

# Opportunities in China's Elderly Care and Economy

From global to local: a study focused on Chengdu, Sichuan



## Notable Developments

### Political highlights

- Political policy aims to decrease societal inequalities between China's east coast and western regions: Go West-strategy.
- Plans for more and better services and facilities in all major cities across China.

### Economic highlights

- National economic growth is slowing down.
- Proportion of export size to GDP is declining.
- Main group of 'middle class' consumer is on the rise.
- Transition from low-end products orientation to high-end product and service orientation.

## The Aging Population

### Rapid aging of Chinese society

- **2020** 16.5% of men and 18.4% of women will be 60+.
- **2050** 34.7% of men and 38.4% of women will be 60+.

### Increase in empty-nest elderly due to weakening of Chinese customs

- 31.8% live without family.
- 16.4% live in solitude.

### High prevalence of chronic diseases

- Depression, COPD, visual impairment, hearing impairment and falling at home.

### Increased demands in

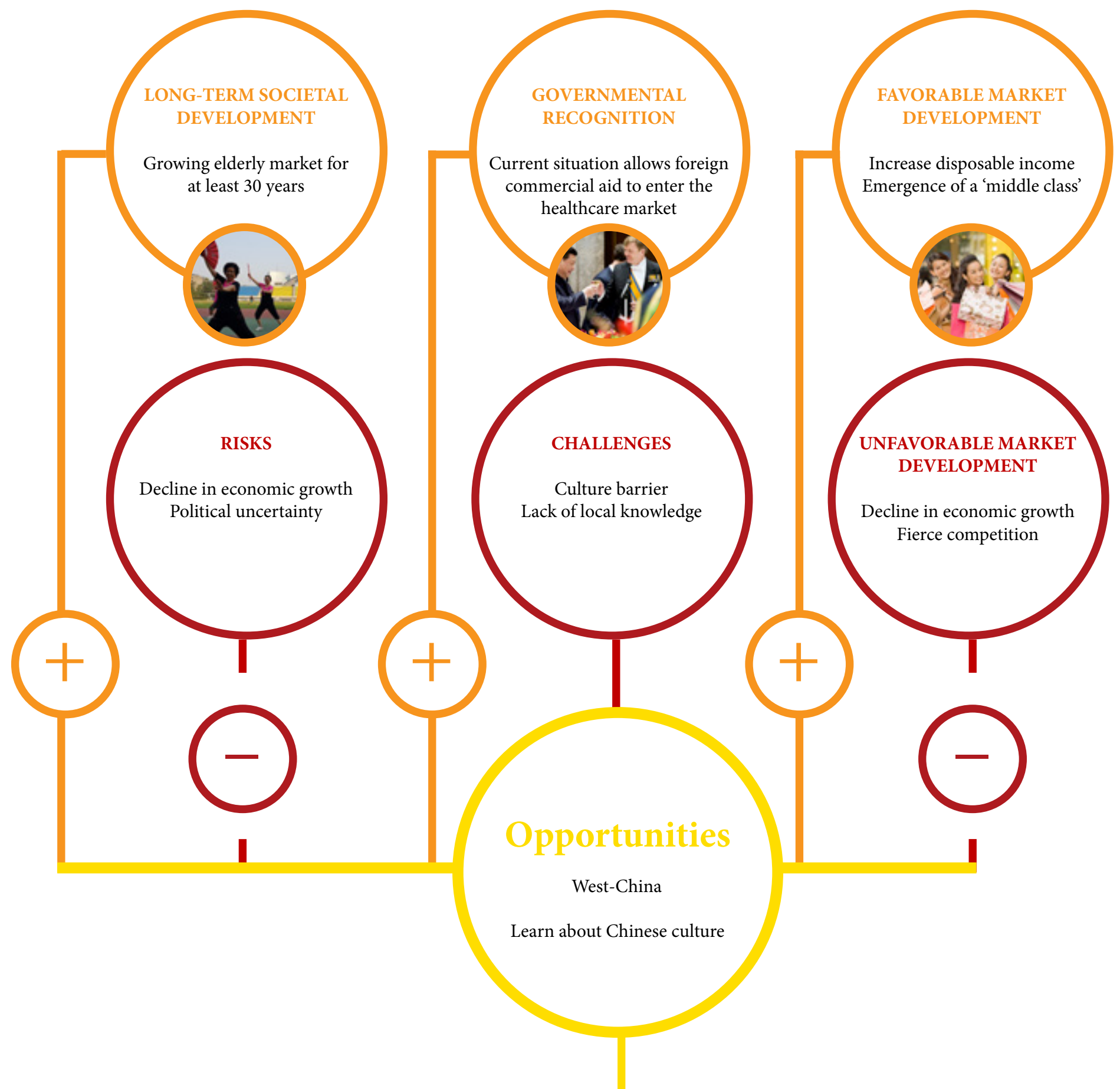
- E-health.
- Silver-tourism.
- 'Easy-to-prepare' Chinese food.

## China's Elderly Market

The healthcare sector's turnover is expected to increase from 652 billion USD in 2014 to 17 trillion USD in 2050.

- Supplements
- Nursing and Personal Care Products
- Health Check
- Travelling
- Caring Service
- Financial Products

China opened up the domestic healthcare sector to foreign entities to combat the lack of educated personnel.



## West China

### Why do business here?

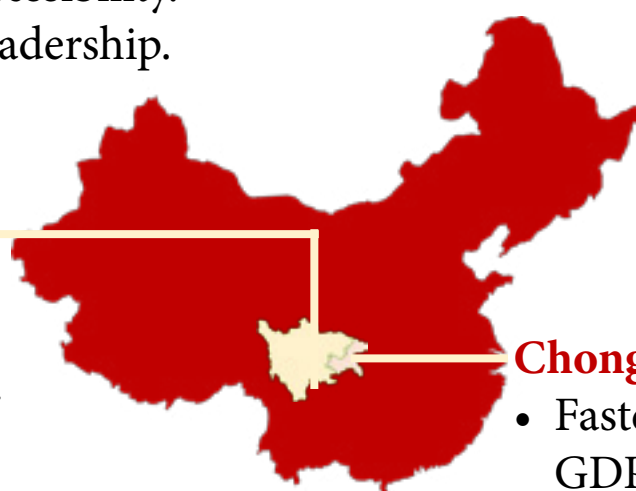
1. Competitive advantage in labor and lower costs (e.g. rent).
2. Less competition.
3. Improving connectivity and accessibility.
4. Active support from Chinese leadership.
5. Strong growing region.

### Main challenges...

1. Less internationalized.
2. Smaller foreign networks to leverage on.
3. Less known to foreign entities.

## Sichuan

- GDP growth since 2014 averaged to 8.5%.
- Labor costs are 30%–40% lower than in coastal areas.
- Economic corridor connecting China's domestic market with South-Asia, Central-Asia and Europe.



## Chongqing

- Fastest growing city in China
- GDP growth in 2016 was 16.4%.
- Labor costs are lower than in coastal areas.
- Direct competitor of Sichuan as transport hub.

## Diminish Culture Barriers as Competitive Advantage

Acquiring greater understanding of Chinese managerial context and culture will increase your chances to establish a healthy relationship, while avoiding and limiting problems arising from different thinking patterns.

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