



Inequality and inaccessibility will keep plaguing the sector

Indonesia's UHC struggle

INDONESIA

Time is ticking for Indonesia's national health insurance scheme, Jaminan Kesehatan Nasional (JKN), as latest estimates show that only three in four of citizens have been enrolled since the launch of the programme in January 2014. Government authorities have been aiming to enroll the entire Indonesian population by January 2019 as part of their overall goal to ensure access to high quality healthcare services across the archipelago. However, with only two

months left, their initial aim might be pushed further down the calendar.

Not enough infrastructure

Analysts at BMI research said that the country remains lacking in terms of general infrastructure and government financing to support healthcare in the rural areas. As a percentage of the country's gross domestic product (GDP), healthcare spending stood at a measly 2.9% in 2016. This will continue to weigh on the financial sustainability of



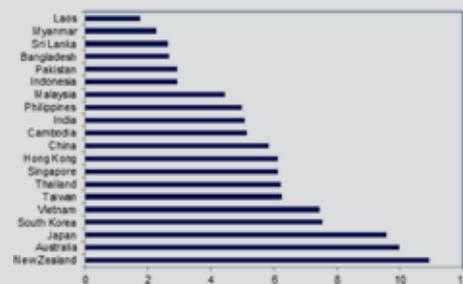
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Indonesia's universal healthcare programme, as well as its full implementation.

In the short term, Indonesia's healthcare coverage will remain unequal and inaccessible to many. The country's highly fragmented healthcare industry and underdeveloped medical system also pose huge challenges to true universal healthcare for all. BMI Research analysts added that these will result in stagnant medicine sales growth for the country's drugmakers.

At present, Indonesia experiences very diverse levels of access across the country. In 2016, the Special Region of Yogyakarta has 13 hospital beds per 10,000 people whilst the Central Sulawesi Region had only eight. Analysts believe that the short term will remain challenging despite the expansion of private healthcare providers such as Siloam International Hospitals.

Underfunded healthcare system



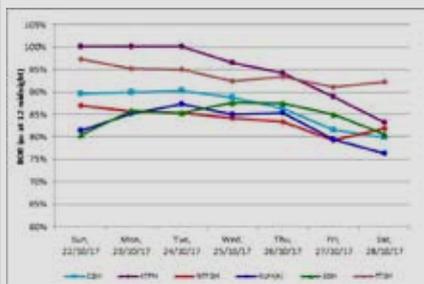
Source: -World Health Organization, BMI Research

THE CHARTIST: SINGAPORE KEEPS LOSING FOREIGN PATIENTS

Whilst Singapore still remains a compelling medical tourist destination in terms of service quality and clinical outcomes, foreign patient growth may decelerate gradually as competitive pressures from neighbouring ASEAN countries grow. For instance, IHH has seen a shift in patient mix over the past years.

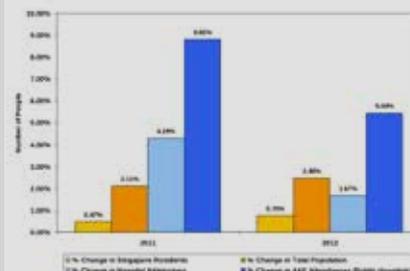
In 2013, local-to-foreign patient mix stood at 60:40 but has since shifted to 70:30. Going forward, UOB Kay Hian said it expects patient growth to stem largely from local patients, underpinned by favourable demographic trends such as ageing demographics as well as rising income levels. "Moreover, we continue to expect spillover effects from public hospital, taking into consideration that bed occupancy rate in public hospitals still remained very elevated," it said.

Declining headcount



Sources: Ministry of Health

% change in population vs hospital attendance



Source: Ministry of Health