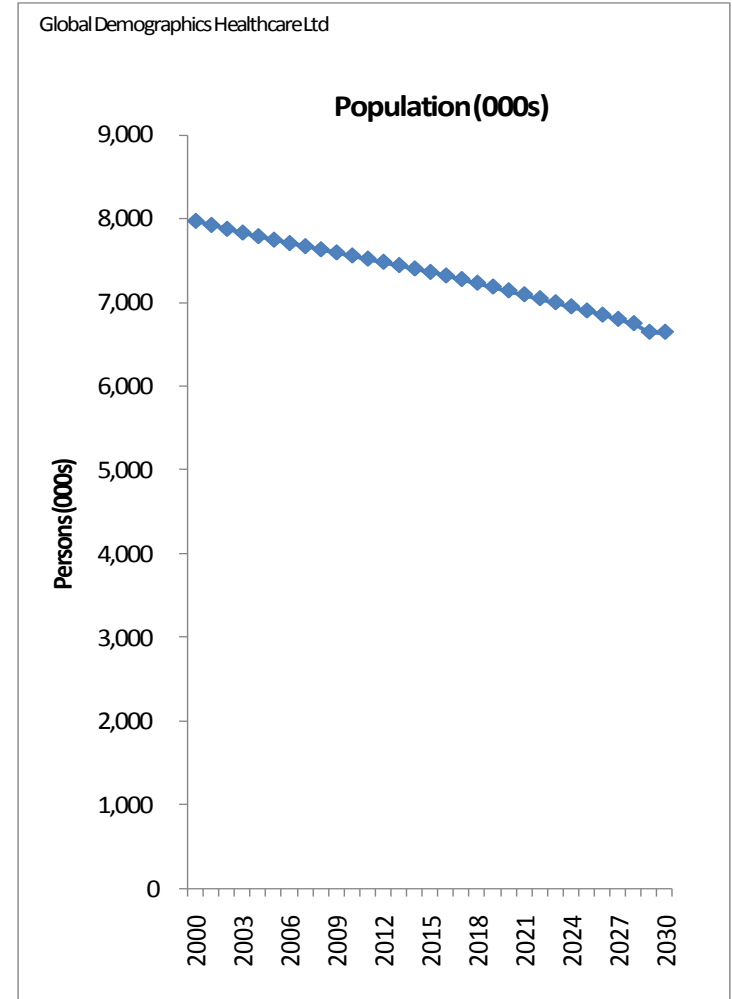
In 2010, Example Market has a population of 7.6 million people.

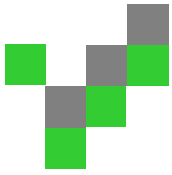
Based on projected trends in births and deaths the population is expected to grow at -0.5 % per annum to 2015 and then by -0.7% pa by 2030.

Persons Mns	
2000	8
2010	8
2015	7
2020	7
2025	7
2030	7

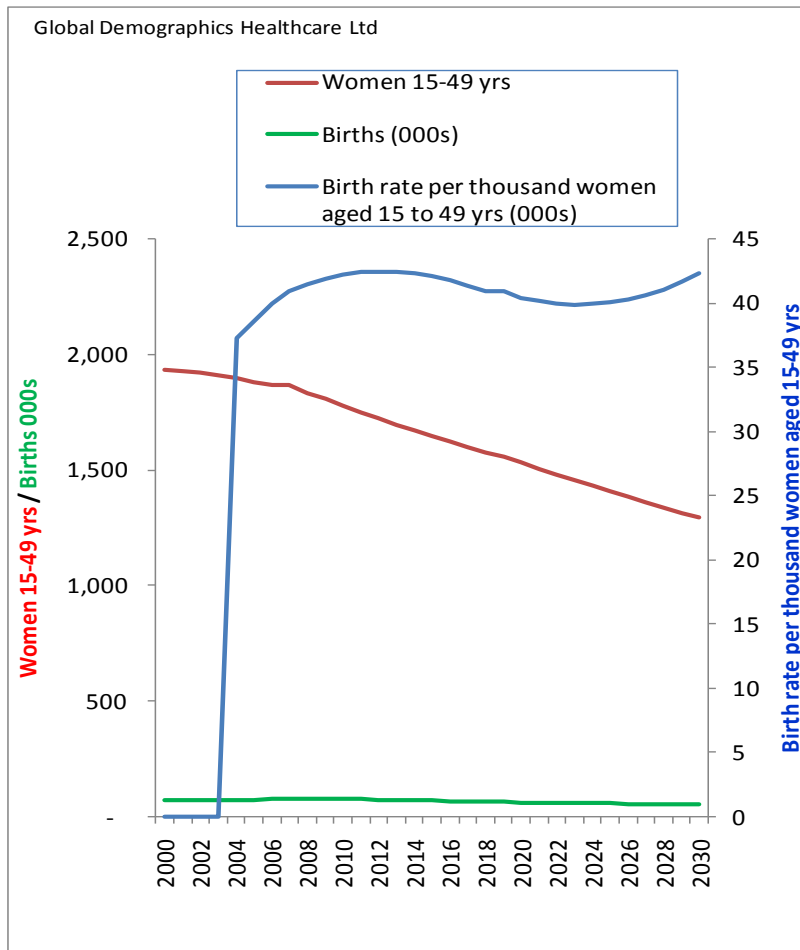
Absolute % Change	
2000-2010	-5.2%
2010-2015	-2.6%
2015-2020	-3.0%
2020-2025	-3.4%
2025-2030	-3.7%

CAGR	
2000-2010	-0.5%
2010-2015	-0.5%
2015-2020	-0.6%
2020-2025	-0.7%
2025-2030	-0.8%





Population and Birth Dynamics

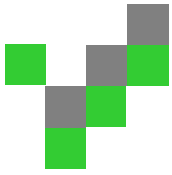


When assessing the healthcare market size, the size of the increase in the population over the age of 40 years, and 65 years+ is of great importance. The key factors that determine the population dynamics are the number of births and deaths.

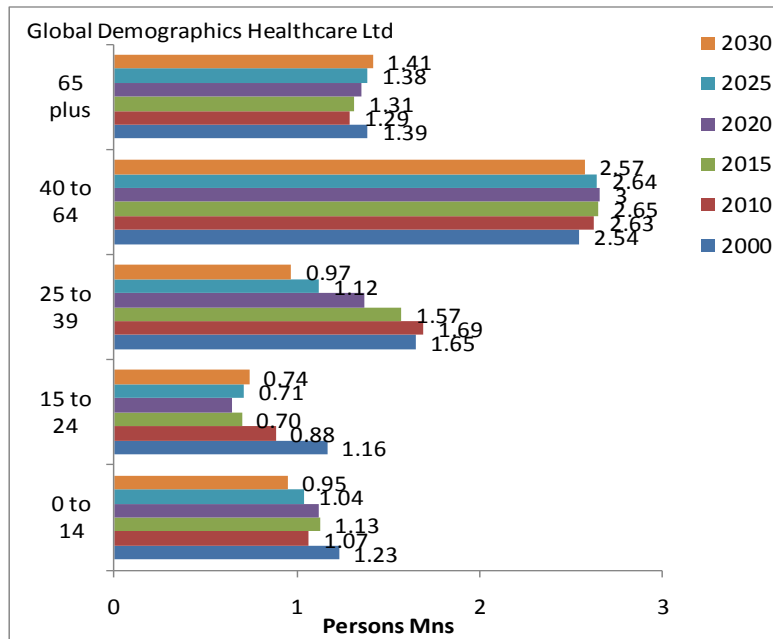
The number of births is declining due to reduced birth rate and a stable number of women of child bearing age (15-49 years inclusive)

The result is the population of Example Market is aging - the overall age profile is tipping from the majority of people being under 40 years to the majority being over 40 years.

Impact: This will lead to a decline in demand for maternal health services and treatment of childhood diseases (in volume terms) and an increase in demand for care of age related degenerative diseases, such as cardiovascular diseases, cancer and diabetes.



Current and Future Age Profile



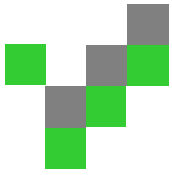
Although there is some population growth, the age dynamics of Example Market, will favour strong growth in healthcare demand over the next 2 decades, quite simply as demand for healthcare increases with age, and the population is aging.

In 2010, 51.8% of Example Market’s population is over the age of 39 years and this will grow over time to be 60.0% in 2030. Over the next decade a total of 0.1 million will be added to the over 40 years age segment, and of these 0.1 million are 65 years +.

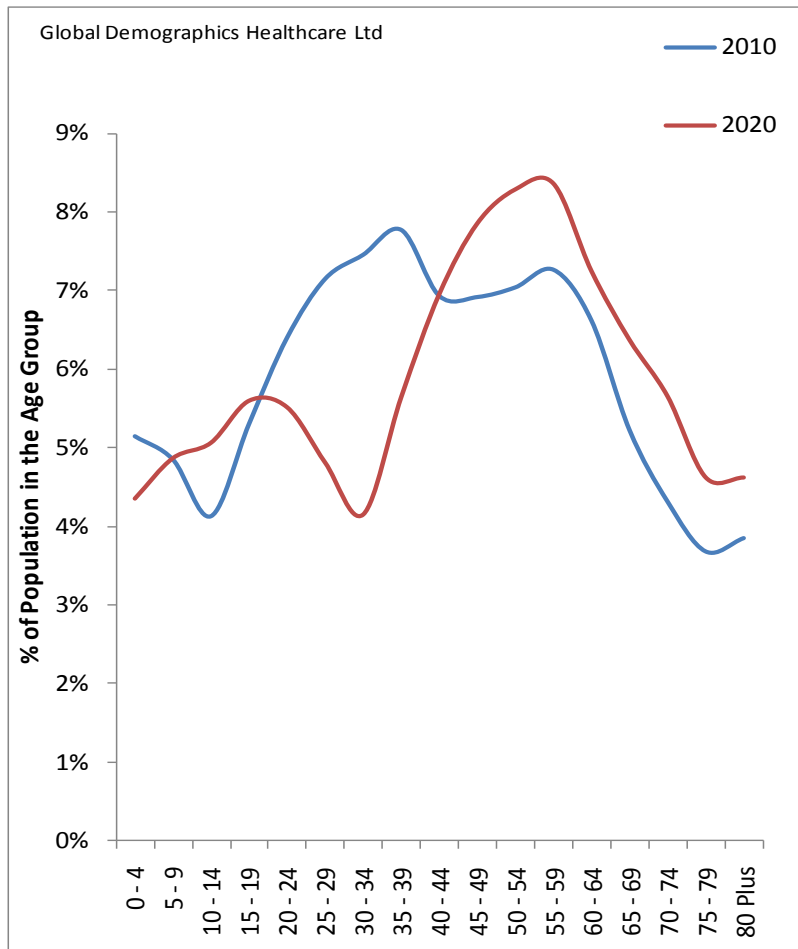
The younger age segments are in absolute decline in numbers. Those under 25 age group changes from 2.0 million persons in 2010 to a projected 1.7 million in 2030. This is a -13% change in the absolute size of the youth segment in 20 years.

	Age Group				
	0 to 14	15 to 24	25 to 39	40 to 64	65 plus
Percent of Population in Age Group					
2000	15.4%	14.6%	20.7%	31.9%	17.4%
2010	14.1%	11.7%	22.4%	34.8%	17.0%
2015	15.3%	9.5%	21.4%	36.0%	17.9%
2020	15.7%	9.0%	19.2%	37.2%	19.0%
2025	15.1%	10.3%	16.2%	38.3%	20.1%
2030	14.3%	11.1%	14.6%	38.7%	21.3%

Market targeting tip:
The growth is on the older age groups



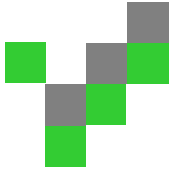
Current and Future Age Profile (Con't)



This chart summarizes the future age profile of Example Market.

In 2010, the average age of Example Market is 40.9 years and in 2 decades time the average age is expected to be 43.6 years.

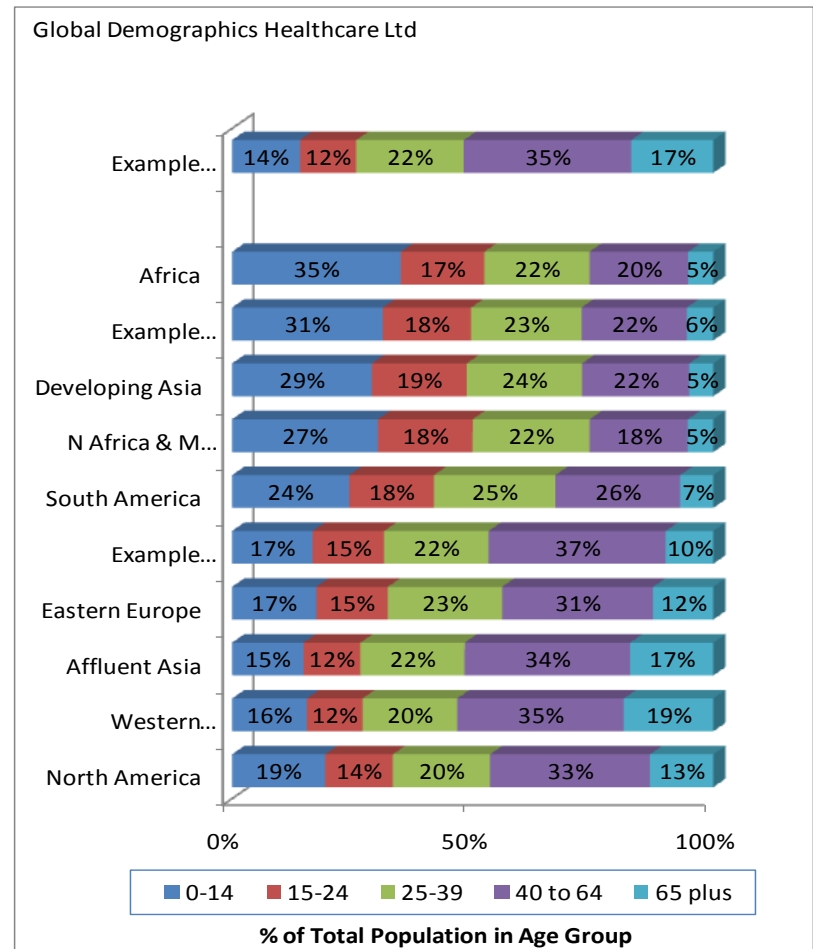
A population can only focus on so many issues at once and tends to focus on those important to the larger proportion of the population.

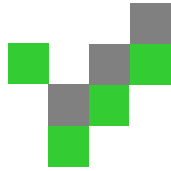


Age Profile Relative to the World

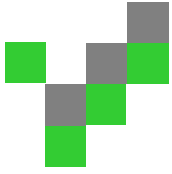
Compared to the world as a whole Example Market has a relatively old population.

The demand shifts to management of chronic diseases, such as heart disease, which are more common in those over 40 years. Chronic disease management “demands” higher use of medical services and treatments and so provision of adequate healthcare will become increasingly important.





“Degenerative Disease Wave”

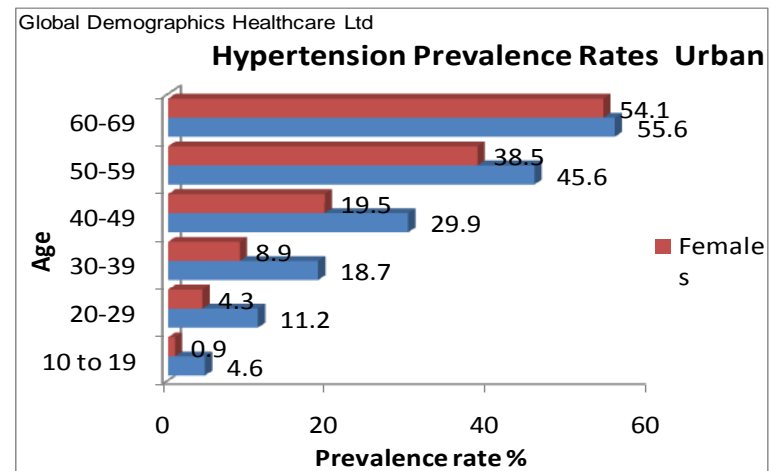
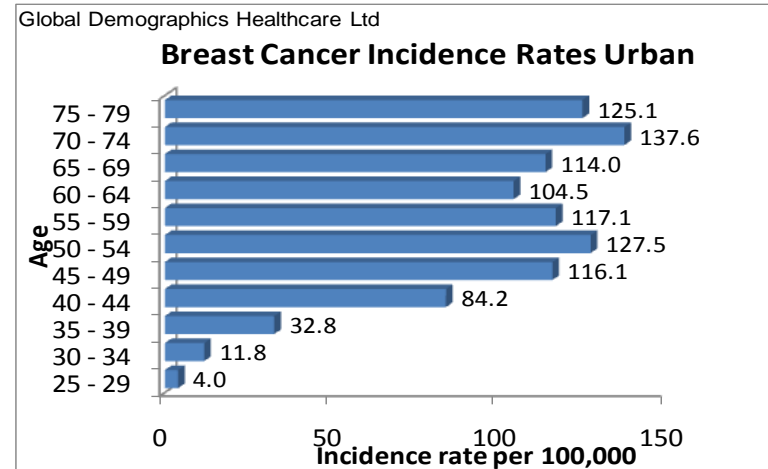


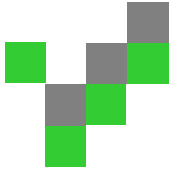
Degenerative Disease Trend with age - China

Age is important as it is positively associated with an increase in degenerative or chronic disease and subsequent increase in demand for healthcare. The prevalence rate of degenerative disease (non-communicable disease) increases dramatically with age, especially over the age of 40 years.

