



# China Medical Device Market Overview

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## China Overview

Item	Quantity	Rank in the World
Population	1.32 Billion	1
GDP (official exchange rate)	\$4.814 Trillion USD (2009 est.)	3
GDP (PPP)	\$6,600 USD (2009 est.)	128
Health expenditure	\$216 USD per capita (WHO 2006)	121
Value of Exports	\$1.194 Trillion USD (2009 est.)	2
Value of Imports	\$921.5 Billion USD (2009 est.)	4

Source: CIA The World Fact Book,

## Industry Snapshot

- **\$28 billion USD market forecast for 2014**
- Industry output about \$12billion, up 31.4% in 2008
- Annual sales about \$11 billion, up 31.3% in 2008
- 13,000+ Chinese manufacturers
- 160,000+ distributors
- Chinese Capacity remains low in high-end products
- 90% of value-added high-tech devices (70% of China's medical device market) are foreign made.

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## Medical Device Trade

### China Medical Device Trade in 2009

Value of Imports	\$6.105 Billion USD (2009)	CT, MRI ,X-ray, Ultrasounds, Implants, Assistive Device, etc	<b>US: 30.66%</b> <b>Germany: 17.23%</b> <b>Japan: 16.78%</b> <b>Switzerland: 3.67%</b> <b>Canada (19<sup>th</sup>): 0.83% (17.98% ↑ )</b>
Value of Exports	\$ 12.245Billion USD (2009)	Medical Patches, Massage Device, Catheter, Medical Furniture	<b>US: 26.26%</b> <b>Japan: 14.12%</b> <b>Germany: 6.21%</b> <b>Hong Kong: 4.91%</b> <b>Canada (15<sup>th</sup>): 1.37% (0.4% ↑ )</b>

Source: China Chamber of Commerce for Import & Export of Medicine and Health Products

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## Medical Device Clusters



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## Future Trend-Opportunities

- **Increasing government expenditure on health**
  - Health Reform (\$124 billion USD, during 2009-2012)
- **Fast growing medical device market**
  - Asia's 2<sup>nd</sup> largest medical device market
  - Large number of health facilities  
(Hospitals:20,291, Community Health Center: 270,000,  
Central Township Hospitals 38,000, Clinics:175,000, Village Clinics: 633,000.)
- **Government support for medical device R&D**
  - National Alliance of Medical Device Innovation led by CAMDI
  - Medical Device Incubator Parks (Handan, Foshan, Shanghai)

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## Future Trend – More Competitive

- **Stronger domestic manufacturers**
  - More and more China made high end and qualified medical devices approved by FDA
  - Shenyang Neusoft: PET / Beijing Aeonmed: anaesthetic equipment
  
- **Mergers and JVs with overseas companies for lower end market**
  - Medtronic JV with Shangdong Weigao
  - GE JV with Shangdong Xinhua
  - Phillip JV with Shenyang Neusoft

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## Sample Leading Domestic Manufacturers

Products	Leading Domestic Manufactures
Patient monitor	Shenzhen Mindray
B-ultrasound	Shanghai Aloka
	Shangtou Institutes of Ultrasound Institutes
X-ray	Beijing Wandong
	Beijing Aerospace Zhongxing Medical System
CT/MRI	Shenyang Neusoft, Shenzhen Anketech
Biochemical analyser	Mindray, Shanghai Medical, Nanjing Sinowa
Stent	Shanghai Microport Medical, Shenzhen Seercare,
	Beijing Lepu
Anaesthetic Machine	Beijing Aeonmed

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## Incentives and Restrictions for Foreign Investment in Medical Device Industry

### Incentives:

- **Encouraged Industries (some types):** benefit in import duty, VAT, registration,
- **Middle and western area initiatives to encourage investment:** Liaoning/Sichuan Provinces, Jiangxi Province, Chongqing Municipality, Hubei Province
- **Hi-Tech Enterprise:** minimally invasive surgical devices; preferential enterprise income tax
- **Special Incentives in Certain Provinces/Industrial Parks:** Jiangsu Province, Wuhan, Shanghai, Handan, Tianjin

### Restrictions:

- **Restricted investment:** blood bag etc, more cautious examination.
- **Strict regulatory requirements:** registration, user directions, packaging, labels, and advertisement, GMP requirements of medical device products, etc.
- **Other challenges:** advertising

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## Challenges

- **Highly competitive market – numerous foreign and domestic players**
- **Highly fragmented market – immature, regionalized distribution**
- **IP protection issues, including enforcement**
- **Efficiency issues with regard to product registration and testing**
- **Lack of international brand recognition**
- **Uncertain regulatory environment characterized by frequent change**
- **Inconsistency regarding tender service fees, commissions, and government procurement**
- **Language**
- **Time necessary to nurture contacts and partnerships**

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## Key Associations & Institutions

- **CAMDI**

China Association for Medical Devices Industry

[www.camdi.org](http://www.camdi.org)

- **CCCMHPIE**

China Chamber of Commerce for Medical and Health Products  
Import and Export

[www.cccmhpie.org.cn](http://www.cccmhpie.org.cn)

- **CHIMA**

China Hospital Information Management Association

[www.chima.org.cn](http://www.chima.org.cn)

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## Key Trade Shows

### Medical devices:

- **CMEF** (China Medical Equipment Fair )

[www.cmef.com.cn](http://www.cmef.com.cn)

- **CHINAMED** (China Medical Equipment Exhibition)

[www.chinamed.com.cn](http://www.chinamed.com.cn)

- **Sino-Dental**

<http://www.sinodent.com.cn>

- **CHIMA Conference** (China Hospital Information Management  
Network Conference )

[www.chima.org.cn](http://www.chima.org.cn)

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# Thank You

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