

Market Opportunity Singapore

Healthcare & Medical Technologies



Overview

- Healthcare expenditure in Singapore is expected to expand at a 2018-2023 CAGR of 8.4%, and should grow to €860 m by 2023.¹
- Singapore has a strong set of medical device regulations that are often cited by other countries. Medical devices are categorised by level of risk and have to be registered with the Health Sciences Authority.
 - Under the Smart Nation initiative, there is strong government financial backing and dedicated infrastructure for the healthcare industry, including Medtech Hub, Biopolis and Tuas Medical Hub, which provide the bio-cluster community what a plug-and-play environment in Singapore.
 - With a rapidly ageing population, Singapore expects increasing demand for assistive medical technologies and therapeutic devices.

Key Business Opportunities

- Diagnostics:** Companies involved in medical diagnostics can leverage on the **ASEAN Diagnostics Development (DxD) Initiative**, which aims to facilitate the co-development of healthcare diagnostics across ASEAN. Singapore and Philippines are co-leading the initiative, which aims to promote cross-border public and private partnerships in diagnostic technologies.
- Hospital Equipment and Furniture:** Companies who develop hospital equipment and furniture will benefit from a major redevelopment of Singapore General Hospital (SGH), the largest and oldest hospital. 5 new public hospitals and 12 new polyclinics will be built by 2030. The new 550 bed Outram Community Hospital is scheduled for completion in 2020.
- Functional Ageing:** Companies with medical solutions catered towards functional ageing will be able to tap on the Centre for Healthcare Innovation and Medical Engineering (CHIME) and the Silver Community Test-bed programme launched by Singapore's government to launch and test-bed **age-friendly assistive devices** in a real-life home setting.
- Obesity and Chronic Diseases:** Companies with solutions that seek to manage obesity-related and chronic diseases will be able to tap into demographic and lifestyle trends of increasing incidences of **hypertension and diabetes**.
- Cybersecurity Solutions:** Companies developing cybersecurity solutions for IoT-enabled medical devices and patient data management will be able to find opportunities amidst rising concerns for privacy of patient data

Sector Characteristics

- There are more than 60 multinational MedTech companies based in Singapore to undertake a range of activities from regional headquarters and manufacturing, to research and development.²
- Foreign manufacturers dominate the competitive landscape. There are few domestic competitors in the industry.
- To improve the quality and attractiveness of the local medical devices market, Singapore launched its Technical Reference (TR) for medical device manufacturing. Medical devices are classified based on the guidance developed by the Global Harmonization Task Force (GHTF).



Country

Singapore

Population:

5.8 million (2018 est.)

GDP per capita

€61,999 (2018 est.)

Currency

Singapore Dollar (SGD)

Official Languages

English, Malay, Tamil, Mandarin



Funded by
the European Union

Sources:

- DBS Asian Insights – The Future of Singapore: Growing old with you, 2016
- EDB Website – Medical Technology

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Multinational Key Players: Medical Devices (2018)¹

		Revenue (€ bil)*
1	Medtronic PLC Endotracheal tubes, catheters, bandages	1.9
2	Baxter International Inc Disposable syringes, blood tubing, collection sets	1.8
3	Becton Dickinson Skin antiseptics, syringes, needles, and ventilators	1.0
4	Zimmer Biomet Holdings Inc Orthopedic surgical and joint replacement	0.8
5	Edwards Lifesciences Corp Surgical gloves, patient ergonomics products	0.2

*APAC Region

Domestic Key Players: Medical Devices (2018)¹

		Revenue (€ mil)
1	Biosensors International Group Cardiovascular, Endovascular, Cardiac Imaging	289.8
2	Q & M Dental Group Singapore CAD CAM Digital Dentistry	81.6
3	Medtecs International Corp Endotracheal Tube, Catheter Insertion Tray	57.9
4	UG Healthcare Corp Ltd Surgical, vinyl gloves, face masks	36.7
5	QT Vascular Ltd Haemodialysis machines, peritoneal dialysis	11.7

Sources:
1. EIBN; 2018 Medical Devices Report
2. Fitch Solutions – Singapore Medical Devices Report | Q1 2020

Market Size (2018)²

	Product Categories	Value (€ mil)	% of Total
1	Other medical devices	218.7	39.16%
2	Consumables	95.6	17.12%
3	Diagnostic imaging	91.5	16.39%
4	Patient aids	65.0	11.64%
5	Orthopaedics	60.4	10.82%
6	Dental products	27.2	4.88%

Exports (2018)²

	Product Categories	Value (€ mil)	% of Total
1	Patient aids	1,776.4	29.08%
2	Other medical devices	1,719.7	28.15%
3	Diagnostic Imaging	980.3	16.05%
4	Consumables	840.8	13.76%
5	Orthopaedics	766.2	12.54%
6	Dental products	25.3	0.41%

Imports (2018)²

	Product Categories	Value (€ mil)	% of Total
1	Other Medical Devices	1,224.4	36.59%
2	Patient aids	677.2	20.24%
3	Diagnostic Imaging	614.0	18.35%
4	Consumables	560.0	16.74%
5	Orthopaedics	213.7	6.39%
6	Dental products	56.6	1.69%

Market Opportunity Indonesia

Healthcare & Medical Technologies



Overview

- Indonesia's medical device market is expected to expand by a 2018-2023 CAGR of 11.1%. Private spending accounts for an estimated 44% of the total health expenditure.¹
- Indonesia's GDP is expected to grow 5.3% in 2019 and 5.4% in 2020, with a rebound in domestic demand supporting a modest acceleration in real GDP growth.²
- Healthcare spending in Indonesia is expected to reach €46.2 billion by 2020, from €34.7 billion in 2018.²
- As a percentage of GDP, healthcare spending is expected to rise to 4.18% by 2020, from 3.6% in 2018.²
- As of Oct 2019, 222 million Indonesians (~84% of population) were covered under BPJS-Kesehatan (JKN), Indonesia's universal healthcare program.³