For example, the female incidence rate of breast cancer in China increases steeply between 25 and 40 years, (before the menopause) and thereafter, growth slows (possibly due to diminishing oestrogen) and remains above 60 per 100,000 women until 65 years.

The prevalence of hypertension increases with age. In urban China the prevalence rate of urban males aged 40-49 having hypertension is more than double that of a 20-29 year old, and rate in a 60-69 year old is more than 5 times higher. Over 50% of all males 55 years and above have hypertension.



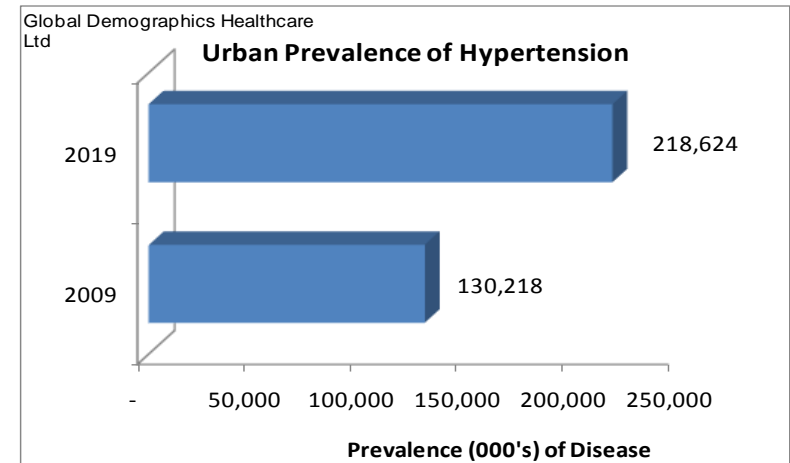
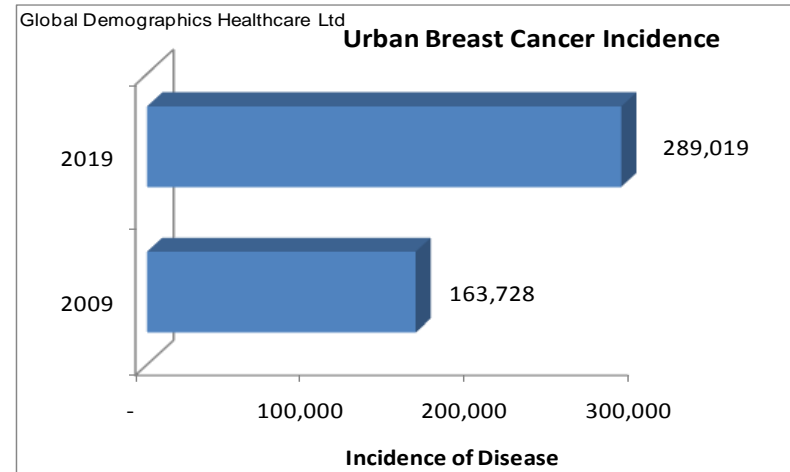


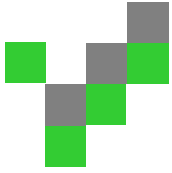
Degenerative Disease Trend - China

This aging is the key driver of increasing prevalence (burden) of degenerative disease- indeed a “degenerative disease wave” is emerging.

For example the urban incidence of breast cancer of Example Market will increase by 77% and the urban prevalence of hypertension will increase 1% between 2009 and 2019.

This rapid increase in degenerative diseases will in turn drive healthcare demand. In countries which have a healthcare financing system where the patient pays over 50% of all healthcare bills, this finance burden is likely to result in inadequate control, days off work, and potential personal bankruptcy. A healthy population is needed for healthy economic growth.





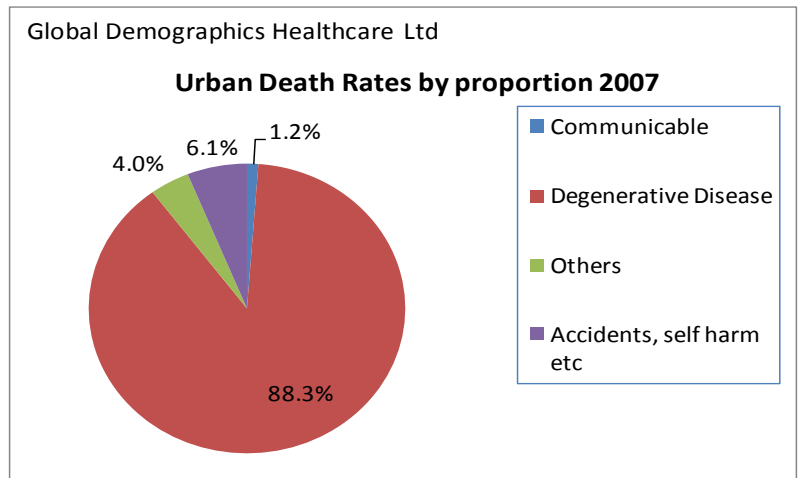
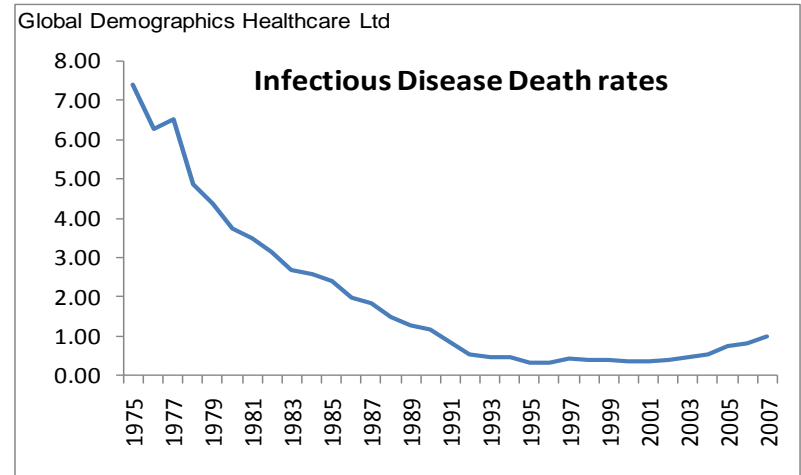
Mortality Trends - China

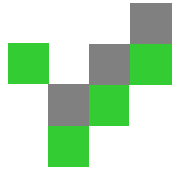
The change in mortality profile reflects the change in the age profile of the population.

In this example of China, between 1975 and 2007 there has been rapid decline in the communicable (infectious) diseases death rates of the modifiable infections as the country transitions from a young to a middle aged population.

In China in 2007 communicable disease comprised only 1.3% of deaths and the vast majority of deaths (88.3%) today are from degenerative diseases.

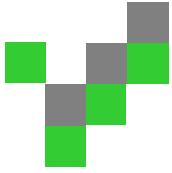
Although age is the biggest initial contributory factor to disease profile change, the rate of degenerative disease also increases with economic development and “modern urban affluent lifestyle”: diet rich in fat, high GI and meat, physical inactivity and exposure to toxins such as tobacco- a lifestyle that predisposes to degenerative disease.





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Healthcare

Modernization and Affluence



Modernization

At the same time that a population ages, the society typically undergoes economic development, modernisation and epidemiological transition

Increasing educational quality drives occupational profile which in turn drives urbanisation and affluence.

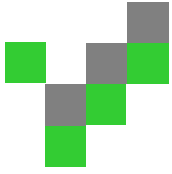
The educational resources are spent on fewer children, and these higher educated people seek better occupations, which are typically in the urban area.

So the increasing educational and occupational capability drives urbanisation. The work force is more educated and productive which in turn drives affluence both in GDP per capita and personal affluence.

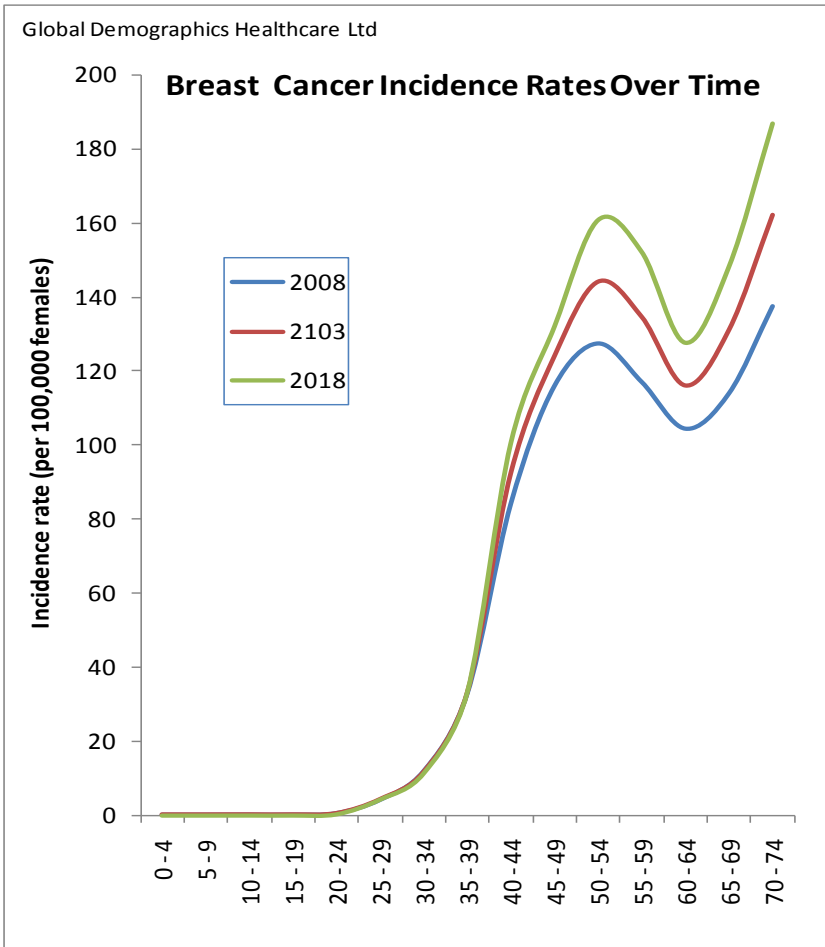
This modernization has resulted in

- Change of lifestyle which in turn increases the age specific degenerative disease rates increase (described on the next page)
- A reduction in infectious diseases and an increase in degenerative diseases- (epidemiology transition)
- Increase in urbanized population where risk of degenerative disease tends to be higher
- Increase in affordability for healthcare products and services
- Changing demand profile : with affluence and education consumers demand shifts. They want "quality not quantity: - for better diagnosis and treatment plus they become more discerning of treatment options

Modernization, economic development and the impact on the healthcare sector are outlined in more detail in the subsequent pages



Impact of Modernization on Degenerative Disease Rates

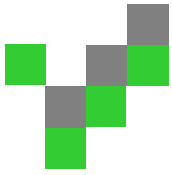


As the population becomes more affluent and urbanized a new lifestyle evolves which is much more sedentary, often in polluted environments, and a change in diet from “poor man’s diet” to an “affluent diet”. There is a shift from growing and preparing food at home, to a diet high in meat, and high glycaemic carbohydrates, and low in vegetables. There is a tendency to eat processed food and dine out, all of which tend to be high in fat and salt, and low in vegetables.

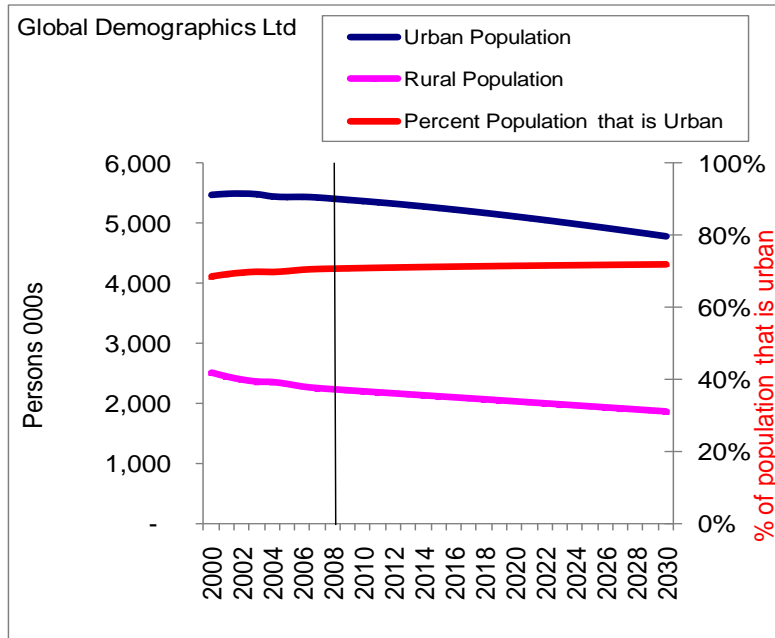
This new lifestyle increases the degenerative disease rate, for example breast cancer.

The graph shows the increase in breast cancer rate in urban China over time.

Associations with breast cancer include reduced parity, late parity, exposure to endogenous oestrogens, increased consumption of meat, alcohol and paraben preservatives, whether in food, pharmaceuticals or skin care, which tend to occur as a population industrializes.



Urbanisation Trend

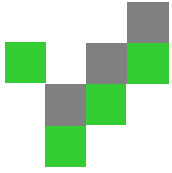


The urban population has increased from 68.6% in 2000 to 71.0% in 2010 and will reach 71.6% in 2020.

In terms of number of people this is a -5% increase from 5.4 million to 5.1 million, resulting in an -0.3 million additional people in the next 10 years.

This level of urbanization is significant NOT only of consumer location (and ease of distribution) as well as behavior and buying patterns but also in disease profile. As an increasing proportion of the population moves from agricultural based employment to urban based employment, lifestyles and the health profile changes. The prevalence of many degenerative diseases is significantly higher in the urban than rural area, e.g. there is a three fold difference in diabetes prevalence rate in the urban and rural areas of many developing countries.

Persons (Mns)	Total	Urban	Rural	% Urban
2000	8.0	5.5	2.5	68.6%
2010	7.6	5.4	2.2	71.0%
2015	7.4	5.2	2.1	71.3%
2020	7.1	5.1	2.0	71.6%
2025	6.9	5.0	1.9	71.8%
2030	6.6	4.8	1.9	72.0%



GDP per Capita

In terms of 'country economic growth' the GDP per capita will increase from US\$6,021 in 2010 to US\$ 6,084 in 2020 at a rate of 0.1% CAGR pa and an absolute change of 1.1%.

GDP per capita is often used as a "snap shot " of the potential healthcare market size, and used to compare across countries.

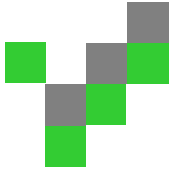
However, it should be noted that the correlation of GDP per capita to household income is not strong. In countries where the proportion of patients paying for treatment themselves is high (and government contribution is low) , the household income is a better measure of affordability of healthcare.

Per Capita GDP		
	2008 Local currency	US\$
2000	5,362	2,526
2010	8,050	6,021
2020	8,135	6,084
2030	8,297	6,205

Absolute % Change		
2000-2010	50.1%	138.4%
2010-2020	1.1%	1.1%
2020-2030	2.0%	2.0%

CAGR		
2000-2010	4.1%	9.1%
2010-2020	0.1%	0.1%
2020-2030	0.2%	0.2%

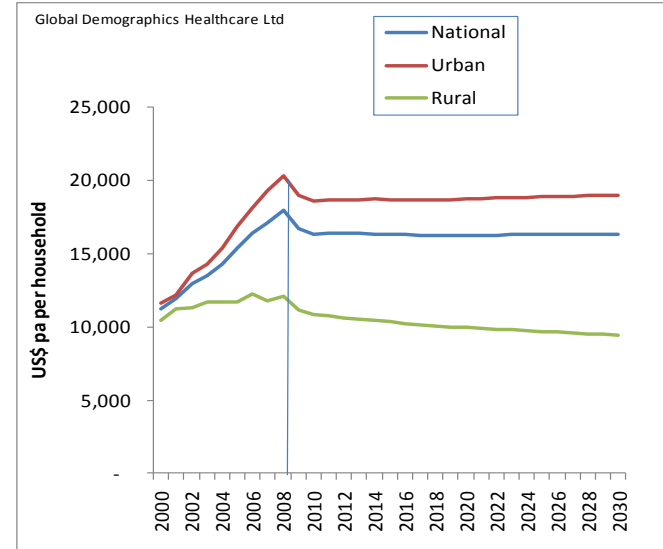
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Overall Trend In Average Household Income

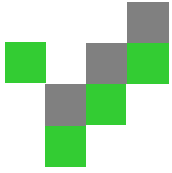
In markets where the patient self pay contribution to Total Healthcare Expenditure is significant, the consumer income plays a greater role than GDP per capita in assessing affordability and hence access to healthcare.

