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Market size of India's hospital sector projected to reach USD 202.5 billion by 2030: Brickwork Ratings

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Brickwork Ratings, a home-grown credit rating agency in India, in its report titled Private Hospitals Sector in India cited that the market size of India's hospital sector is expected to reach USD 202.5 billion by 2030, from an estimated USD 122.30 billion in 2025. India's healthcare sector is expanding rapidly, driven by rising demand, private investment, government initiatives, and technology adoption such as AI and telemedicine. However, despite rapid expansion, significant infrastructure gaps still prevail. India needs 2.4 million additional hospital beds, necessitating approximately 2 billion square feet of space to build the healthcare infrastructure needed to meet the global standards. This also presents a vast opportunity for investment and job creation in the sector.

India has about 13 beds per 10,000 people, below the global median of 29 beds. Developing countries like Brazil, Malaysia, and Vietnam have higher bed densities at 25, 20, and 26 beds, respectively. Meanwhile, the USA has 27.4 beds, Europe 51.6 beds, and China 50 beds per 10,000 people.

Skilled professionals and low costs drive medical tourism in hospital sector

According to Brickwork Ratings, India's medical tourism market, valued at USD 8.7 billion in 2025, is set to almost double to USD 16.2 billion by 2030, driven by affordable, high-quality care and streamlined visa processes. Ranking 10th in the Medical Tourism Index, India attracted 7.3 million foreign patients in 2023–24, with rising demand for specialized treatments and strong international partnerships boosting growth.

Total deal value surges by 166% Q-o-Q in Q3 2025

The hospital sector of India recorded 72 deals worth USD 3.5 billion in Q3 2025 alone, recording an exponential increase of 166% in total deal value over the previous quarter. In 2024, India's hospital sector experienced significant mergers and acquisitions (M&A), reflecting robust investor interest and a strategic shift towards expanding healthcare services across the country.

Leading hospitals report rise in ARPOB, ALOS to remain low

ARPOB (Average Revenue Per Occupied Bed) for major Indian hospital chains ranges from approximately INR 38,000 to over INR 74,000 per bed per day. ARPOB is expected to grow in the coming years on account of improving specialty and payer mix and rising demand for high-value procedures.

Leading private hospitals (e.g., Max Healthcare, Fortis Healthcare, Aster DM) mostly operate in the 3-5 days ALOS (average length of stay) range. This reflects a sustained trend towards shorter stays and improved turnaround, helping with better bed utilization and operational efficiency. The ALOS in leading Indian hospitals is projected to remain low and stable, around 3.4 days, over the medium term (2025-2030) for organized hospital chains, led by ongoing operational improvements, technological upgrades, and faster patient throughput. Factors like increasing incidence of lifestyle diseases, medical tourism, insurance penetration and healthcare investment would support the hospitals in keeping ALOS short.

Rajeev Sharan, Head of Research, Brickwork Ratings said, "The outlook for credit ratings of private hospital industry in India is 'Positive'. This is owing to robust demand, healthy financial performances, effective risk management, and robust expansion strategies by leading hospital chains. Regulatory and funding risks remain key considerations for ongoing assessments."