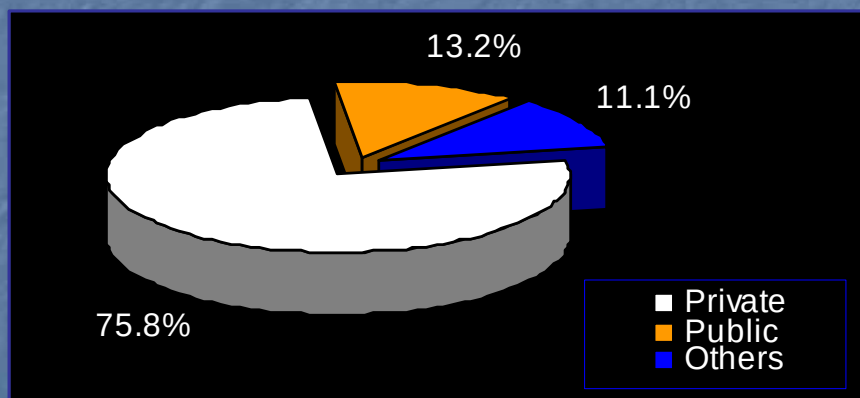


Health Services

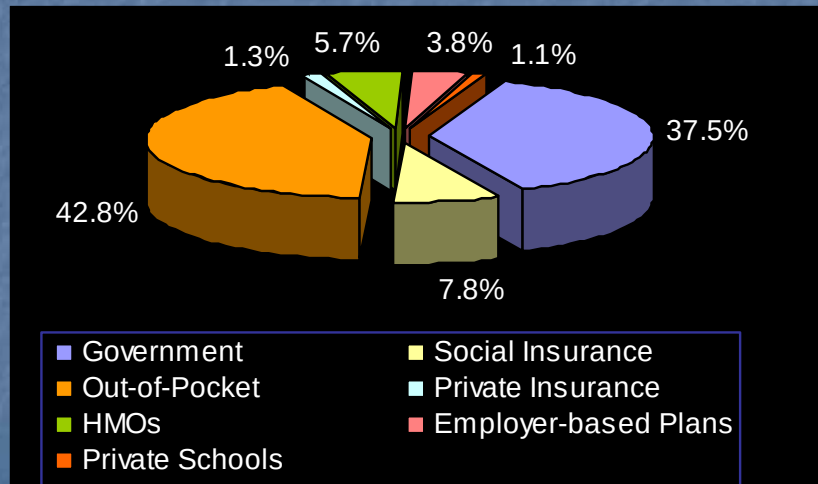
Philippines

Health spending is mostly private in 2001



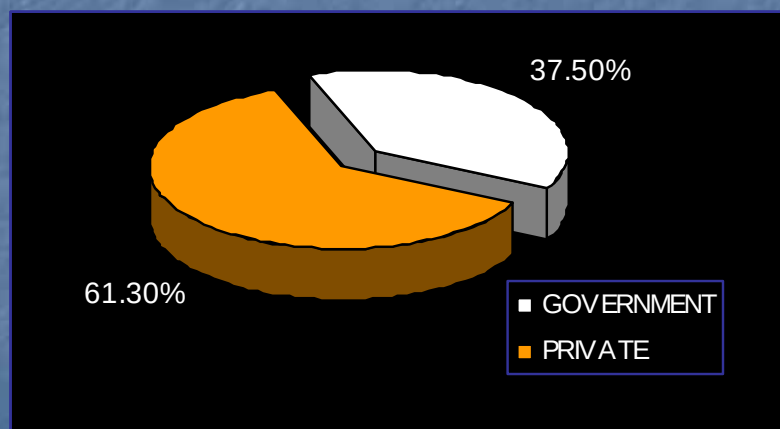
Source: National Statistical Coordination Board