Over the last decade average household incomes increased by 3.8% per annum. For the next decade urban household incomes are projected to grow at 0.1% and rural household incomes at -0.8%. Growth will continue for the next decade as well albeit at slower rates.



Average Household Income US\$			
	National	Urban	Rural
2000	11,268	11,628	10,485
2010	16,358	18,598	10,819
2020	16,250	18,723	9,944
2030	16,358	19,004	9,466
CAGR			
2000-2010	3.8%	4.8%	0.3%
2010-2020	-0.1%	0.1%	-0.8%
2020-2030	0.1%	0.1%	-0.5%

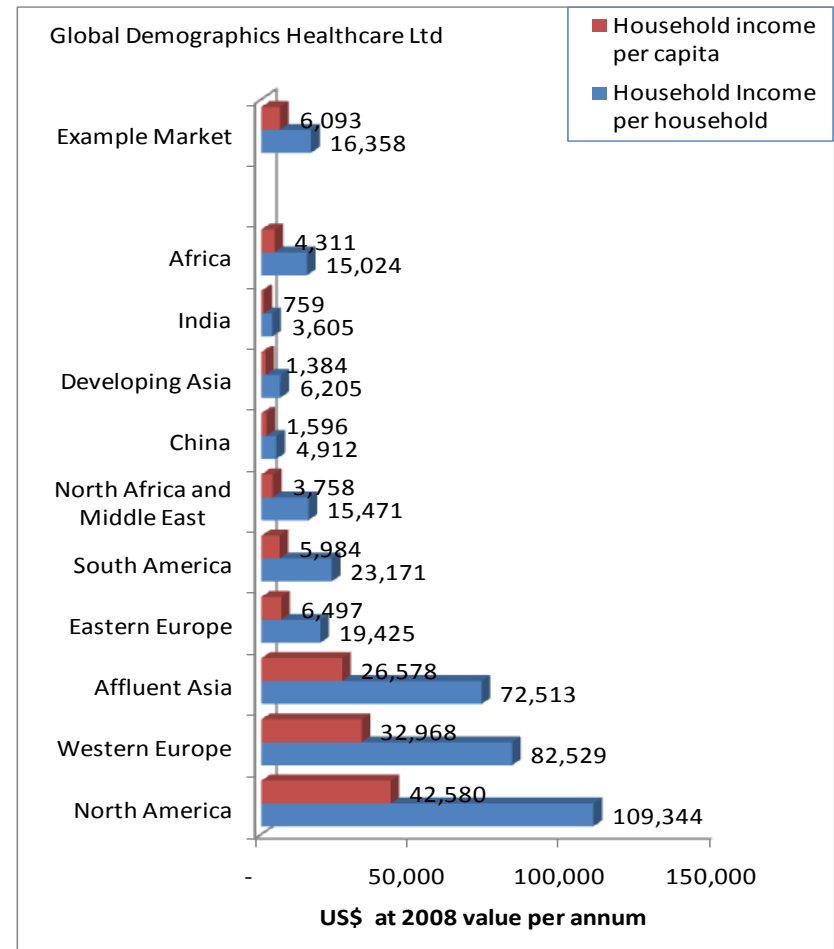
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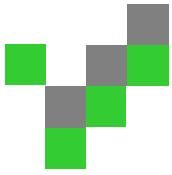


Average per Capita Income Relative to the World

Example Market has a average per capita household income. The average income and per capita income is average by world average standard

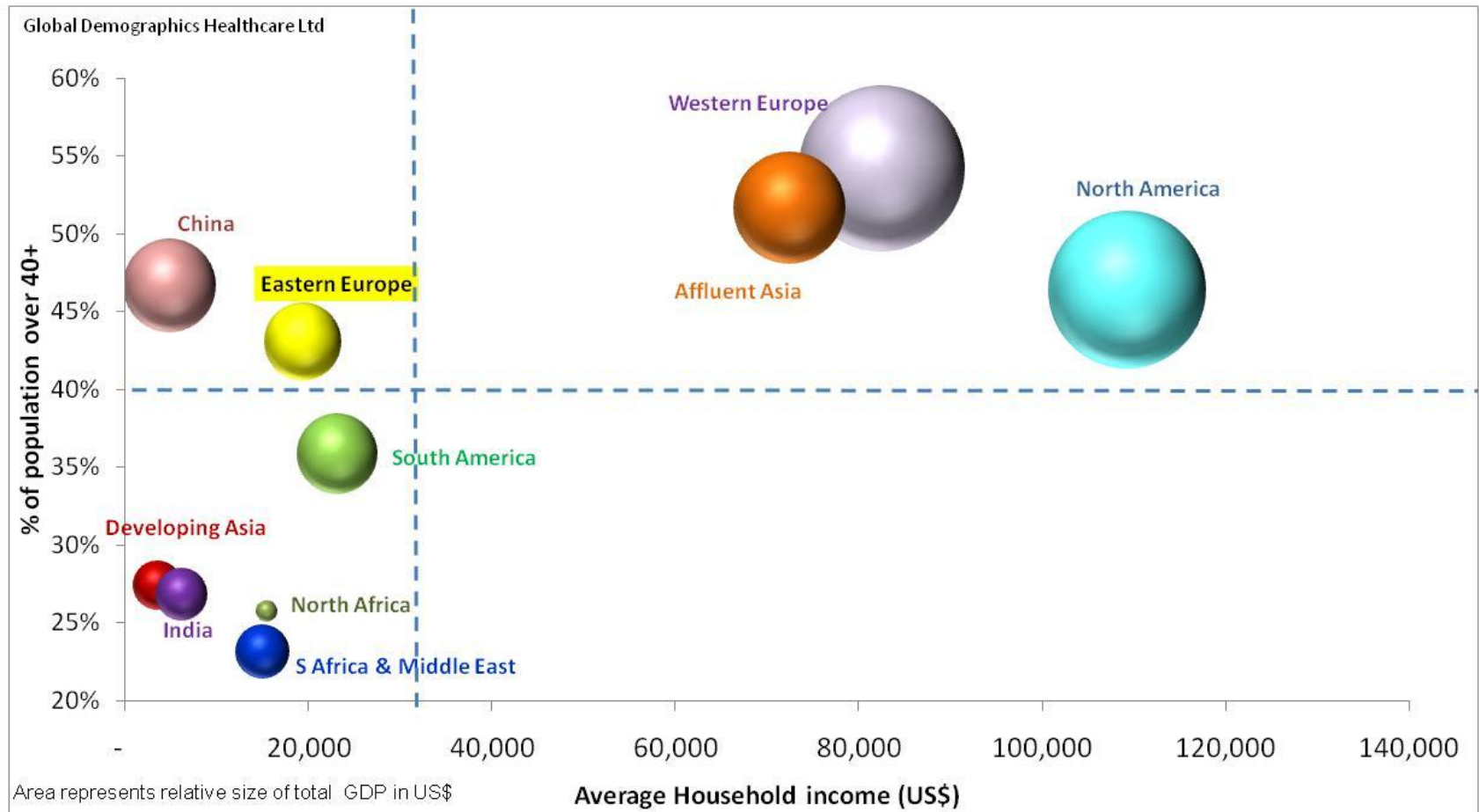
The next page outlines the “age-affluence-disease” profile of regions of the world, which in turn indicate the dominant health demand of a population. The main healthcare need for young, less affluent, rural and less educated populations tends to be for infection control and good maternal and child health. On the other hand older, affluent, urbanised and more educated populations have more degenerative disease and the demand is for good quality healthcare to control these conditions.



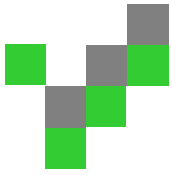


Global Age Affluence profile

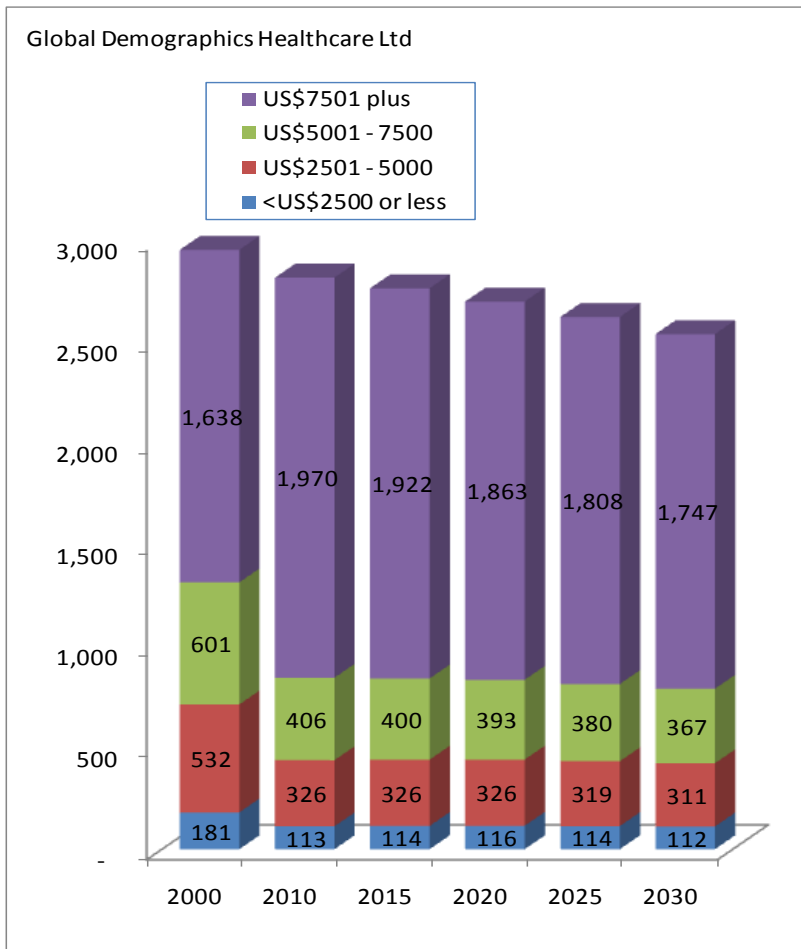
Older, more affluent, urban Dominant
demand: Chronic, degenerative diseases



Young, Less Affluent, rural Dominant
demand: Acute diseases, infections,
maternal & child health



Changing Distribution of Households by Income - National

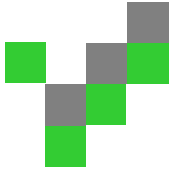


When considering affordability and access to healthcare it is important to understand the size of different income groups.

The 'growing middle class of Example Market' can be classified as the number of households earning in excess of US\$2500 per annum, as these households are able to make consumption decisions.

Households below this level have very little ability to save and spend most of their income on the essentials of Food, Clothing and Housing. The US\$2500 - US\$7500 segment is projected to grow from 1 million households (mainly urban) to 1 million in 2030. This is really where the focus should be – particularly the US\$5001 to 7500 segment. The upper class, US\$7501+ is projected to grow from 2.0 million households to 1.7 million households in 2030.

These growth rates in 'consumption households' make this market attractive even with relatively conservative GDP growth forecasts. It is this segment that high end healthcare products and services should be targeted at.

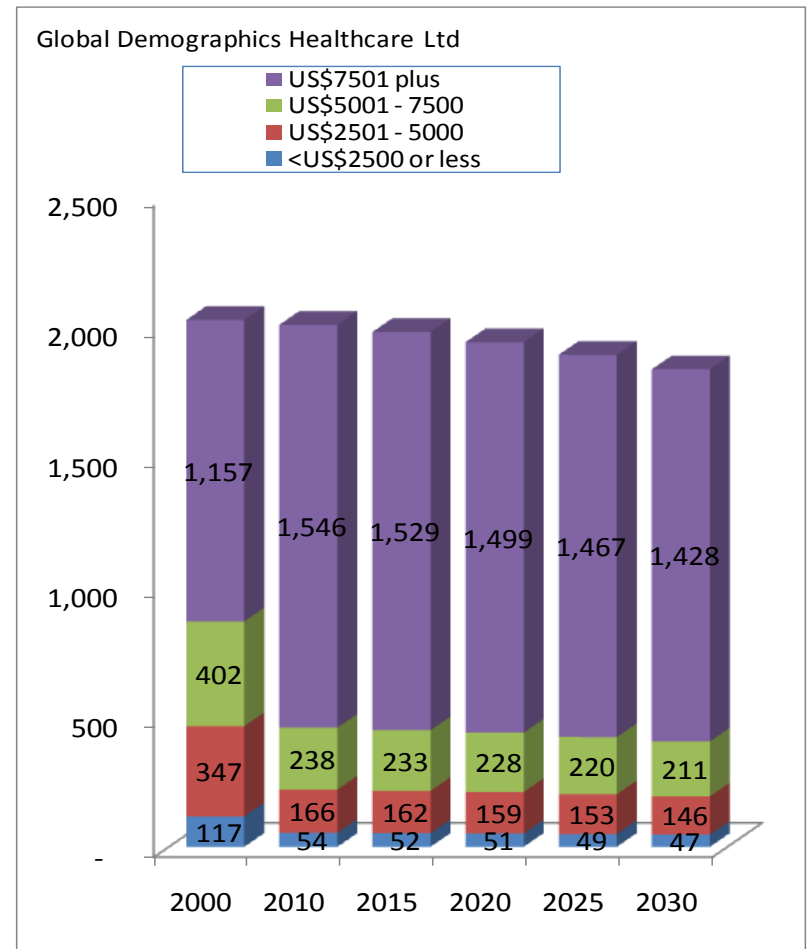


Changing Distribution of Households by Income - Urban

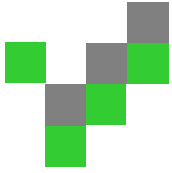
In the urban areas the proportion of households with an income over US\$5000 per annum is 89.0% in 2010. This increases to 89.4% by 2030.

This means that the absolute number of affluent urban households increases from 1.8 million to 1.6 million in the next twenty years. The next income segment down (US\$2501 to US\$5000 pa) is projected to change from 0.2 in 2010 to 0.1 million in 2030.

This means the high growth (income) segment is that of urban households earning in excess of US\$5001. Those with higher income levels begin to be more discerning about their choices of healthcare, and seek quality not quantity experiences. This will lead to a greater take up of higher value healthcare provision and treatment. E.g. preferring new technologies and pharmaceuticals, which tend to be at a premium.



2000 2010 2015 2020 2025 2030

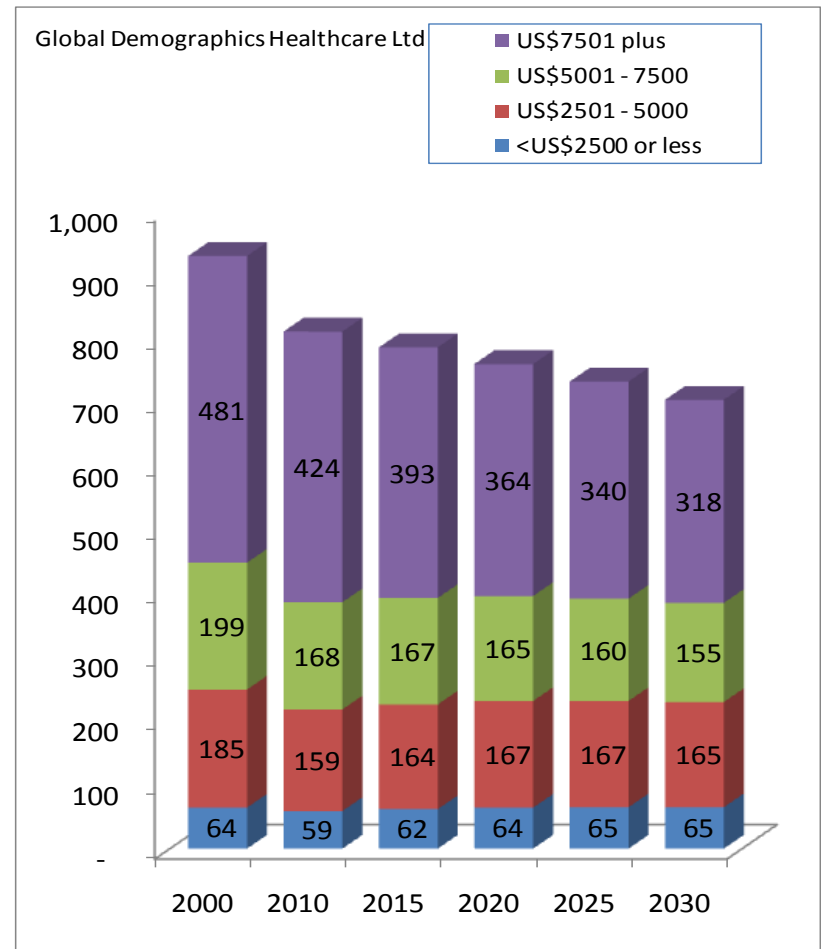


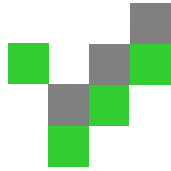
Changing Distribution of Households by Income - Rural

In the rural areas the affluent household (US\$5000 and above) is also the growth segment. However, it is only 73.1% of all rural households in 2010 increasing to 67.3% by 2029.

