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Omnia Health 
By Informa Markets



Discovering Asia's Untapped Potential: A Strategic Approach to Market Expansion

Omnia Health's Comprehensive Guide to Entering New Markets

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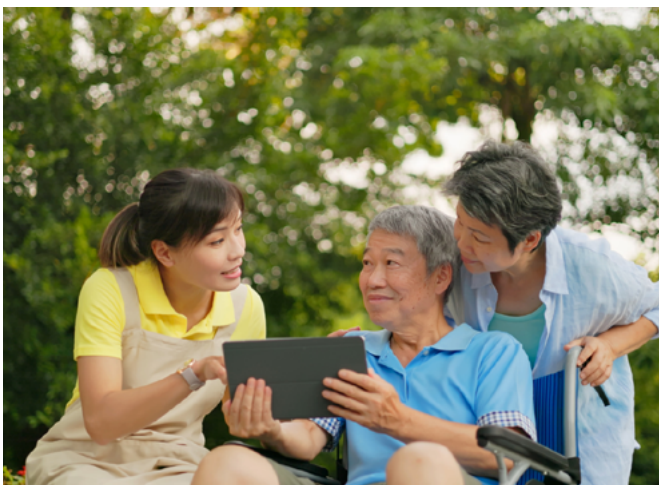
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Exploring uncharted markets and geographical locations is critical to the growth and long-term success of any organisation. Presenting the Omnia Health Entering New Markets series, in which we provide in-depth insights on critical elements to consider when bringing your firm to a new market - in the medical technologies sector. In this report, we will delve into the Asian market, exploring the benefits, opportunities, and potential stumbling blocks that await your company when it enters this bustling field.

The booming Asian market offers several chances for expansion in the global medical technology business. This industry promises significant untapped potential, owing mostly to rapid technology breakthroughs, the rise of noncommunicable illnesses, and an ageing population.

Simultaneously, McKinsey's research outlines Asia's contribution of over 60% of the global population, facilitating a rich patient demographic primed for medical tech deployment.

Moreover, the escalating healthcare expenditure across Asian economies, such as China's projected healthcare spending growth to \$2.3 trillion by 2030 as per PWC, underpins the lucrative venture of entering this region. In summary, venturing into the Asian market can offer considerable benefits for medical tech firms, through a blend of demographic, economic, and technological factors.

Revenue will rise at a 5.97% annual rate (CAGR 2023-2028), resulting in a market volume of US\$189.90 billion by 2028.

“Since COVID, there has been a significant increase in healthcare investment, with Asia being one of the last regions to emerge from lockdowns; Singapore has taken the lead in this regard, while countries like Thailand and Japan are also performing well.” - Tom Coleman, Exhibition Director - Medlab Asia, Informa Markets Healthcare

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The rise of the Middle East as a market for medical devices

We can't ignore the extraordinary achievements these countries are making in the healthcare sector as we broaden the scope of the conversation to include the Middle East. Countries such as the United Arab Emirates and Saudi Arabia are actively investing in healthcare infrastructure and technology as part of their diversification plan away from oil-based economies.

With a sizable portion of government financing dedicated to healthcare, there is an influx of cutting-edge medical technology solutions such as AI-based diagnostics, telemedicine, and wearable health technology.

Indeed, the necessity for high-quality healthcare in the Middle East has led to collaboration with world-class international institutions. Cleveland Clinic's relationship with Mubadala Healthcare in the UAE, for example, highlights the region's commitment to high-quality healthcare. The Middle East medical devices sector will be worth [USD 31.6 billion](#) by 2025.

"Given the longer life expectancy of Asian people, it is expected that there will be substantial investments in healthcare sectors across Asia - from Saudi Arabia and Thailand." - Tom Coleman, Exhibition Director - Medlab Asia, Informa Markets Healthcare



As a result, Middle Eastern nations not only complement the Asian expansion plan but also reaffirm the multiple benefits for medical technology enterprises contemplating expansion in this area.