Key Business Opportunities

- Medical Equipment:** The number of private hospitals has grown by 50% per year², resulting in a shortage of medical equipment. The market will remain heavily dependent on imports due to limited domestic production. Imported medical devices are subject to an import tariff of between 0% and 30% plus 10% VAT.
- Laboratory Equipment:** Greater Universal Health Coverage (UHC) has increased accessibility to healthcare services, leading to a rise in patients seeking treatment and increasing laboratory testing. Kimia Farma currently has the largest laboratory network with 55 clinical laboratories across Indonesia which are equipped with a variety of integrated facilities
- Dental Equipment:** Increasing awareness of dental hygiene amongst the middle to lower classes is driving demand for dental equipment. European dental equipment is considered first class, and the government imposes no restrictions on the import of dental equipment. Depending on the type of equipment, import duties range from 0% to 10% plus 10% VAT.
- Obesity and Chronic Diseases:** Companies with solutions that seek to manage obesity-related and chronic diseases will be able to tap into demographic and lifestyle trends of increasing incidences of hypertension and diabetes.
- Healthcare Technology Solutions:** Insufficient health infrastructure, income disparities, shortage of private health insurance and an over-dependence on foreign healthcare are cited as the foremost challenges to the sector. The government has turned to HealthTech such as the Mobile National Health Insurance App to provide access to high quality healthcare.

Sector Characteristics

- Locally-owned domestic production mainly consists of the manufacture of basic items and supplies. Several multinational companies have established manufacturing operations in Indonesia to take advantage of low production costs. Items manufactured tend to be exported.
- The government implemented the online purchasing system (e-Catalogue) for public procurement of medical devices in 2014. Increasing company participation will increase transparency in the medical device procurement process, promoting fair competition. In 2019, management for the e-Catalogue enrolment for medical devices was shifted to the Ministry of Health.



Country
Indonesia

Population:
264 million (2017 est.)

GDP per capita
€3,204 (2017 est.)

Currency
Indonesian Rupiah
(IDR)

Official Languages
Indonesian

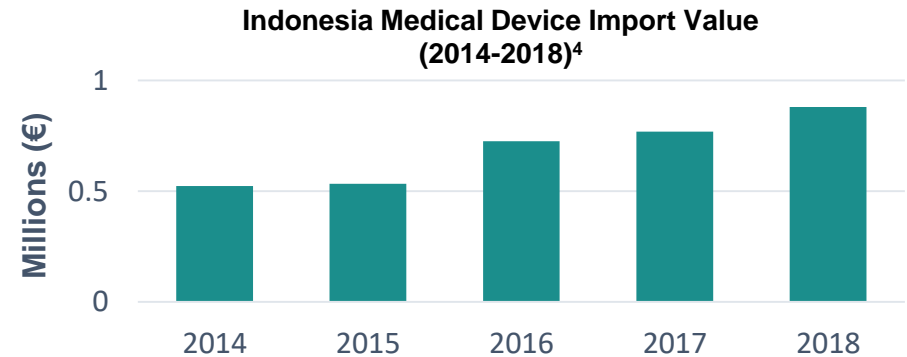
Market Opportunity Indonesia

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Overview

- There are more than 20,000 facilities providing healthcare services (hospitals, clinics and community health centres).¹
- Almost 64% (1,800) of the 2,813 hospitals are private hospitals.³
- Government expenditure on medical devices in 2018 was €845.6 million.⁴
- 94% of medical devices are currently imported.²
- Domestic manufacturing capability includes 294 types of medical devices in the range of hospital beds, stretchers, wheelchairs, gloves, surgical gowns and surgical masks.¹
- Commercialisation of medical device research output by universities such as UGM and ITB as well as government agencies such as BPPT and BATAN.¹
- Active promotion of the use of domestic medical device products through policy intervention (e.g. Presidential Instruction No. 6/2016) and socialisation to healthcare staff.²
- After implementation of Presidential Instruction No. 6/2016, investment in the medical device industry increased by 5 times from 2015 to 2017.¹
- Medical device registration requires cooperation with a local distributor/partner or the establishment of a local office.



Roadmap of Medical Device Industry Development Objectives 2015-2025²

2015-2019		2020-2024	
1	Disposable & Consumable Products	1	Disposable & Consumable Products
2	Hospital Furniture	2	Hospital Furniture
3	Orthopaedic Implants	3	Orthopaedic Implants
4	Electro-medical Devices	4	Electro-medical Devices
5	Diagnostic Instruments	5	Diagnostic Instruments
6	PACS (Picture Archiving & Communication System)	6	PACS (Picture Archiving & Communication System)
7	Medical Software & IT	7	Medical Software & IT
8	Diagnostic Reagents	8	Diagnostic Reagents
		9	POCT (Point of Care Testing)
		10	Radiology Equipment

Notes:

1. Ministry of Health – Towards Accessible, Autonomous, and Quality Pharmacy and Medical Devices 2012-2018

2. Ministry of Industry – Government's Policies at a Glance: The Promotion of Domestic Pharmaceutical and Medical Device Initiatives

3. Ministry of Health – RS Online Report website, 18 November 2019

4. Fitch Solutions; Indonesia Medical Devices Report | Q3 2019