Of note is that those less affluent and at the “Bottom of the economic pyramid” are in decline.

Rural Households are less affluent than urban households resulting in a “Healthcare Divide”. Policies that may be introduced by governments to alleviate this trend may include increased medical insurance coverage, greater reimbursement/ co-payments or government funded clinics.

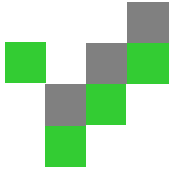




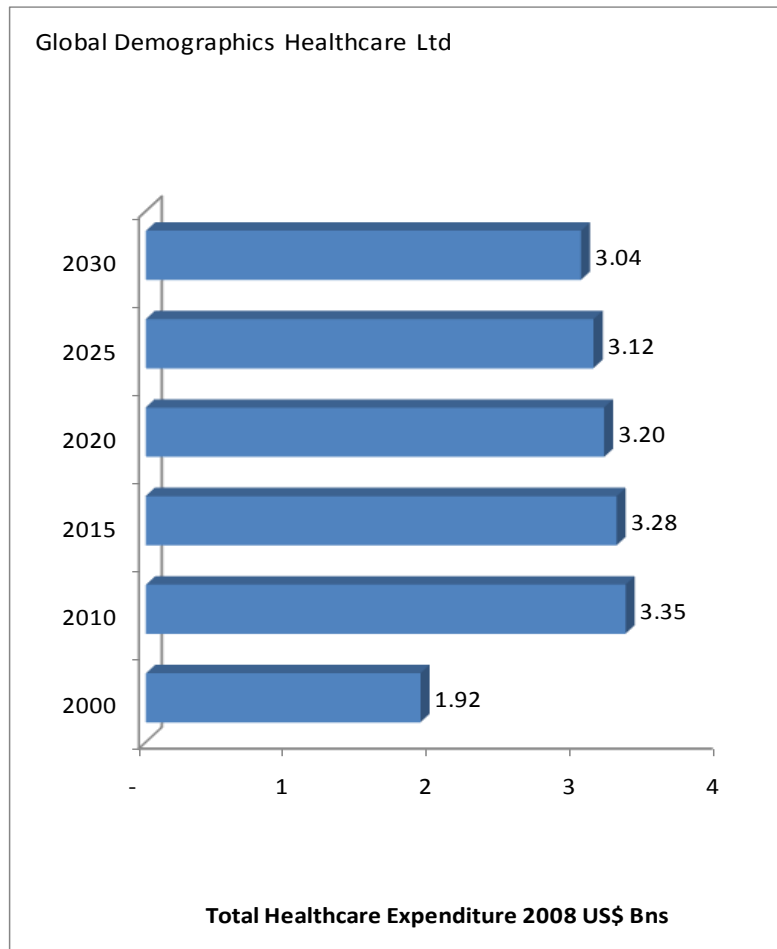
Total Healthcare Expenditure THE

The first section outlined the key drivers of healthcare demand.
This section analyzes the trend in Total Healthcare Expenditure and its components.

Total Healthcare Expenditure (THE) includes government and private healthcare expenditure.

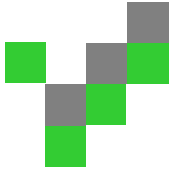


Forecasted Total Healthcare Expenditure

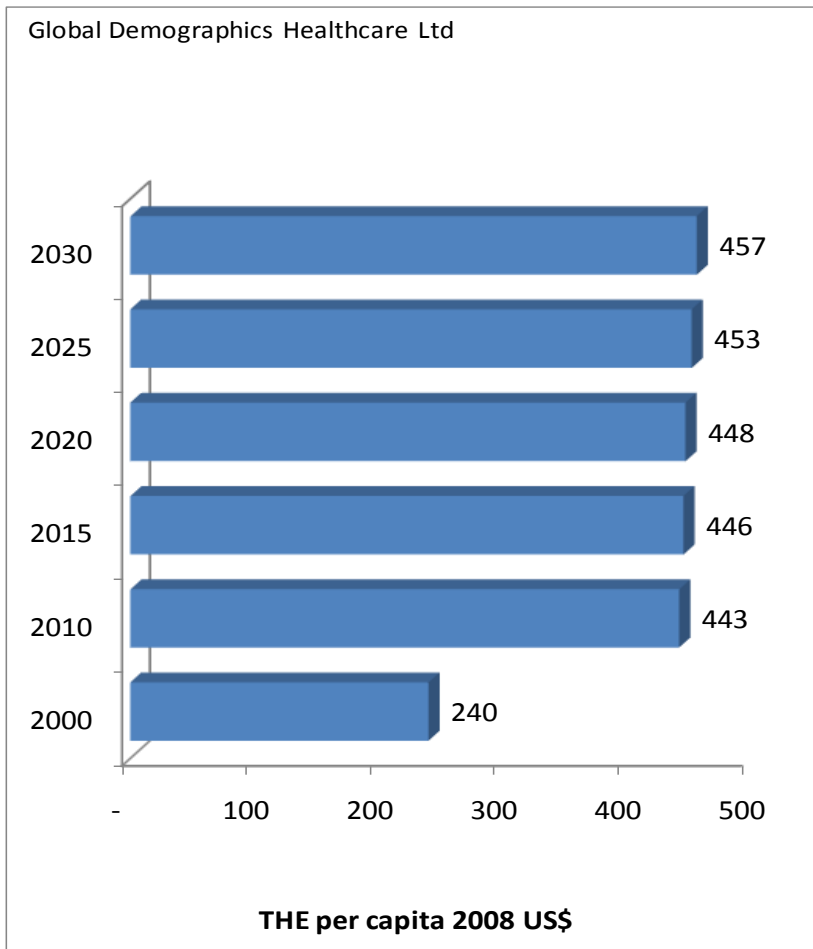


Taking into consideration the proportion of Total Healthcare Expenditure to GDP the future Total Healthcare Expenditure has been forecasted over the next 2 decades.

The Total Healthcare Expenditure will increase from US\$3.3 billion in 2010 to US\$3.2 billion in 2020 at a CAGR of -0.5%, and over the next decade to US\$3.0 billion in 2030 at a CAGR of -0.5%.



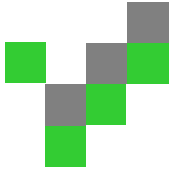
Total Healthcare Expenditure per capita



This graph outlines the Total Healthcare Expenditure Per capita in 2008 US\$.

The Total Healthcare Expenditure per capita has grown from US\$ 240 in 2000 to US\$ 443 in 2010 at a CAGR of 6.3% pa.

Over the next decade it is forecasted to reach US\$448 growing at a CAGR of 0.1 % pa. And between 2020 and 2030 increase to at a CAGR of 0.2% pa.



Total Healthcare Expenditure: Comparison to Rest of the World

Reasonable Total Healthcare Expenditure is important to allow sound GDP growth.

This table compares the THE, THE per capita and THE as a % of GDP for regions of the world.

Example Market's THE per capita and THE as a percent of GDP is consistent with that of less affluent countries.

Total Healthcare Expenditure		
Total	Per Capita	as % of GDP
US\$ Bn	US\$	%

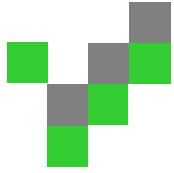
North America	2,382	6,892	15.4%
Western Europe	1,609	3,923	9.4%
Affluent Asia	588	2,464	7.7%
China	236	177	4.4%
South America	290	620	7.3%
Eastern Europe	208	515	5.7%
N Africa/M East	93	363	5.3%
Developing Asia	56	66	3.4%
India	51	44	3.6%
Africa	22	409	8.0%

Example Market	3	443	7.4%
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Ranking

North America	1	1	1
Western Europe	2	2	2
Affluent Asia	3	3	4
China	5	8	8
South America	4	4	5
Eastern Europe	6	5	6
N Africa/M East	7	7	7
Developing Asia	8	9	10
India	9	10	9
Africa	10	6	3

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Healthcare Payer Dynamics- it's all about those who can afford

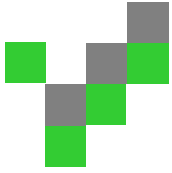
In OECD countries payment for healthcare is usually by large institutions, whether the government as the National Health Service in the UK, or medical insurance companies as in the USA. Once a treatment or service is listed by either of these institutions patient access is largely determined through treatment guidelines and doctor prescribing habits rather than patient affordability.

In emerging markets, however, typically the patient is the major payer. Household Healthcare Expenditure (out of pocket payment) contributes more than 50% to the Total Healthcare Expenditure. In these countries assessing patient affordability is an important part of determining patient access to medical care, diagnosis and treatments.

It is worth noting the emerging trend of “passing cost onto the consumer” in developed markets. Indeed some treatments, such as cancer therapies or prevention products, are not being reimbursed by the paying authorities whether government or medical insurance companies. As treatment prices are usually high for the new innovative therapies, the patient’s ability to afford treatment is a key part of access to treatment.

This fundamental difference in “who pays” has led to a new approach in assessing market access – the incorporation of total market value of Household Healthcare Expenditure in assessing the sector size and the variability of the household and per capita healthcare expenditure by income into sales and marketing forecasts for specific products.

The next section of the report focuses on the Household Healthcare Expenditure or self pay segment.



Composition of Health Expenditures

In Example Market the patient is the major payer.

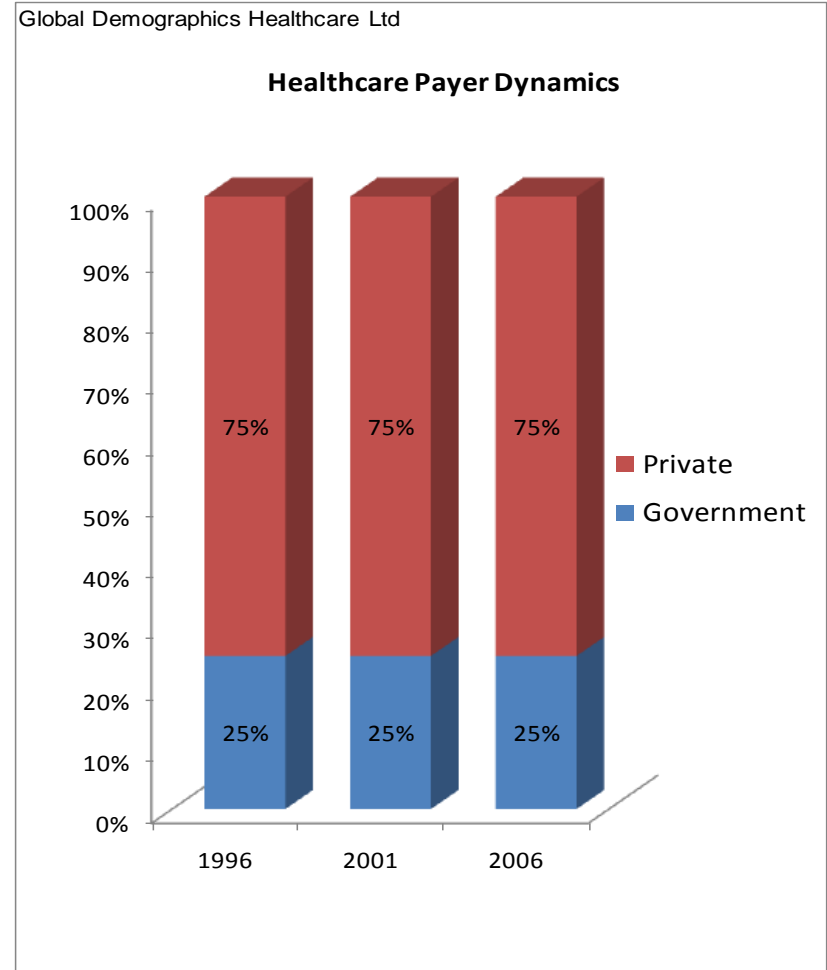
The private sector contributes 75% to the Total Healthcare Expenditure (THE), and 97% of this is household healthcare expenditure (Private household's out of pocket healthcare expenditure) in 2006.

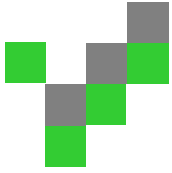
The government contributes 25% of THE in 2006.

What is the significance of this?

As the patient is the major payer, patient affordability therefore is a key determinant of patient access to healthcare and treatments. Assessing patient affordability, therefore, has become a key component of market sizing, targeting and pricing.

Market targeting tip: It is about those who can afford treatment





Comparison to World Health Expenditures

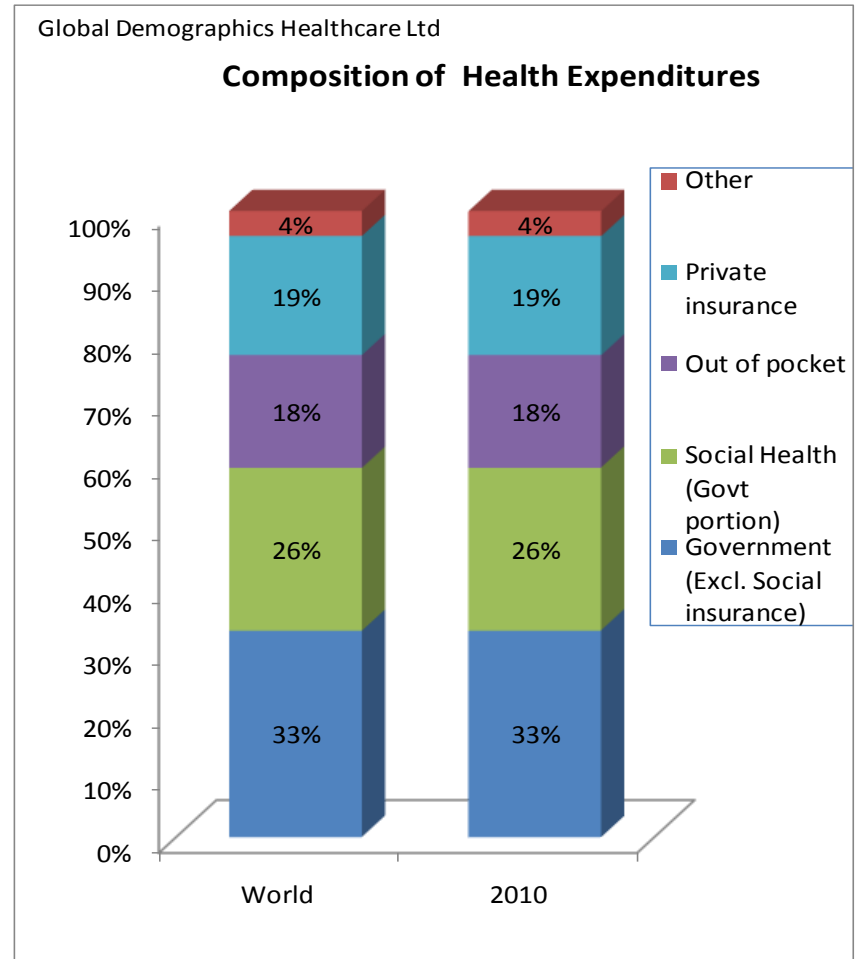
In 2010 the World spent US\$5,535 billion on health expenditures.

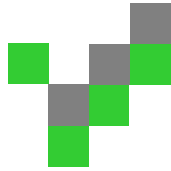
Example Market spent 0.1% of this, compared to the USA which spent 0.1% (WHO). This graph compares the Healthcare Expenditure composition of Example Market with that of the World.

The key points for Example Market are:

- The government expenditure on health is comparable to the World
- Out of pocket is comparable to with that of the world

This reinforces the point made earlier that patient affordability is a vital part of assessing patient access. However there is considerable individual and economic risk with this healthcare financing structure.

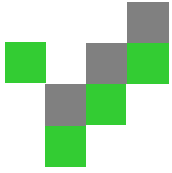




Household Healthcare Expenditure -Out of pocket

The self pay healthcare expenditure refers to expenditure that is not covered by government or the government or social health insurance. It is sometimes called “out of pocket” healthcare expenditure.