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Chapter 1

The Benefits of Entering the Asian Market

The Asian market, which includes South Asia, Asia Pacific (APAC), and the Middle East, holds enormous promise for the worldwide medical technology business. With a combined population of more than [4.6 billion people](#), these areas include a massive customer base that firms may tap into for considerable development.

South Asia, which has nearly one-quarter of the world's population, is experiencing an increase in demand for contemporary healthcare services and medical technologies. This need is likely to grow as the frequency of noncommunicable diseases increases and the population ages.

According to [Data Bridge Market Research](#), the market would increase at a CAGR of 7.1 % from 2021 to 2028, reaching USD 3,718.71 million by 2028.

The Middle East and Africa (MENA) Medical Device Technology Market is valued at USD 64.31 million in 2022 and is expected to reach USD 73.40 million by 2027, increasing at a [CAGR](#) of 2.68 % from 2022 to 2027.

A burgeoning middle-class population:

Asia's growing middle class and ageing population is driving an increase in demand for superior healthcare services and cutting-edge medical technologies. This tendency has provided a favourable atmosphere for the region's medical and health technology sectors to thrive and expand. According to Mordor Intelligence, a renowned market research agency, the Asian medical technology industry will rise significantly in the future years.

Asia's increasing middle class has raised discretionary income levels, allowing people to prioritise their healthcare demands and spend on high-quality medical services. Furthermore, the region's ageing population, together with the rising frequency of chronic diseases, has increased the need for breakthrough medical technology that may deliver efficient and personalised healthcare solutions.

The rising market prospects in Asia have drawn global medical technology businesses eager to capitalise on the region's potential. To meet the increased demand for healthcare products and services, these firms are investing in R&D, production facilities, and strategic alliances.

Asia's medical and health technology sectors are primed for tremendous expansion, thanks to a favourable corporate environment, supporting government efforts, and a large customer base.

The dynamic market landscape of the area, driven by the region's expanding middle class and ageing population, offers



enormous prospects for innovation and market development. As a result, Asia has emerged as a focus point for the global medical technology sector, with firms aggressively pursuing expansion plans and forging a strong presence in the area.

“One of the biggest advantages of moving into Asia as a market is that it has the largest number of health distributors in the world. Thailand alone, for example, has close to 150,000+ distributors.” - Tom Coleman, Exhibition Director - Medlab Asia, Informa Markets Healthcare.

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Chapter 2

Rules and Regulations

Navigating regulatory frameworks and intellectual property protections in the medical and health technology industries is a difficult but necessary undertaking, especially in Asia's various economies. Each nation in the area has its own set of rules and laws, which determine the rate and trajectory of innovation and market entrance.

Regulatory criteria for product approvals, data protection, and clinical trials differ across Asia. For example, China's National Medical Products Administration (NMPA) has tough medical device licensing standards that include a Quality Management System (QMS) certification process and a type of testing method that are frequently more stringent than their Western counterparts.

For medical device licensing, Japan's Pharmaceuticals and Medical Devices Agency (PMDA) employs a risk-based method, categorising items into classes I through IV based on the amount of risk associated with them. Class IV devices, which are the most dangerous, require a Pre-market Certification that includes clinical trial data and quality assurance system data.

APAC and Intellectual Property protocols:

The Asia-Pacific region has a mixed image when it comes to data protection. Japan has one of the most robust systems in the area, with its Personal Information Protection Act

(APPI) generally complying with the EU's General Data Protection Regulation (GDPR). In contrast, China's new Personal Information Privacy Law (PIPL), which went into effect in November 2021, is widely regarded as one of the strongest data privacy rules in the world, influencing the data collecting, storage, and transfer practices of health tech companies.

Clinical trials are also subject to a variety of rules. In South Korea, the Ministry of Food and Drug Safety (MFDS) mandates clinical studies for medical devices with innovative technology or intended for life-supporting or life-sustaining purposes before marketing permission is granted.

