

# Why Asian investors should consider healthcare investments

*Powerful demand drivers related to wealth, population and disease rates are positioning the Asian healthcare sector as a prime investment opportunity over the ensuing years*

By Bayani S Cruz



*Abrar Mir, co-founder and co-managing partner of Quadria Capital*

The global centre of gravity for the healthcare industry is shifting to Asia as a result of irreversible megatrends that are opening up more investment opportunities in this sector.

"In the future we're seeing China and India emerging as the global centre of gravity in the healthcare industry. This is driven by a number of different things but the essential driver here is that the healthcare industry is growing at almost four to five times the pace of the healthcare industry in the west," says Abrar Mir, co-founder and co-managing partner of Quadria Capital, in an interview with *The Asset*.

Singapore-based Quadria Capital is currently one of the biggest private equity investors in the Asian healthcare sector, focusing on India and Southeast Asia, with US\$1.6 billion in assets.

"There are huge demand drivers that are driving the healthcare industry. At the same time Asia has become a centre for excellence in healthcare," says Mir.

Mir says the shift in the centre of gravity in the global healthcare sector to Asia is attracting more investments in the region's healthcare sector. For example, the US government's Overseas Private Investment Corporation (OPIC) has committed to invest US\$150 million in Quadria Capital's latest fund, Quadria Capital Fund II.

The fund, which aims to raise up to US\$700 million, will invest in all aspects of the healthcare value chain in Asia, including hospitals and other treatment facilities, medical laboratories, and manufacturers of medical devices and equipment.

"To a large extent Asia has all the right ingredients to emerge as a centre for global healthcare from a production perspective and from a creativity perspective. For example, a number of healthcare companies are pivoting not only their demand towards Asia, they are also shifting their manufacturing towards Asia," Mir says.

The huge growth in healthcare in Asia is being driven by secular mega trends that are irreversible because they are not driven by market forces such as interest rates, fiscal policy, monetary policy, or volatility.

These megatrends include the growing affluence of people in Asia as well as the high disease rate in the region.

"They are being driven by certain inalienable and powerful forces, specifically growing affluence in Asia. But the real driver here is the disease rates. Asia is roughly 40% of the world's population, we represent 55% of the world's disease rates. We are far sicker than the rest of the world. We have more diabetes in India, for example, than anywhere in the world. There are more cardiac patients in South Asia, more cancer patients in China than anywhere else in the world," Mir says.