Self Pay= Out of Pocket = Household Healthcare Expenditure.

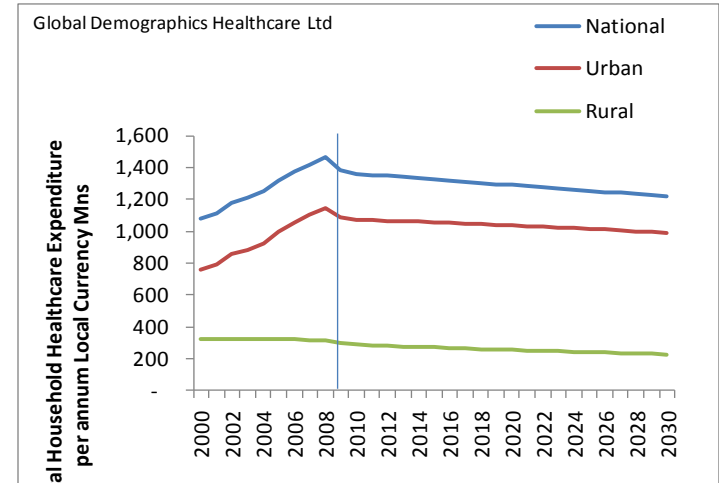


Overall Trend In Total Household Healthcare Expenditure- Self pay Segment

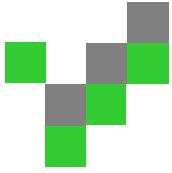
The market value of Total Household Healthcare Expenditure* will decrease -4.9% in the next decade from US\$ 1,355 million in 2010 to US\$1,289 million in 2020, at a CAGR of -0.5%. Total householdcare expenditure will be US\$1,217 million by 2030 –a 94.4% decrease at a CAGR of -0.9%.

79% of this market value is in the urban area. Also the growth rate of the urban area over the next decade will be greater than rural. This result in an increasing urban-rural divide and unequal distribution healthcare access. In 2010 the market value of Household Healthcare Expenditure is 3.7 times that of rural, but by 2030 it will 4.4 times greater.

Strategically this means than the urban area is the 'market place' for multinational companies providing healthcare products and services.



Total Household Healthcare Expenditure			
Local Currency(Mn)	National	Urban	Rural
2000	2,295	1,610	685
2010	1,812	1,427	385
2015	1,774	1,413	361
2020	1,724	1,385	339
2025	1,678	1,358	320
2030	1,627	1,324	302
CAGR			
2000-2010	-2.3%	-1.2%	-5.6%
2010-2015	-0.4%	-0.2%	-1.3%
2015-2020	-0.6%	-0.4%	-1.3%
2020-2025	-0.5%	-0.4%	-1.1%
2025-2030	-0.6%	-0.5%	-1.1%



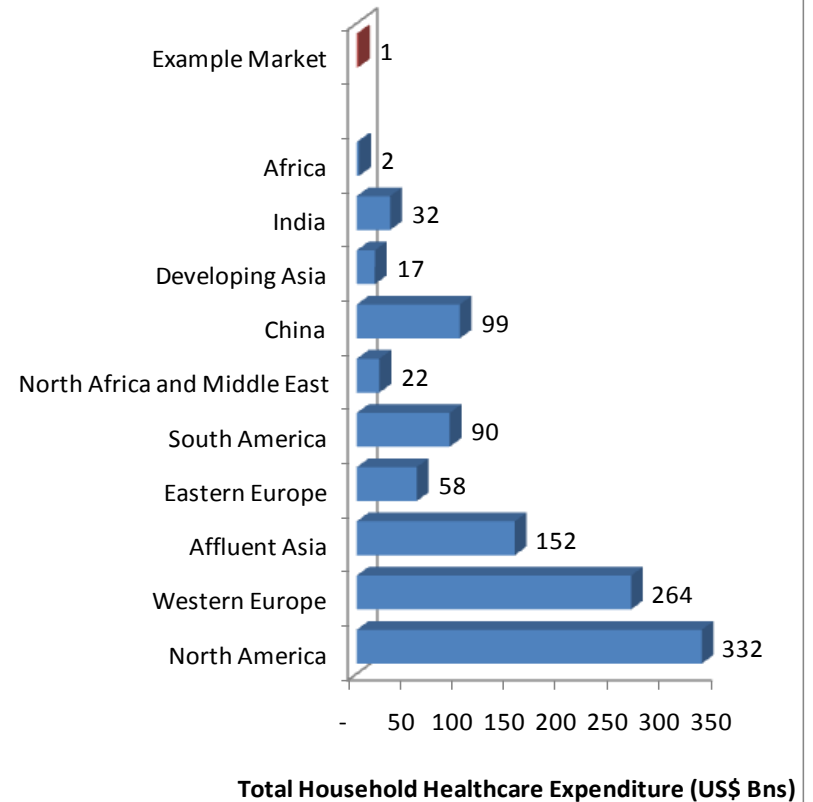
How does this compare to the world (self pay)

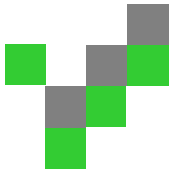
This chart outlines the Total Household Healthcare Expenditure by Example Market and the regions of the world.

The Total Household Healthcare Expenditure of Example Market comprises 0.1% of the global Total Household Healthcare Expenditure.

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Total Household Healthcare Expenditure US\$ Bn



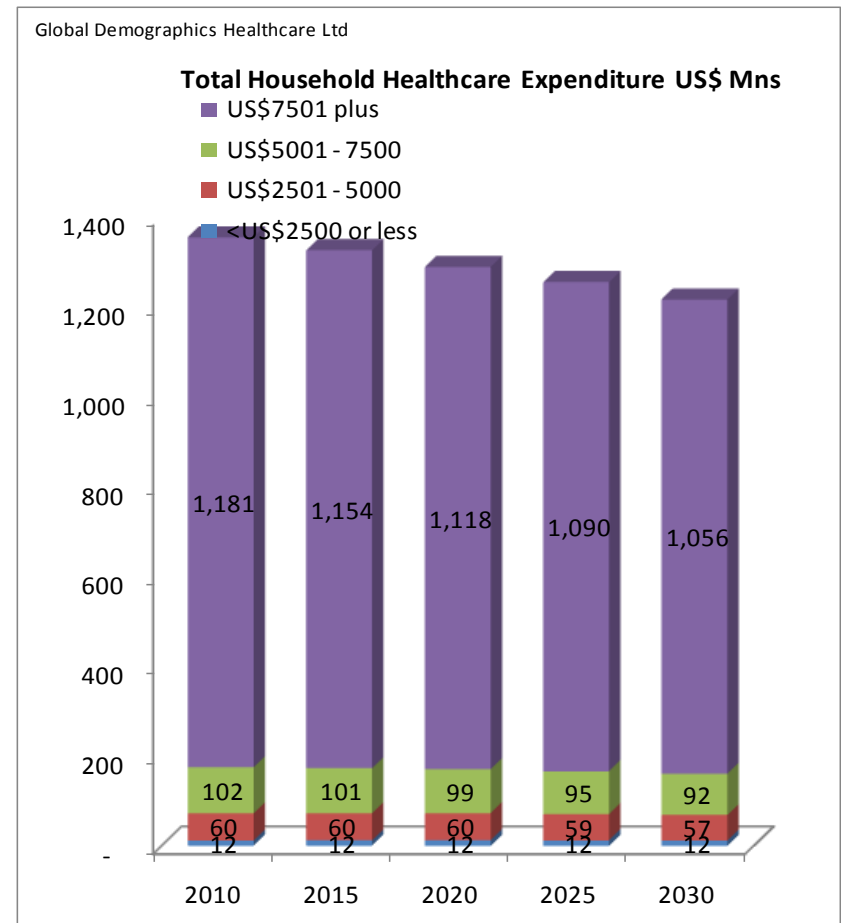


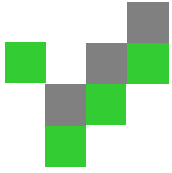
Market Value of Healthcare Expenditure – National by Income

This chart expresses the total household healthcare expenditure value (in Million US\$) by income segments. This is calculated by multiplying the number of households in each segment with respective average household healthcare expenditure

It confirms the importance of the top income segment and its growth. Those people in this segment are more likely to purchase higher quality and innovative treatments and healthcare services, and subsequently be the prime target group for most multinational companies. (Currently foreign pharmaceutical companies are the only companies producing innovative patent protected medicines, which tend to be priced at a premium).

Most of the market value of the higher incomes is in the urban area (as illustrated later), confirming the attractiveness of the urban segment relative to rural area.





Market Segmentation by Household Income - Total Healthcare Expenditure Value by Income Segments 1

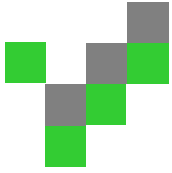
This table summarises the information of previous chart and expresses the respective growth rate by household income group.

The key point to note is that the high growth segment is in the more affluent household. Although smaller in size and value in 2010, total healthcare expenditure of the more affluent household is expected to grow at a higher rate over time.

Total Market Value on Healthcare Expenditure (US\$Mns)					
	2010	2015	2020	2025	2030
<US\$2500 or less	12	12	12	12	12
US\$2501 - 5000	60	60	60	59	57
US\$5001 - 7500	102	101	99	95	92
US\$7501 plus	1,181	1,154	1,118	1,090	1,056
Total	1,355	1,326	1,289	1,255	1,217

CAGR previous 5 years	From	2010	2015	2020	2025
	to	2015	2020	2025	2030
<US\$2500 or less		0.2%	0.1%	-0.3%	-0.4%
US\$2501 - 5000		0.0%	-0.1%	-0.5%	-0.5%
US\$5001 - 7500		-0.3%	-0.4%	-0.7%	-0.7%
US\$7501 plus		-0.5%	-0.6%	-0.5%	-0.6%
Total		-0.4%	-0.6%	-0.5%	-0.6%

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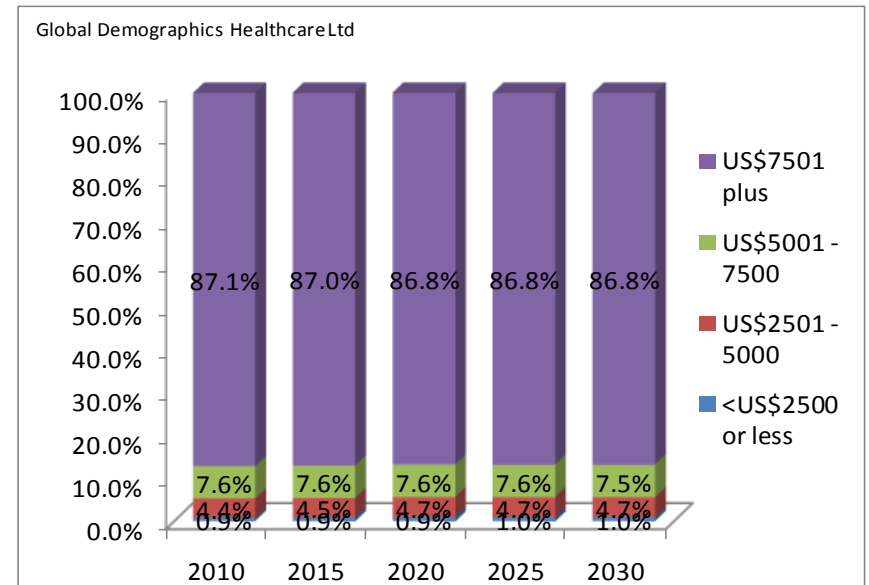


Market Segmentation by Household Income - Total Healthcare expenditure by Income Segments 2

This chart expresses the total healthcare expenditure by percentage share by income segments.

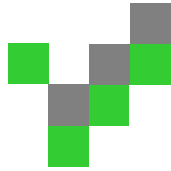
There is increasing share of the Household Healthcare Expenditure accounted for by the higher income groups. The top two income segments which are 83% of the population account for 95% of total Household Healthcare Expenditure in 2010 but this increases to 94% (82% of population) by 2020, and reaches 94% in 2030 (81% of population).

The implications of this for healthcare companies are that high value products and healthcare services will fare well in the market, especially when these have a high perceived value and benefit to patients. Marketing to the lower income groups will be more challenging. Opportunities here will be mainly through government and at lower prices.

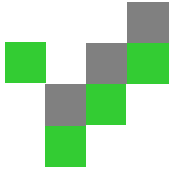


Share of Total Healthcare Expenditure by income segment					
	2010	2015	2020	2025	2030
<US\$2500 or less	0.9%	0.9%	0.9%	1.0%	1.0%
US\$2501 - 5000	4.4%	4.5%	4.7%	4.7%	4.7%
US\$5001 - 7500	7.6%	7.6%	7.6%	7.6%	7.5%
US\$7501 plus	87.1%	87.0%	86.8%	86.8%	86.8%

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Household Healthcare Expenditure



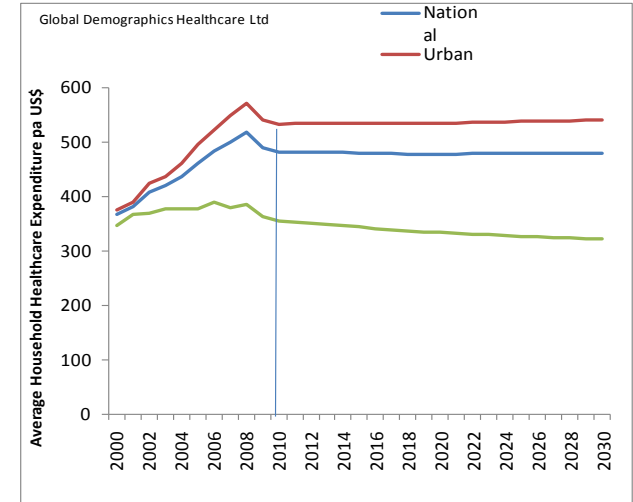
Overall Trend in Average Household Healthcare Expenditure

The average household healthcare expenditure increased by 2.8% per annum over the last decade (0.7 times that of average household income of 3.8%) and most of that increase took place urban areas.

Growth is forecasted to continue for the next decade although at slower rates and the growth rates in the rural area will now be higher than urban areas.

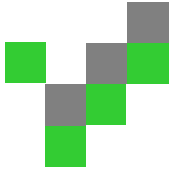
The urban rural divide is really quite pronounced; an urban household in 2010 spends 1.5 times more than the rural household on health and has an extra US\$177 more to spend on healthcare.

The average Household Healthcare Expenditure growth rate is slower than total Household Healthcare Expenditure because of the increasing number of households (fewer workers per household).



Average Household Healthcare Expenditure US\$			
	National	Urban	Rural
2000	366	375	347
2010	481	532	355
2015	480	534	344
2020	478	535	333
2025	479	538	327
2030	479	540	321
CAGR			
2000-2010	2.8%	3.6%	0.2%
2010-2015	-0.1%	0.1%	-0.7%
2015-2020	-0.1%	0.0%	-0.6%
2020-2025	0.0%	0.1%	-0.4%
2025-2030	0.0%	0.1%	-0.4%

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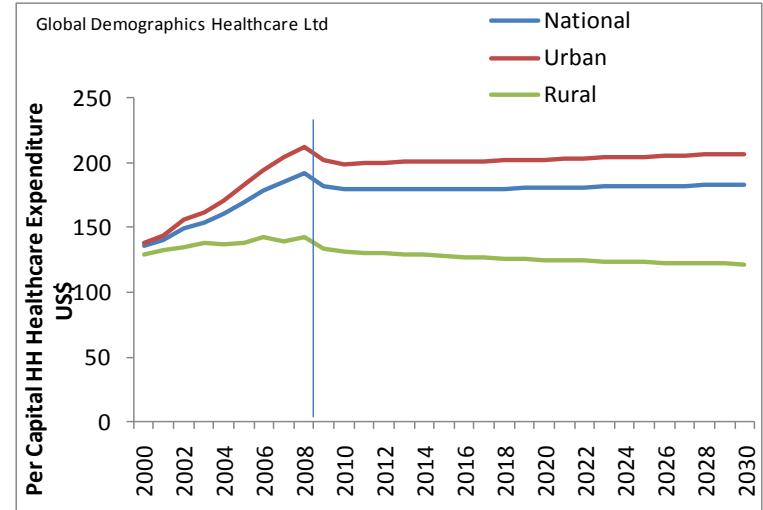


Overall Trend in Per Capita Household Healthcare Expenditure

The per capita Household Healthcare Expenditure increased 2.8% over the last decade compared to 3.8% for household income. Growth will continue at a slower rate. Over the next 5 years the urban growth rate will be slightly greater than rural, but after this the rural growth rate is greater.

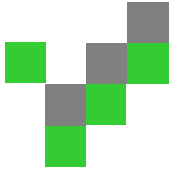
The 'healthcare divide' in terms of per capita health expenditure is greater than with average household health expenditure: The urban per capita healthcare expenditure is 1.5 times more than rural per capita healthcare expenditure.