Another critical element to consider is intellectual property (IP) protection. According to the World Intellectual Property Organisation (WIPO), each country's IP laws are distinct, even if they frequently cover identical topics such as patents, trademarks, and copyright. Patents are very important in the health technology sector for protecting innovative discoveries and technological advancements.

The WIPO, Cornell University, and IN SEAD 2022 Global Innovation Index (GII) give insights on a country's IP ecosystem. Singapore was the highest-ranked country in Asia in the 2022 GII, taking eighth place globally, highlighting its solid IP landscape.

Indian and MENA markets:

The Central Drugs Standard Control Organisation (CDSCO) oversees the regulatory framework for medical devices in places such as India. The Medical Device Rules of 2017 categorise medical devices into four risk-based classifications, A through D.

Class A and B devices must typically register and fulfill quality assurance criteria, whereas class C and D devices must go through a more stringent approval procedure, which frequently includes clinical studies. The Personal Data Protection Bill (PDPB) 2019, which, while not as rigorous as the EU's GDPR, establishes explicit criteria for the collecting, storage, and processing of personal data[1], governs data protection in India.

The legislative frameworks and intellectual property protections in the Middle East might vary greatly. In the United Arab Emirates (UAE), for example, the Dubai Health Authority (DHA) and the Ministry of Health and Prevention (MoHAP) are in charge of healthcare regulations. Before accessing the market, these organisations require medical equipment to be registered and authorised.

For medical devices, the Saudi Food and Drug Authority (SFDA) mandates a similar registration and approval process. Local laws and regional agreements, on the other hand, govern intellectual property protection, such as the Gulf Cooperation Council (GCC) Patent Office, which issues patents that are valid throughout all GCC member nations. These patents are critical in safeguarding technical advances in the health technology sector.



The solution? Working with established names in the sector:

However, working with medical technology companies that can navigate these challenges can make it simpler. There are established names who have solved the issue of multiple regulatory control, making it easier for newer companies to enter the Asian market.

To summarise, successfully functioning in Asia's medical and health tech industries demands a thorough awareness of each target country's legislative and intellectual property frameworks. This not only assures compliance, but it may also provide market entrants with a competitive advantage.



Chapter 3

The Region's Future

Shifting demographics, increased consumer demands, technology breakthroughs, and constrained legacy health infrastructure all point to a fast healthcare transition in Asia. These elements, taken together, may enable administrations, payers, vendors, and consumers to reinvent the delivery of healthcare and management.

In response to these changes, consumer-centric digital health networks are growing at an unprecedented rate and scale across Asia. Today, digital health affects over a billion people, and predictions indicate that [digital health in Asia](#) might generate up to \$100 billion in value by 2025, up from \$37 billion in 2020.

The medical devices sector in the [Middle East](#) is predicted to reach US\$ 21,802.3 million in 2027, up from US\$ 16,597.4 million in 2019; it is expected to increase at a CAGR of 3.6% from 2020 to 2027.

Digital usage for an ageing population:

By 2030, the region will also be home to 60% of the world's population aged 65 years or older, many of whom will depend on healthcare tools ([Eastspring](#))

An increasingly senior population calls for reliable healthcare and social safety nets. The anticipated rise in chronic illnesses, mobility challenges, and the desire for pleasant aging in one's surroundings may overwhelm conventional healthcare models, which rely primarily on in-person consultations and hospital visits.

As a result of this shift in population, the healthcare sector has to adopt new approaches, and digital health technologies offer a possible avenue for doing so.

By bridging physical barriers and allowing for effective and individualised treatment, digital health systems may enable remote monitoring, telemedicine consultations, real-time health tracking, and predictive analytics.

By empowering seniors to live with more autonomy, easing the stress on their carers, and lowering healthcare costs, such technologies have the potential to vastly improve their quality of life.

The widespread availability of smartphones and rising levels of digital literacy among the elderly are also contributing to the growing popularity of online health resources.

