

J. Medical and Health Care Products

Business Environment

Demand for preventive health care services to serve an ageing and increasingly affluent population is growing. The Hong Kong Hospital Authority and Chinese Ministry of Public Health are influential decision-making bodies under pressure to satisfy domestic demand for better health care.

Government is the principal buyer for public hospitals, clinics, university labs and teaching hospitals in China and Hong Kong. Multinational corporations with local agency connections in Hong Kong or a joint-venture presence in China tend to dominate sales of foreign medical devices.

China

China can meet most of its domestic demand internally. Chinese purchasers are influenced chiefly by price, ability to generate profits for hospitals and/or clinics, after-sales support, ease of use and the preferences of the local advisory board.

China has placed an emphasis on prevention and focusses on the acquisition of new technologies, while preserving traditional Chinese medicine. China imports only the most advanced and essential health products and is extremely conscious of brand names and local content. Import demand is highly dependent on fiscal and macro-economic developments.

Foreign firms must register with the Administration Department of the Ministry of Public Health. To introduce new drugs, foreign suppliers must register with the Pharmaceutical Product Register of the Ministry.

Hong Kong

Hong Kong imports almost all its health care product requirements. Significant volumes are also re-exported to other markets, including China. Imports hinge largely on government global procurement tenders. Purchases are determined by price, local after-sales support, prior brand and/or vendor experience, brand name and/or manufacturer reputation, quality, functions and ease of use.

Hong Kong's pharmaceutical market is well developed, open and highly competitive, with hundreds of suppliers and distributors. Imports are driven by value-added features, functional uniqueness and the use of the product in the global market. China, the United States, Germany, Italy and Japan are the leading suppliers.

In Hong Kong, there are 25 000 public beds (37 hospitals) and 4430 private beds (15 hospitals), in addition to public and private clinics and practices. Private hospitals, which usually have larger procurement budgets, are target customers for more expensive and advanced devices and pharmaceuticals. These institutions are less bureaucratic and more North American-oriented, providing an easier point of entry for new exporters. Many of