In 2010 urban people spend \$68 more on healthcare and by 2020 this will have increased to \$78.



Per Capita HH Healthcare Expenditure US\$			
	National	Urban	Rural
2000	136	139	129
2010	179	199	131
2015	180	201	128
2020	181	203	125
2025	182	205	123
2030	183	207	122
CAGR			
2010-2015	2.8%	3.7%	0.2%
2015-2020	0.1%	0.2%	-0.5%
2020-2025	0.0%	0.1%	-0.5%
2025-2030	0.2%	0.2%	-0.3%

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Per Capita Healthcare Expenditure by income - National

Comparing the per capita healthcare expenditure from households earning under or over \$1250 illustrates the extremes of having \$33 or over \$63 per annum.

Clearly those with income below \$1250,500 have very limited opportunity for many healthcare products and services- irrespective of how great their need. The target market is clearly those earning higher incomes.

In Example Market lower income households typically have more people than higher income households. As a result the difference between the income segments increases, and reinforces the point made previously concerning a future focus on higher income households (especially those in urban areas) and increased risks of a widening of the 'healthcare divide.

Expenditure per capita on healthcare

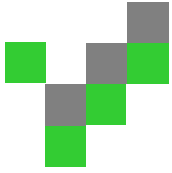
2008 US\$ pa	2010	2015	2020	2025	2030
Total	179	180	181	182	183
Household Income Segment					
<US\$2500 or less	33	34	34	34	34
US\$2501 - 5000	63	64	64	64	65
US\$5001 - 7500	90	91	91	92	92
US\$7501 plus	231	233	235	237	239

CAGR previous 5 years	0.1%	0.0%	0.2%	0.1%
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Household Income Segment					
<US\$2500 or less		0.1%	0.1%	0.1%	0.1%
US\$2501 - 5000		0.1%	0.1%	0.1%	0.1%
US\$5001 - 7500		0.1%	0.1%	0.1%	0.1%
US\$7501 plus		0.2%	0.1%	0.2%	0.2%

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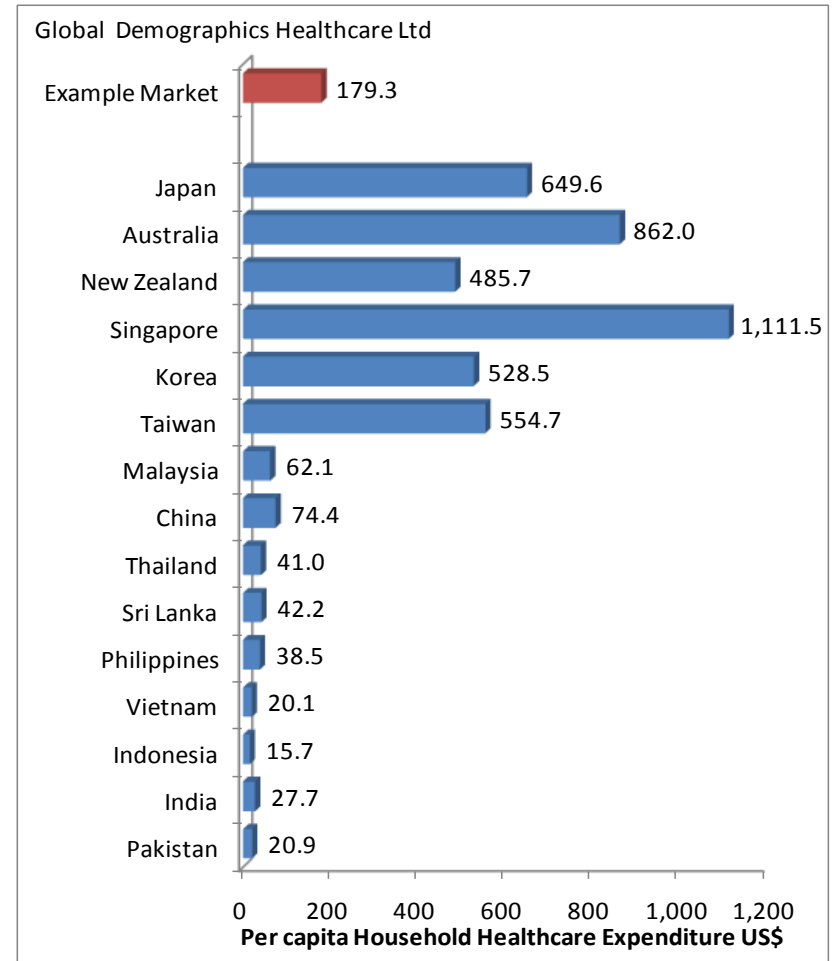
In 2010 the per capita spend of the higher income is 1.0 times more than the lowest income and these people have US\$4 more to spend on healthcare than the lowest income, and over time this disparity widens.

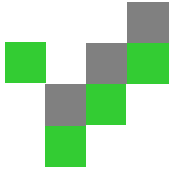


Per Capita Household Healthcare Expenditure Relative to other countries

This graph outlines the per capita household healthcare expenditure in US\$.

A clear dichotomy can be seen between Affluent Asia and Less Affluent Asia.

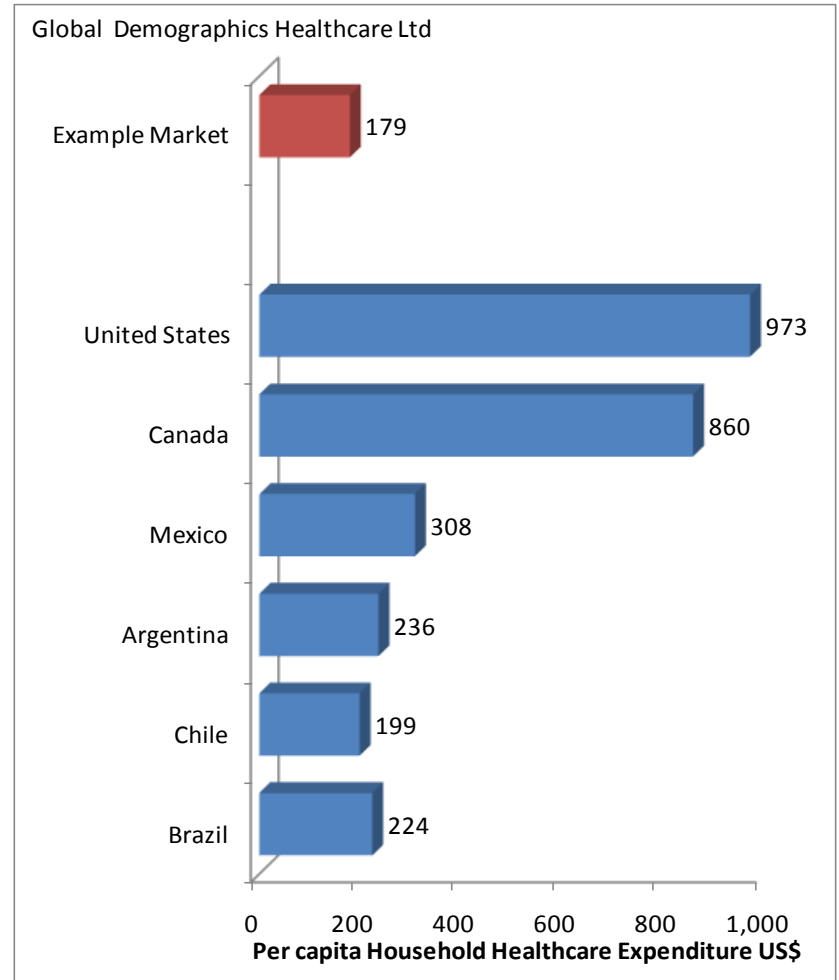


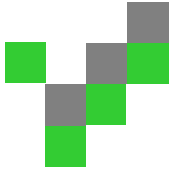


Per Capita Household Healthcare Expenditure Relative to other countries

This graph outlines the per capita household healthcare expenditure in US\$.

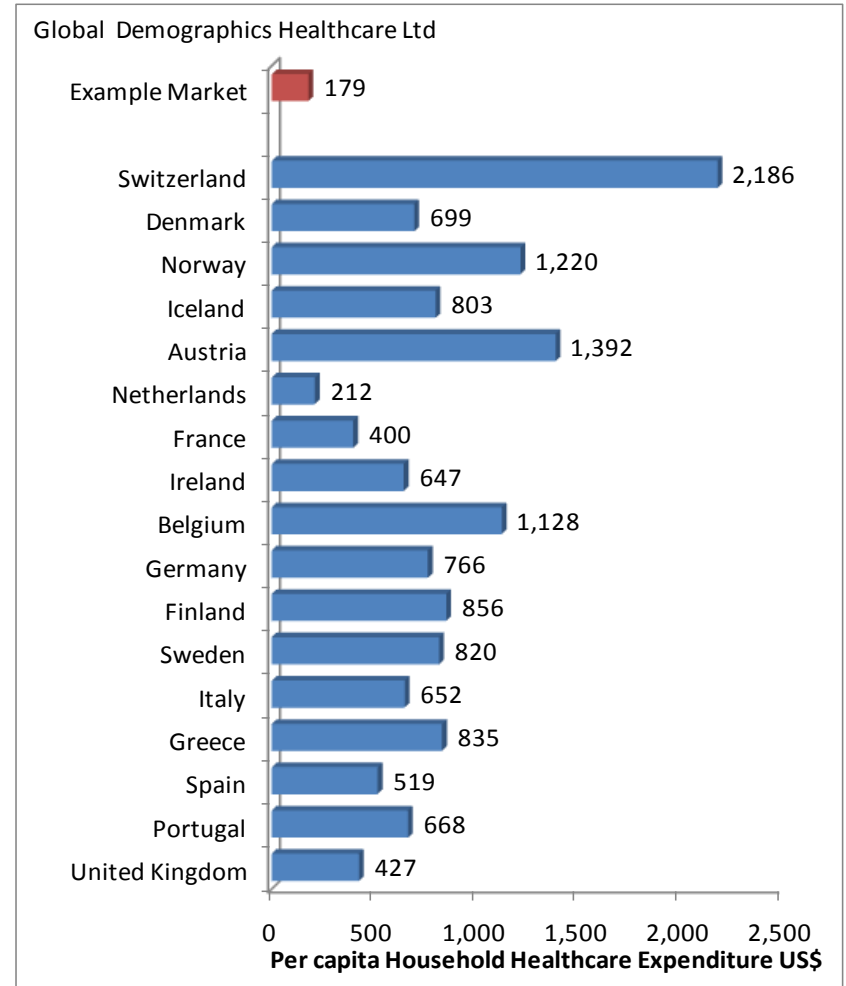
A clear dichotomy can be seen between North America and South America.

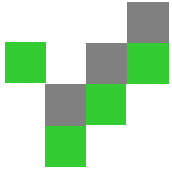




Per Capita Household Healthcare Expenditure Relative to other countries

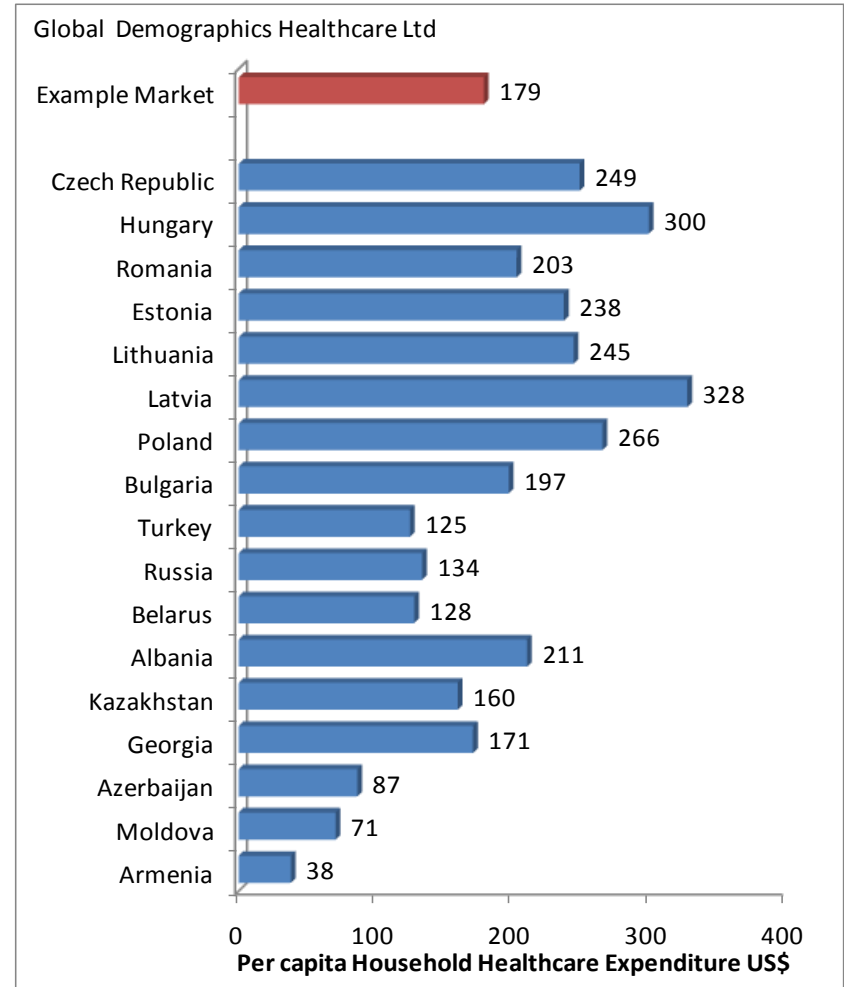
This graph outlines the per capita household healthcare expenditure in US\$ of Western Europe.

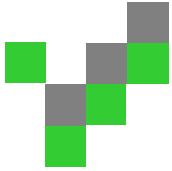




Per Capita Household Healthcare Expenditure Relative to other countries

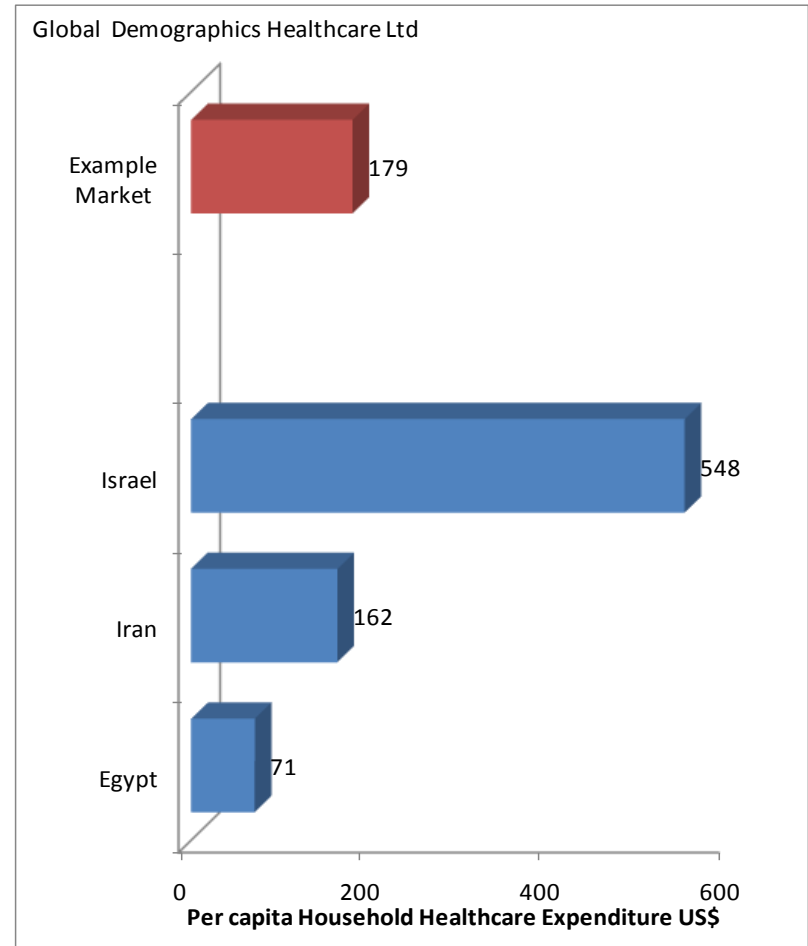
This graph outlines the per capita household healthcare expenditure in US\$ of Eastern European countries.

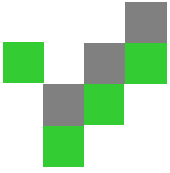




Per Capita Household Healthcare Expenditure Relative to other countries

This graph outlines the per capita household healthcare expenditure in US\$ of Middle Eastern and North African countries.



