

China - A Challenging Healthcare Market

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Introduction

- **Overview of Chinese Healthcare Sector**
- **Key Issues**
- **Opportunities**
- **Market Access**

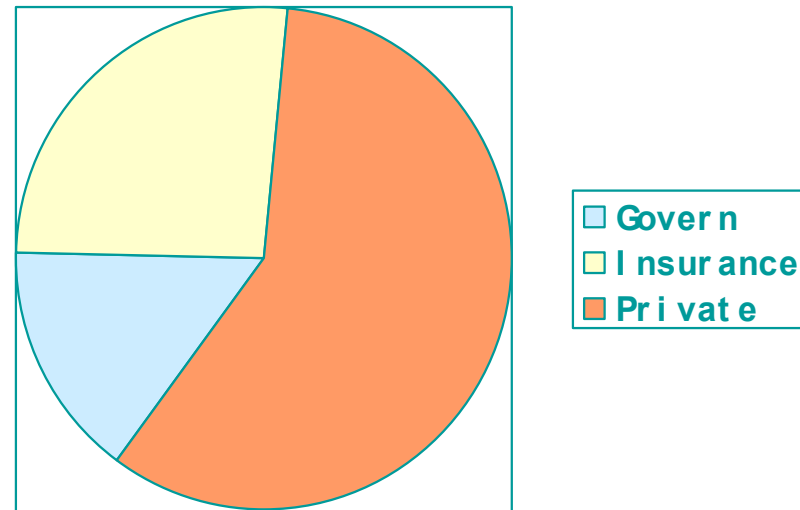
Set-up and Structure

- Population of 1.3 billion, 60% are in rural areas. Average life expectancy is 70.2
- Almost 300,000 healthcare institutes, approximately over 63,000 hospitals
- 2.3 beds, 1.48 doctors per 1,000 of population
- Government hospital / Military hospital
Joint venture hospital / Private hospital
Community Health Centre

(Sources: China Annual Statistics)

Healthcare Expenditure

- **5.6% GDP,
USD79.3bn in 2003**
- **Imported
Pharmaceuticals
USD1.1bn**
- **Imported Medical
Devices
USD9.8bn**



(Sources: China Annual Statistics)

Government Structure

- **Ministry of Health**
- **State Food and Drug Administration**
- **Administration of Quality Supervision, Inspection and Quarantine**
- **Ministry of Labour and Social Security**

Major Challenges

- Ageing population
- SARS and respiratory diseases
- HIV and AIDS
- Tuberculosis
- Cardiac and hypertension
- Hepatitis B

Government Focuses

- **Primary care system**
- **Rural Healthcare Services**
- **Reduction of Cost in Pharmaceutical Products**
- **Infectious Disease Control**
- **Long Term Care for Chronic Disease Patients**
- **Training of Medical Staff**

Key Concerns

- **Product Registration**
- **IPR**
- **Distribution Channel**
- **Cost conscious rather than quality conscious**
- **Government interference**

Market Opportunities

Market Prospects

- **Increasing spending on healthcare services and products, 20% annual growth predicted to 2010**
- **Increasing importance attached to public health**
- **Simplified regulations**
- **Adapting to international practices**

Commercial Opportunities

- **Short term**

- Infectious Disease Control

- HIV / AIDS Prevention and Treatment

- Emergency Response System

- Maternity and Children Health

- Training Programme for General Practitioner

- **Long term**

- Public Private Partnership

- Consultation and Accreditation Services

- Telemedicine

- Investment in private, joint venture hospitals

Sino-UK Healthcare Link

- **Memorandums of Understanding with Chinese Ministry of Health
Shanghai Municipal Government**
- **Sino-UK Healthcare Task Force**
- **China Healthcare Working Group**

Areas identified for closer co-operation

- Public Private Partnership in project financing
- Medical Staff Training (management, clinical, general practitioner)
- Long term care mechanism for the elderly and chronic disease
- Telemedicine
- Medical Devices
- Collaboration in bio-pharm and TCM



Market Access

- **Local agents/ distributors**
- **Representative office**
- **Manufacturing operations**
(Joint Venture, Wholly Foreign owned Enterprise)
- **Licensing**
- **Launch Pad**

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