Health Expenditure By Source Of Fund, 2001



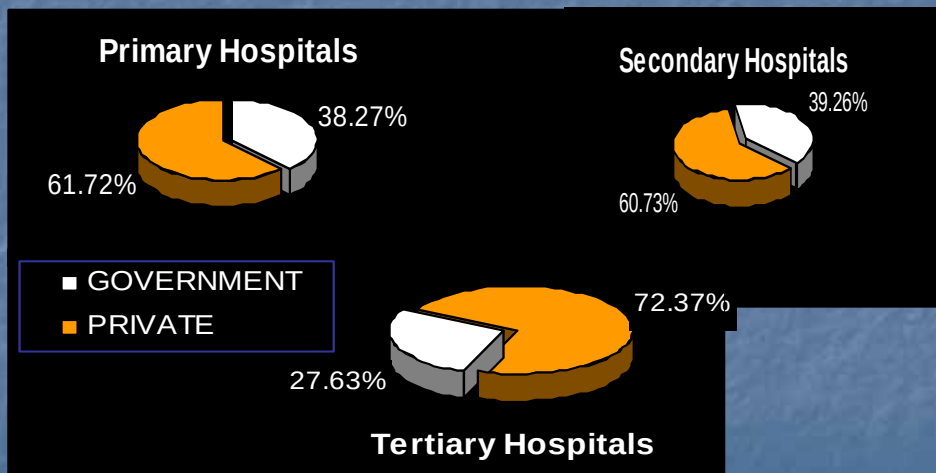
Source: National Statistical Coordination Board, 2003