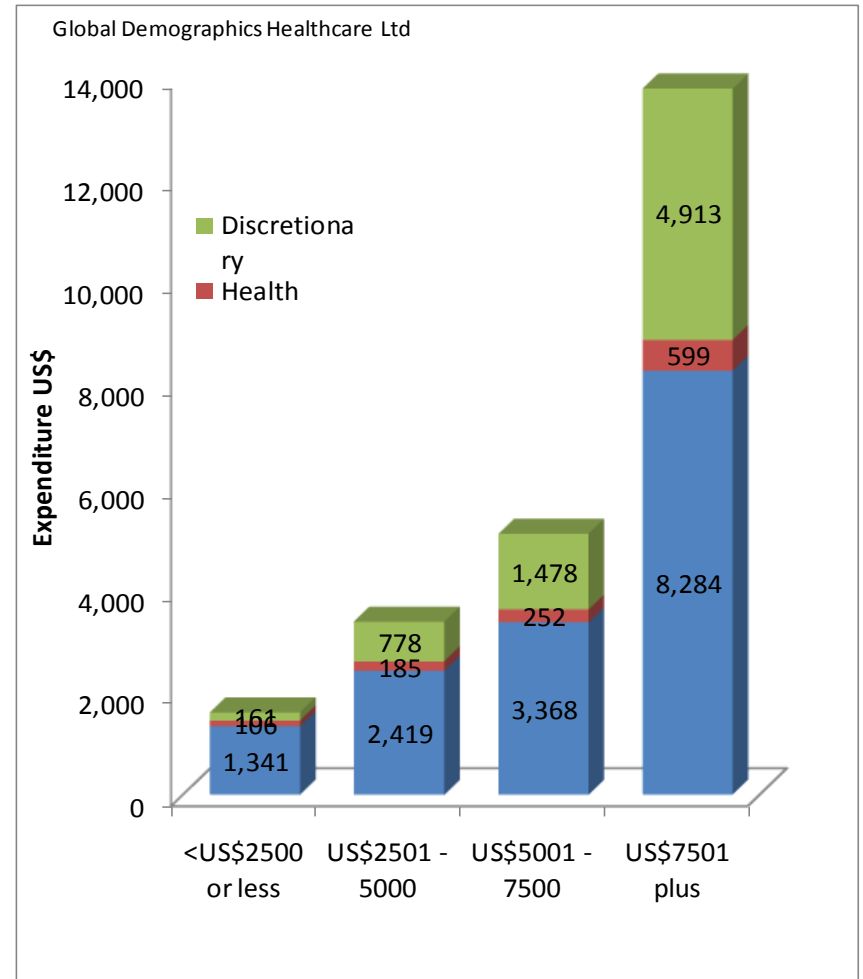


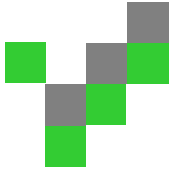
Comparison with other parts of the Expenditure

In markets where the 'self pay' comprises a major portion of the Total Health Expenditure or in a market where a particular health treatment/service will not be paid for by the usual payer (government or insurance company), a patient may have to make a financing decision as to whether they dip into another part of their discretionary expenditure or indeed their savings.

In 2010 the average household had a disposable income of US\$16,358 and spent 66% or US\$ 10,848. Of this 61% was on essentials of clothing, food and housing, 35% discretionary (transport, communications, recreation, leisure etc.) and 4% on healthcare.

The graph illustrates the increase in expenditure types with income. The largest increases are in the discretionary and healthcare expenditure. The higher incomes have more capacity to redirect expenditure to a healthcare product/ service from discretionary (or savings) . Whether they do will depend on how important they feel the healthcare service or treatment is to their health condition.





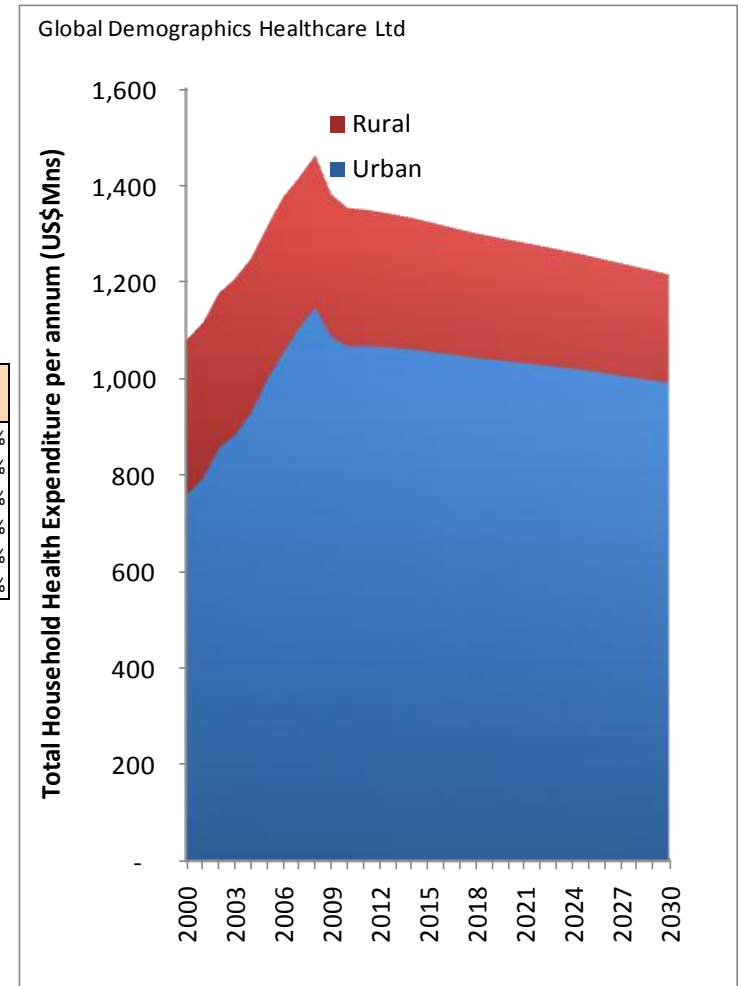
Relative Importance of Urban and Rural Markets

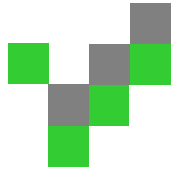
As the expenditure on Healthcare increases quite dramatically with household income, and urban households have significantly higher incomes than rural households, it is not surprising that urban households account for a very high proportion of the total market.

Furthermore with the increase in affluence of urban households and increased urbanisation of the population this proportion increases over time. It is estimated at 79% of total market in 2010 and this increases to 81% by 2030.

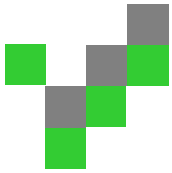
So while the rural market increases -21% in size over that period it remains less important- assuming current trends persist. The key message is that the majority of the value of the healthcare market is in the urban area.

% population Urban	
2000	69%
2010	71%
2015	71%
2020	72%
2025	72%
2030	72%

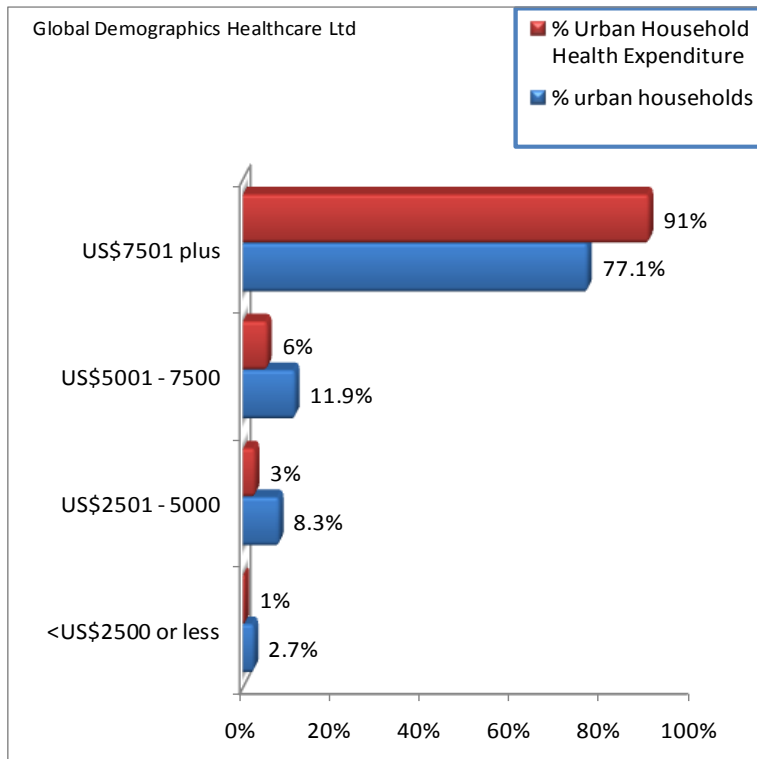




Urban Household Healthcare Expenditure



Who is paying for Healthcare? Urban

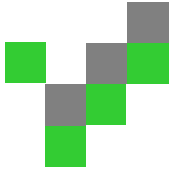


Although the market value of urban healthcare expenditure is significantly greater than rural, the key question for targeting patients, market sizing and pricing, is “who in the urban area is spending on healthcare?” Comparing the healthcare expenditure of households of different incomes reveals that the higher income households account for a disproportionate amount of the total healthcare expenditure.

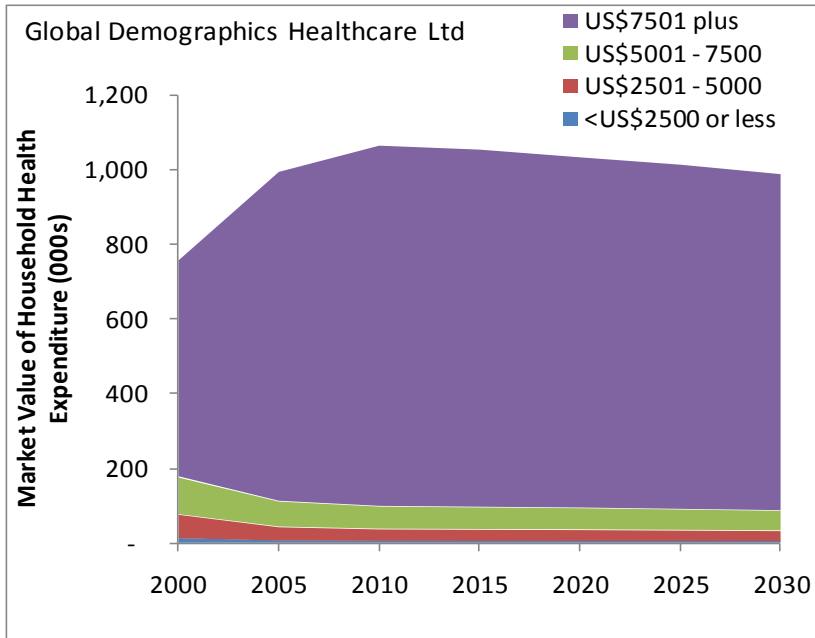
In 2010 some 97% of the healthcare expenditure is in households earning over US\$2500, yet they represent only 89% of the urban households. However, 91% of the healthcare expenditure in those households earning over US\$5000 (some 77% of urban households).

The more Affluent households dominate the self pay market

At the lower end, 2.7% of households earn under US\$1250, and spend 1% of the self pay segment.



Urban Household Healthcare Expenditure by income over time

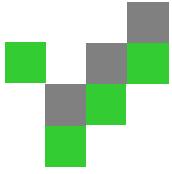


The relative importance of the four income segments to healthcare expenditure changes considerably over the next decade. The table illustrates the share households of a specific income group have of the whole self pay market. It is clear that as the affluence increases, so does the healthcare expenditure.

In the next 10 years, the share of Household Healthcare Expenditure in the US\$2501 - 5000 segment decreases, and that of the US\$5001 - 7500 decreases.

This wave of affluence and healthcare expenditure has implications on those who can afford healthcare products and services by price.

	% Market Value of Household Health Expenditure					
	2000	2010	2015	2020	2025	2030
<US\$2500 or less	1.7%	0.6%	0.6%	0.6%	0.5%	0.5%
US\$2501 - 5000	8.4%	2.9%	2.9%	2.9%	2.8%	2.8%
US\$5001 - 7500	13.2%	5.7%	5.6%	5.6%	5.5%	5.4%
US\$7501 plus	76.6%	90.8%	91.0%	91.0%	91.2%	91.3%



Urban Healthcare Expenditure per household by Income Segment

This table incorporates the same information as the previous 2 slides plus the CAGR.

In the next five years total urban expenditure on Healthcare is projected to grow at -0.2% per annum, settling to -0.4% per annum of the subsequent five years.

With the increasing affluence of urban households, at the same time, the share of the market accounted for by the higher income groups increases rapidly. From 90.8% in 2010 to 91.0% in 2020, reaching 91.3% in 2030 for US\$5000 plus income group. This higher income segment also spend significantly more per capita than the others.

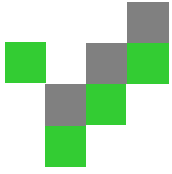
Urban	2010	2015	2020	2025	2030
Market Value	US\$ Millions				
Total	1,067	1,056	1,036	1,016	990
Household Income Segment					
<US\$2500 or less	6	6	6	6	5
US\$2501 - 5000	31	30	30	28	27
US\$5001 - 7500	60	59	58	56	53
US\$7501 plus	969	961	942	926	904

CAGR previous 5 years

Total	-0.2%	-0.4%	-0.4%	-0.5%
Household Income Segment				
<US\$2500 or less	-0.5%	-0.5%	-0.8%	-0.9%
US\$2501 - 5000	-0.5%	-0.5%	-0.8%	-0.8%
US\$5001 - 7500	-0.5%	-0.4%	-0.8%	-0.8%
US\$7501 plus	-0.2%	-0.4%	-0.3%	-0.5%

Share of Market

Total	100.0%	100.0%	100.0%	100.0%	100.0%
Household Income Segment					
<US\$2500 or less	0.6%	0.6%	0.6%	0.5%	0.5%
US\$2501 - 5000	2.9%	2.9%	2.9%	2.8%	2.8%
US\$5001 - 7500	5.7%	5.6%	5.6%	5.5%	5.4%
US\$7501 plus	90.8%	91.0%	91.0%	91.2%	91.3%
Global Demographics Healthcare Ltd					



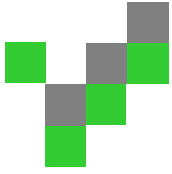
Average Healthcare Expenditure per household by Income Segments - Urban

The average household spends 4.4% of its total consumption expenditure on Health in 2010. Given historic trends this will increase to 4.4% in 2020 and 4.4% by 2030. This percentage varies substantially over the income ranges analyzed

From a low of 6.5% to the lowest income group to a high of 4.3% in the highest income group. So the higher income groups have significantly more funds available for healthcare than lower income groups.

The higher incomes spend the most on healthcare although growth slows after 15 years. The higher incomes also continue to increase savings, which may be used for urgent or acute and life threatening treatment.

Urban	2010	2015	2020	2025	2030
Healthcare Expenditure per household					
2008 US\$ pa					
Total	532	534	535	538	540
Household Income Segment					
<US\$2500 or less	114	114	114	114	113
US\$2501 - 5000	187	187	186	186	186
US\$5001 - 7500	254	254	253	253	253
US\$7501 plus	627	629	629	631	633
CAGR previous 5 years					
Total		0.1%	0.0%	0.1%	0.1%
Household Income Segment					
<US\$2500 or less		0.0%	0.0%	0.0%	0.0%
US\$2501 - 5000		0.0%	0.0%	0.0%	0.0%
US\$5001 - 7500		0.0%	0.0%	0.0%	0.0%
US\$7501 plus		0.1%	0.0%	0.1%	0.1%
As a percentage of Total Consumption Expenditure of the household					
Total	4.4%	4.4%	4.4%	4.4%	4.4%
Household Income Segment					
<US\$2500 or less	6.5%	6.5%	6.5%	6.5%	6.5%
US\$2501 - 5000	5.5%	5.5%	5.4%	5.4%	5.4%
US\$5001 - 7500	4.9%	4.9%	4.9%	4.9%	4.9%
US\$7501 plus	4.3%	4.3%	4.3%	4.3%	4.3%
Global Demographics Healthcare Ltd					



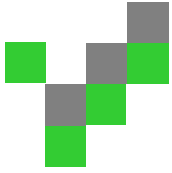
Per Capita Household Healthcare Expenditure by income segment-Urban

Urban households are typically smaller in number of people and as such the per capita spend is generally higher than rural across all income groups. The implications are that urban population will be the prime target market for all healthcare companies seeking the largest revenue potential.

Also lower income households have more people in it than higher income households so the difference between the income segments increases, and reinforces the point made previously concerning a future focus on higher income households (especially those in urban areas) and increased risks of a widening of the 'healthcare divide'.

The highest income group spends 7 times more on healthcare per capita than the lowest income group in 2010.