The potential for digital health technology to revolutionise care for the elderly is enormous, from applications that use artificial intelligence to spot the first indications of illness to wearable gadgets that track physiological metrics.



However, various elements are required for the widespread adoption and successful use of these digital technologies.

When deciding whether or not to implement digital technologies into healthcare systems, it is important to take a variety of variables into account:

- **Examine the technology's cost and availability:** Assess the financial feasibility and widespread availability of the technology for potential customers.
- **Consider the usability:** Digital healthcare solutions should be simple to use, especially for senior people who may not be as tech-savvy.
- **Ensure patient data privacy and security:** Create strong data security safeguards to guarantee patient data stays protected and secure.
- **Examine the system's readiness:** Determine the current healthcare system's preparedness to incorporate and support emerging digital health technology.
- **Encourage collaboration:** To solve these difficulties and establish an effective and comprehensive digital healthcare system, policymakers and healthcare professionals should collaborate.
- **Improve seniors' access to digital healthcare:** Ensure that the established system prioritises accessibility for the elderly population, who will benefit greatly from these digital tools.



Chapter 4

Financial Considerations

The medical and health technology industries in Asia have tremendous investment potential, drawing large foreign direct investments. The United Nations Conference on Trade and Development reports that Asia gets significant investment in several industries, underlining the profitable potential available. Understanding the financial environment and exploring new investors or funding possibilities is critical for firms trying to join the market.

The cost of doing business is an important factor in establishing the financial viability of joining the Asian market. This assessment should take into account a number of issues, including labour costs, taxes, transportation, and infrastructure. Labour costs may have a substantial influence on total costs, thus understanding the pay structure and laws in the target nations is critical. Taxes and other financial obligations change among nations as well, and understanding the tax environment is critical for financial planning and budgeting.

Critical components to facilitate commerce:

Transportation and logistics are critical components of the cost of conducting business. Efficient transportation networks

and infrastructure are critical for supply chain efficiency and timely delivery of goods and services. To ensure the viability and cost-effectiveness of market entrance, it is vital to assess the target region's transportation costs and infrastructural capabilities.

Another critical aspect is infrastructure, which includes healthcare facilities, research centres, and technical skills. The availability and quality of infrastructure can influence the cost of establishing operations, performing research and development, and providing products and services to the market. Understanding the current infrastructure as well as the potential for growth and development is critical for making educated investment and market entrance decisions.

Furthermore, the target region's regulatory frameworks and laws governing corporate operations and healthcare should be thoroughly reviewed. Regulation compliance, licensing requirements, and intellectual property protection are all critical parts of conducting business in the medical and health technology industries. Understanding the legal and regulatory landscape, as well as any prospective compliance expenses, is critical for financial planning and risk assessment.

Chapter 5

Languages & Currencies

Asia is recognised for its great cultural variety, and hence approaching this market demands a detailed awareness of linguistic preferences in order to properly engage the target audience. The World Atlas shows Asia as the continent with the most languages, around 2,300, highlighting the region's linguistic diversity.

Understanding this variability and applying appropriate translation or localization procedures may boost a company's chances of success dramatically.

To successfully handle this linguistic diversity:

Conduct market research: Learn about your target market's linguistic landscape. Determine the prominent languages and dialects, as well as the prevalent degrees of English competence.

Implement localization: Localization entails tailoring your product, services, and communication to your target market's cultural background, customs, and language. It has the potential to greatly improve consumer engagement and brand impression.

Employ professional translation services: Hire professional translators who are proficient in the local language and understand its cultural nuances. This ensures that your messages are clear, accurate, and sensitive to cultural differences.

Iterate: Continue to test your localised material and get feedback from local users. Use this knowledge to iterate and enhance your work.

The factor of currency exchange:

When entering Asian markets, currency exchange and management are also critical factors. Each Asian country has its own currency, with significant disparities in exchange rates, monetary policies, and banking rules. Learning about these currencies and engaging with trustworthy financial institutions that can aid with currency exchange and management may help reduce financial risks and guarantee seamless transactions.