Majority of hospitals are privately-run



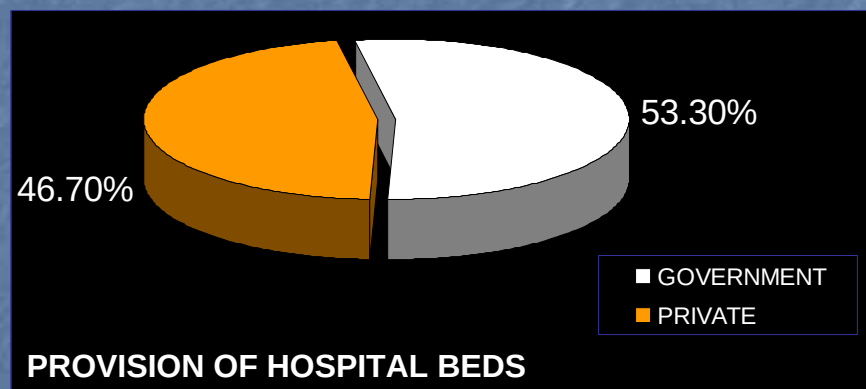
Source: Department of Health, 2002

At every level



Source: Department of Health, 2002

Private hospitals tend to be smaller



Source: Department of Health, 2002

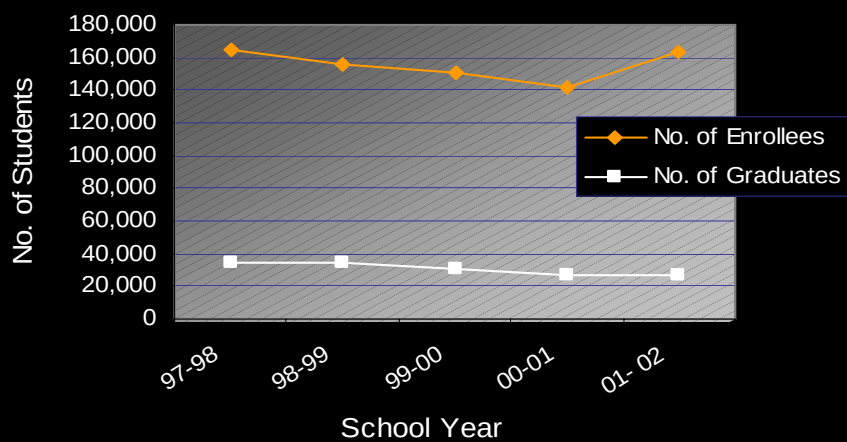
Hospitals augmented by private HMOs

Number Of Listed HMOs

Year	Number of HMOs
2002	19
2001	17
2000	19

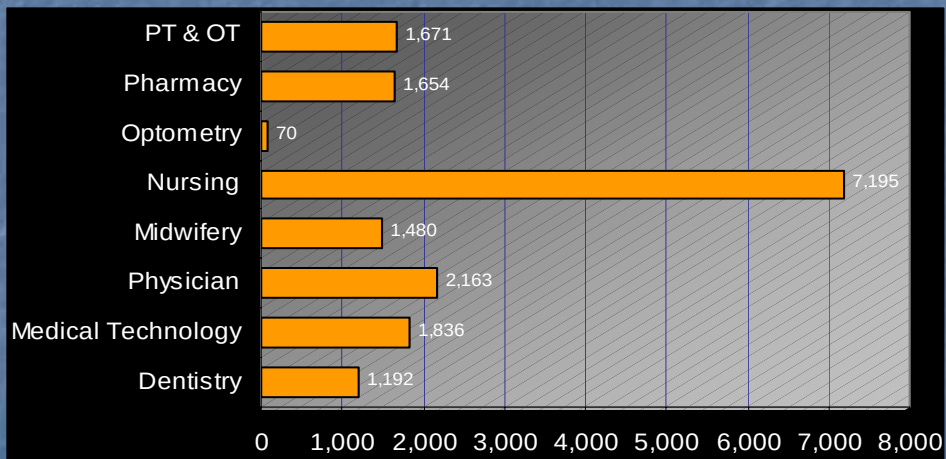
Source: Department of Health

Constant supply of health professionals



Source: Commission on Higher Education, 2003

Registered Medical And Allied Professionals, 2003



Source: Professional Regulations Commission, 2003

Suppliers have increased

Number Of Schools Offering Medical & Allied Courses

Academic Year	Number of Higher Institutions
1998-1999	322
1999-2000	316
2000-2001	325
2001-2002	344

Source: Commission on Higher Education, 2003

State of Play

- Not listed in GATS and AFAS
- Practice of professions limited to Filipino nationals
- 40% foreign ownership of hospital and institutions related to medical practice

Foreign ownership in hospitals is limited

- Asian Hospital and Medical Center
 - 5.5% Foreign-owned (American, Singaporean, and other nationalities)
- United Doctors Medical Center
 - 29.38% Foreign-owned (Japanese nationality)

Full ownership allowed in HMOs

- Two Companies with majority foreign equity ownership:
 - CMG Health Company, Inc. (99.99% foreign equity)
 - Orange Healthcare, Inc. (99.71% foreign equity)
- Out of 19 HMOs in the Philippines, 17 are fully Filipino-owned

Foreign investment in IT-enabled health services is encouraged

Foreign Investment Act allows full foreign ownership
IT-enabled services (medical transcription services) are included in the 2004 IPP
3 wholly-foreign medical transcription companies with another 2 with 40% foreign ownership

Mode 4

- Foreign professionals allowed in special cases
- Permanent residence required for registered practitioners
- Must obtain government license
- Temporary stay (non-registered) allowed
- Subject to reciprocity

Entry of foreign professionals is small

Number of Permits Issued to Foreign Medical Professionals
1999-2003

Year	Number of Permits Issued
1999	182
2000	157
2001	156
2002	140
2003	215
TOTAL	850

Source: Professional Regulations Commission, 2003

Health Service Sectors for Priority Development

- IT-enabled health services
- Health Tourism
- Retirement Villages
- Export of healthcare professionals

Medical Transcription

- 25 listed medical transcription agencies in the Philippines
- Market tapped: United States
- Current competitors of the Philippines: India and China
- Competitive advantage: accuracy and speed in converting dictations or recorded medical reports to written electronic data

Health Tourism

- Included in the Investment Priorities Plan of the Philippines 2004
- Department of Tourism is currently coordinating with the BOI in crafting a business plan for health tourism.
- Potential markets: Western countries and Japan or other Asian countries

Health Tourism

- Strengths: availability of qualified medical human resource, natural endowments, specific medical operations where the Philippines is known for, such as cosmetic and laser eye surgeries
- Challenges: investment and maintenance costs of tourist amenities and resorts, development of infrastructure linkages and tourism promotions

Retirement Care

- Government encouraging investment in retirement care facilities by giving tax exemptions
- Target Market: Japan
- Strengths: available manpower, the culture, the resources and the cost structure
- Opportunities: aging global population

Export of Healthcare professionals

- Take advantage of global shortage of nurses, aging population
- Issues relate to immigration and professional recognition regulations in other countries
- Risk of brain drain and local manpower shortages

Thank You