Urban	2010	2015	2020	2025	2030
Expenditure per Capita on Health					
2008 US\$ pa					
Total	199	201	203	205	207
Household Income Segment					
<US\$2500 or less	36	36	36	37	37
US\$2501 - 5000	64	64	64	64	65
US\$5001 - 7500	90	90	91	91	91
US\$7501 plus	241	243	245	247	249
CAGR previous 5 years		0.2%	0.1%	0.2%	0.2%
Household Income Segment					
<US\$2500 or less		0.1%	0.1%	0.1%	0.1%
US\$2501 - 5000		0.1%	0.1%	0.1%	0.1%
US\$5001 - 7500		0.1%	0.1%	0.1%	0.1%
US\$7501 plus		0.2%	0.1%	0.2%	0.2%
Global Demographics Healthcare Ltd					



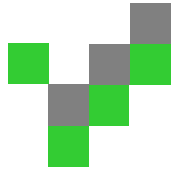
Expected Trend in Average Urban Household Healthcare Expenditure Over Time

This table summarises the increase in urban household expenditure and savings over time. If the burden of degenerative disease continues to increase at its current rate and the self pay segment remains or becomes a significant proportion of Total Healthcare Expenditure then the savings may well be reduced as the aging consumer dip into their savings for healthcare treatments.

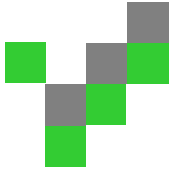
Per capita increases at a greater rate than household healthcare expenditure. This is due to the increasing trend to lower household size. Considering the household size is important in comparing markets. In markets where the household size is large e.g. India the household healthcare budget has to go among more people. In next decade- savings out performs all other parameters.

	2000	2010	2015	2020	2025	2030	2010-2020	020-2030
Number of Households(000s)	2,023	2,004	1,977	1,937	1,889	1,833	-0.3%	-0.6%
Average Household IncomeUS\$	11,628	18,598	18,706	18,723	18,883	19,004	0.1%	0.1%
Estimated Savings US\$	1,887	3,591	3,618	3,623	3,664	3,694	0.1%	0.2%
Total Household Expenditure US\$	8,201	12,112	12,171	12,180	12,266	12,331	0.1%	0.1%
Healthcare Expenditure US\$	375	532	534	535	538	540	0.0%	0.1%
Health Expenditure per capita US\$	139	199	201	203	205	207	0.2%	0.2%
Health as % of Expenditure	4.6%	4.4%	4.4%	4.4%	4.4%	4.4%		
Market Value of Household Healthcare Expenditure US\$	758	1,067	1,056	1,036	1,016	990	-0.3%	-0.4%

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Rural Household Healthcare Expenditure



Total Healthcare Expenditure of all household by Income Segments - Rural

The rural market is projected to increase -21% over the next 20 years. This is slower growth and the urban healthcare expenditure.

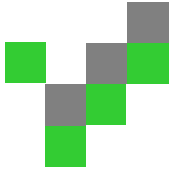
Why is this? First of all the number of urban households increases at a greater rate than rural households, and secondly the average household income of rural households is increasing at a slower rate than that of urban household's. As shown earlier in this report the majority of rural households have a lower income than urban households.

Clearly in a paying market the access to healthcare is much reduced in the rural area and this has implications to the healthcare structure and government policy as outlined in subsequent pages.

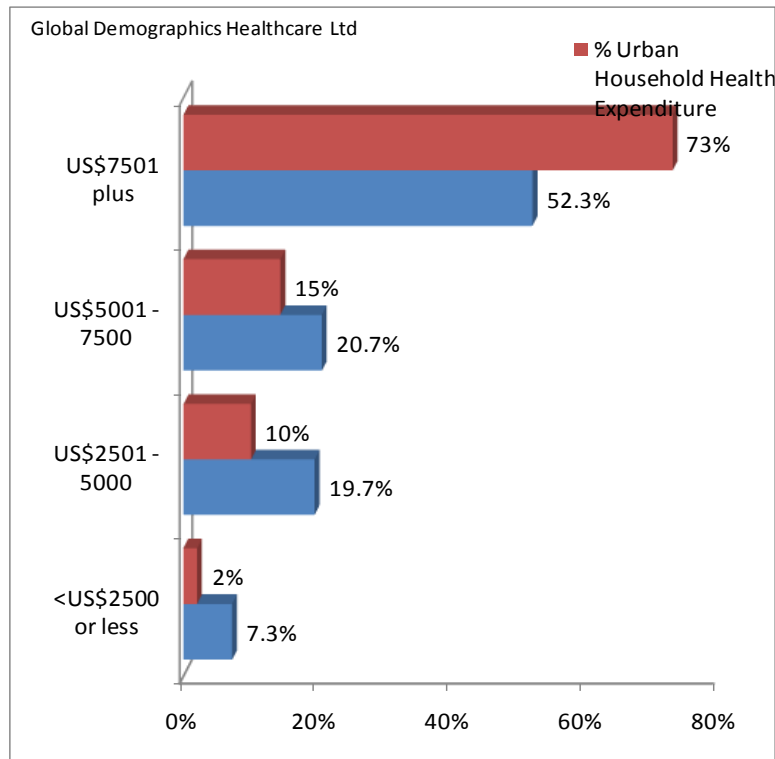
Rural Market Value	2010	2015	2020	2025	2030
	US\$ Millions				
Total	288	270	253	239	226
Household Income Segment					
<US\$2500 or less	6	6	6	6	6
US\$2501 - 5000	29	30	30	30	30
US\$5001 - 7500	42	41	41	40	38
US\$7501 plus	211	193	176	163	152

CAGR pervious 5 years					
Total		-1.3%	-1.3%	-1.1%	-1.1%
Household Income Segment					
<US\$2500 or less		0.9%	0.7%	0.2%	0.0%
US\$2501 - 5000		0.5%	0.3%	-0.1%	-0.3%
US\$5001 - 7500		-0.2%	-0.3%	-0.6%	-0.7%
US\$7501 plus		-1.8%	-1.8%	-1.5%	-1.5%

Share of Market					
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Household Income Segment					
<US\$2500 or less	2.0%	2.3%	2.5%	2.7%	2.8%
US\$2501 - 5000	10.1%	11.1%	12.0%	12.6%	13.2%
US\$5001 - 7500	14.5%	15.4%	16.1%	16.5%	17.0%
US\$7501 plus	73.3%	71.3%	69.4%	68.2%	67.0%
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Who is paying for healthcare? Rural



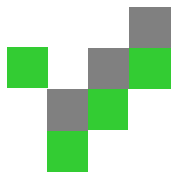
The target market of the rural area has a different profile to the urban area, when comparing the healthcare expenditure of households of different incomes.

In 2010 some 87.9% of the healthcare expenditure is in households earning over US\$2500, yet they represent only 73.1% of the rural households. Although this is a relatively attractive group it will be more difficult to access that the urban high earners, as they are smaller in number and dispersed across a larger area.

However, the bulk of the market is in the lower income levels, 27% of households earn under US\$2500, and spend 12% of the self pay segment.

Clearly different targeting tactics are required for rural consumers. As previously mentioned the larger opportunities are most likely to be working with government and at lower prices.

The bulk of the market is at 'the bottom of the pyramid'



Average Healthcare Expenditure per household by Income Segments - Rural

The expenditure patterns of rural households is relatively similar to that of urban households in the lower income segments. However higher income rural households spend significantly less than their urban equivalent. This to some extent is a function of rural households having a much higher propensity to save.

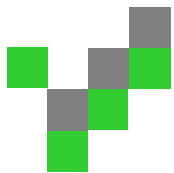
Consequently healthcare expenditure is only 4.6% of total consumption expenditure.

This relative unattractiveness of the rural market in comparison to urban markets will have implications for government policy in countries where self pay forms a significant portion of healthcare bills. If healthcare companies are to be encouraged to target these rural markers, the government may need to provide incentives in order to bridge the 'healthcare divide' more effectively. These incentives could include increasing social health insurance coverage, increasing reimbursement for treatments, and government funded clinics. Typically in low income countries accessing the rural healthcare market will be through working with government and at lower prices.

Rural	2010	2015	2020	2025	2030
Healthcare Expenditure per household					
2008 US\$ pa					
Total	355	344	333	327	321
Household Income Segment					
<US\$2500 or less	99	99	99	99	98
US\$2501 - 5000	183	182	181	181	180
US\$5001 - 7500	249	248	248	247	247
US\$7501 plus	498	490	484	480	476

CAGR previous 5 years					
Total		-0.7%	-0.6%	-0.4%	-0.4%
Household Income Segment					
<US\$2500 or less		0.0%	0.0%	0.0%	0.0%
US\$2501 - 5000		-0.1%	-0.1%	-0.1%	0.0%
US\$5001 - 7500		-0.1%	-0.1%	0.0%	0.0%
US\$7501 plus		-0.3%	-0.3%	-0.2%	-0.1%

As a percentage of Total Consumption Expenditure of the household					
Total	4.6%	4.6%	4.6%	4.6%	4.6%
Household Income Segment					
<US\$2500 or less	6.7%	6.7%	6.7%	6.7%	6.7%
US\$2501 - 5000	5.5%	5.5%	5.4%	5.4%	5.4%
US\$5001 - 7500	4.9%	4.9%	4.9%	4.9%	4.9%
US\$7501 plus	4.4%	4.4%	4.4%	4.4%	4.4%
Global Demographics Healthcare Ltd					



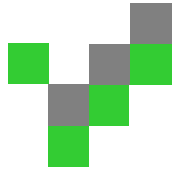
Per Capita Household Healthcare Expenditure - Rural

This table is similar to the that on the previous page except now healthcare expenditure is expressed on a per capita basis.

As previously stated the lower income households have more people in it than higher income households so the difference between the income segments increases, and reinforces the point made previously concerning a future focus on higher income households (especially those in urban areas) and increased risks of a widening of the 'healthcare divide'.

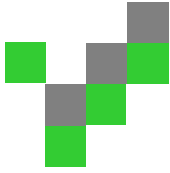
The average urban per capita spend is 2 times that of rural in 2010.

Rural	2010	2015	2020	2025	2030
Expenditure per Capita on Health					
Total	131	128	125	123	122
Household Income Segment					
<US\$2500 or less	31	31	31	32	32
US\$2501 - 5000	63	64	64	64	65
US\$5001 - 7500	90	91	92	92	93
US\$7501 plus	195	194	194	194	194
CAGR previous 5 years		-0.5%	-0.5%	-0.3%	-0.2%
Household Income Segment					
<US\$2500 or less		0.2%	0.1%	0.1%	0.1%
US\$2501 - 5000		0.1%	0.1%	0.1%	0.1%
US\$5001 - 7500		0.2%	0.1%	0.1%	0.1%
US\$7501 plus		-0.1%	-0.1%	0.0%	0.0%
Global Demographics Healthcare Ltd					



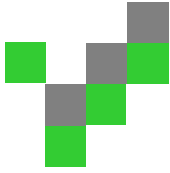
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Healthcare Expenditure Summary



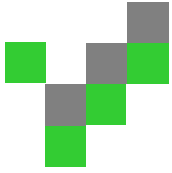
Country Summary Healthcare Expenditure Profile 1

Country - Historic and Projected Healthcare Profile					Average Growth Rate per annum		
	2005	2010	2015	2020	2005 to 2010	2010 to 2015	2015 to 2020
The Population and Household							
Total Population (persons 000s)	7,746	7,557	7,359	7,138	-0.5%	-0.5%	-0.6%
0-14 (000s)	1,085	1,066	1,126	1,118	-0.3%	1.1%	-0.1%
19-24yrs (000s)	1,052	884	698	644	-3.4%	-4.6%	-1.6%
25-39yrs (000s)	1,689	1,691	1,572	1,370	0.0%	-1.4%	-2.7%
40-64 yrs (000s)	2,618	2,627	2,649	2,654	0.1%	0.2%	0.0%
65yrs+ (000s)	1,301	1,288	1,314	1,353	-0.2%	0.4%	0.6%
Average age	40.3	40.9	41.4	42.0			
% over 40 years	51%	52%	54%	56%			
% living in urban areas	70%	71%	71%	72%			
Total number of Households (000s)	2,859	2,815	2,763	2,697	-0.3%	-0.4%	-0.5%
Average Household size	2.71	2.68	2.66	2.65			
National Income (at 2008 constant value)							
Total GDP in US\$ (Bn)	42	45	45	43	1.7%	-0.4%	-0.5%
Total GDP in local currency (Bn)	66	61	60	58	-1.6%	-0.4%	-0.5%
GDP per capita (US\$)	5,396	6,021	6,066	6,084	2.2%	0.1%	0.1%
GDP per capita in local currency	8,493	8,050	8,111	8,135	-1.1%	0.1%	0.1%
National Total Healthcare Expenditure (THE)							
THE in US\$ Bn	3.1	3.3	3.3	3.2	1.3%	-0.4%	-0.5%
THE in local currency	5	4	4	4	-1.9%	-0.4%	-0.5%
THE per capita (US\$)	405	443	446	448	1.8%	0.2%	0.1%
THE per capita in local currency	637	592	597	599	-1.5%	0.2%	0.1%
% of GDP spent on Healthcare	7.5%	7.4%	7.4%	7.4%			
% THE government	61%	57%	57%	57%			
% THE private	39%	43%	43%	43%			
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Country Summary Healthcare Expenditure Profile 2

Country - Historic and Projected Healthcare Profile					Average Growth Rate per annum		
	2005	2010	2015	2020	2005 to 2010	2010 to 2015	2015 to 2020
Average Household Income per annum (at 2008 constant value)							
Average Household income pa in US\$	15,361	16,358	16,328	16,250	0.6%	0.0%	0.0%
Average Household income pa in local currency	24,181	21,872	21,833	21,728	-1.0%	0.0%	0.0%
Household Healthcare (HH) Expenditure per annum (at constant 2008 value)							
Total HH Healthcare Expenditure US\$ (Mns)	1,316	1,355	1,326	1,289	0.3%	-0.2%	-0.3%
Total HH Healthcare Expenditure local currency (Mns)	2,072	1,812	1,774	1,724	-1.3%	-0.2%	-0.3%
Total HH Healthcare expenditure as a % of GDP	3.15%	2.98%	2.97%	2.97%			
Average HH Healthcare Expenditure pa in US\$	460	481	480	478	0.4%	0.0%	0.0%
Average HH Healthcare Expenditure pa local currency	725	644	642	639	-1.2%	0.0%	0.0%
Per capita HH Healthcare expenditure pa in US\$	170	179	180	181	0.5%	0.1%	0.0%
Per capita HH Healthcare expenditure local currency	267	240	241	241	-1.1%	0.1%	0.0%
Household Healthcare as a % of total Expenditure	4.5%	4.4%	4.4%	4.4%			
Household Healthcare Expenditure by income per annum (at 2008 US\$ constant value)							
Households earning income under US\$5000 pa							
Number of Households (000s)	452	438	441	442	-0.3%	0.1%	0.0%
% of Households	16%	16%	16%	16%			
Average HH Healthcare Expenditure	166	165	164	163	-0.1%	0.0%	0.0%
Healthcare as % of Total HH Expenditure	5.6%	5.6%	5.6%	5.6%			
Per capita HH Healthcare Expenditure	56	56	56	56	0.0%	0.0%	0.0%
Households earning income over US\$5001 pa							
Number of Households (000s)	2,406	2,377	2,322	2,256	-0.1%	-0.2%	-0.3%
% of Households	84.2%	84.4%	84.0%	83.6%			
Average HH Healthcare Expenditure	516	540	540	539	0.5%	0.0%	0.0%
Healthcare as % of Total HH Expenditure	4.4%	4.4%	4.4%	4.4%			
Per Capita HH Healthcare Expenditure	196	207	209	210	0.5%	0.1%	0.1%
Exchange rate Local Units per US\$1	1.57	1.34	1.34	1.34			
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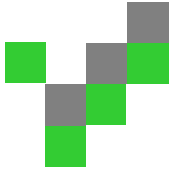
Further information

If you found this report useful you may wish to have

- **More detail**
 - Available in our **Health database** report which provides demographic, socioeconomic, total Healthcare Expenditure and household healthcare expenditure forecasts by income from 2000 to 2030 in Excel.
- **More on Therapy Market Forecasts**
 - Available in standard reports or Customized to your needs using our **PharmaForecast model**
 - Provides epidemiology and affordable market forecasts by price points

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Countries Covered in this Study

South America : Argentina, Brazil, Chile, Mexico.

Western Europe : Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway , Portugal, Spain, Sweden, Switzerland and United Kingdom.

Eastern Europe : Armenia, Albania, Azerbaijan, Belarus, Czech Republic, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Turkey

North Africa and Middle East : Egypt, Iran, Israel.

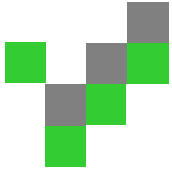
North America : United States and Canada.

Affluent Asia : Australia, Hong Kong, Japan, South Korea, New Zealand and Singapore .

Developing Asia : Indonesia, Malaysia, Pakistan, Philippines, Thailand, Sri Lanka and Vietnam.

South Africa, India and China

The countries covered in the study represents around 80% of global population and 90% of total GDP.



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