To manage the exchange of currencies and related difficulties effectively:

Understand local currencies: Get to know the local currencies of your target market. Keep up with exchange rates and understand currency fluctuation, since they can have an influence on pricing and profitability.



Collaborate with local financial institutions: Form alliances with banks or financial institutions that understand the local currency and can provide services such as real-time exchange rate information, currency conversion, and risk management solutions.

Implement effective pricing strategies: In light of currency volatility, create a flexible pricing plan that ensures profitability while being competitive and affordable in the local market.

Consider digital payment solutions: With the advent of digital wallets and mobile payment solutions in Asia, consider incorporating them into your payment systems for ease and maybe avoid certain currency conversion concerns.

Finally, linguistic variety and currency management are critical for organisations looking to enter Asian markets. Developing a thorough awareness of the language environment, as well as successfully handling currency exchange and transactions, may greatly improve a company's prospects of success in these markets.

Chapter 6

Cultural Distinctions

Understanding and honouring Asian cultural norms and practises is critical in the medical device technology business. The rich variety and cultural subtleties may have a significant influence on commercial transactions and relationships. Recognising and implementing these standards can help to create and sustain productive relationships in the medical device sector.

Asia has a deeply ingrained culture of relationship-driven business. Trust, respect, and strong personal relationships are frequently the foundations of successful commercial collaborations. This mentality applies equally to the medical device industry, where collaborations, partnerships, and networks may make a major impact.

The following are some essential techniques for this relationship-focused approach:

Community outreach: Participate actively in local communities and attend industry events, trade exhibits, and healthcare conferences to network. Such encounters aid in the development of personal ties, the comprehension of local practices, and the acquisition of firsthand knowledge of the most recent industry trends.

Local programs: Sponsor local healthcare programmes, participate in corporate social responsibility (CSR), or fund medical research. These can increase not only goodwill but also brand exposure and repute.

Personal Relationships: Develop strong connections with important decision-makers, physicians, hospital administrators, and local business partners. Such ties can help in negotiations, contracting, and problem-solving.

Healthcare partners: Another advantageous method is to collaborate with local partners, distributors, or healthcare institutes. These agreements provide valuable market insights, ease regulatory compliance, and boost business reputation.

Here are some crucial considerations for local collaborations:

Regulatory Compliance: Established local partners may assist in navigating the complicated regulatory landscape, ensuring that medical devices fulfil local regulatory norms.

Market insights: Local partners have a thorough understanding of the local market, consumer behaviour, healthcare infrastructure, and buying power. Such information can help influence marketing strategy and product development.

Finally, considerable market research and detailed competitive analysis are required. Understanding the competitive climate and tailoring your products or services to the needs of the target market will help your medical device tech company succeed.

The following are key methodologies for competition analysis and market research:

Competitor Analysis: Identify your primary rivals, their product offerings, price, market share, and their strengths and shortcomings.

Customer Preferences: Use surveys or focus groups to learn about your customers' wants, needs, and willingness to pay.

Market Trends: Keep up to date on evolving healthcare trends, technology advances, regulatory changes, and healthcare policies.

In conclusion, recognising cultural norms, taking a relationship-driven strategy, utilising local cooperation, and undertaking extensive market research are critical methods for the medical devices technology industry to flourish in Asian markets.





The MedLab Asia Medical Summit - Your First Step Into Asia:

If you're looking to take your first steps into the Asian market, Medlabs' global exhibition awaits!

Medlab Asia has been the main venue for laboratory professionals in the ASEAN area for over 9 years. It provides a wonderful chance for industry specialists to gather, exchange information, investigate the most recent breakthroughs in medical laboratory technology, and remain at the forefront of their field.

Bringing together a varied group of participants, including dealers, distributors, private and public hospitals, government

authorities, and regional industry leaders. By attending Medlab Asia, you have unrivalled opportunities to contact and network with suppliers, stay up to speed on the newest trends, and further your professional development.

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