

decision makers.

A Canadian firm tried unsuccessfully for five years to break into the market: once they hired an Indian agent, doors opened immediately.

Canadian companies report being approached by medical equipment distributors in India who say they're interested in selling their product. Once the initial contact has been made, and brochures, prices and the like have been sent over, however, very little or nothing transpires. A few years elapse, and the Canadian firm receives another query. This has led at least one Canadian company to suspect the Indian distributor is collecting market intelligence.

A firm that went through a similar, prolonged experience with a distributor continued to maintain contact, and after 10 years of very small, intermittent sales, was successful in securing a large contract. That company noted Indians' penchant for letter-writing, and confirmed others' observation that patience is essential in India.

Staff at the Canadian consulate and embassy in India can help identify reputable firms and helping establish connections. See source list for agents, importers and distributors.

IMPORTING

Hospitals run by the government and public trusts can import free, providing there is no local manufacturer for the product. Products to be used for R&D, by R&D facilities, are also exempt, as is life-saving equipment. Otherwise, general import duty on medical equipment is 25%.

Expects months of

paperwork when importing: Canadian firms have commented that a transaction that's completed in 24 hours in North American can take three months when dealing with organizations in India.

The Indian government generally doesn't permit advanced payment for imported goods. Exporters look for irrevocable letter of credit, payable against presentation of shipping documents through the importers bank.

JOINT VENTURES

The Indian government allows foreign firms to hold up to 51% of a joint venture, and more than 51% for medical electronics equipment. Establishing joint ventures for this kind of equipment would bring down production price (by lowering labour costs), which would increase market share. However, a Canadian company in a manufacturing joint-venture there says that in India efficiencies are not as good, and materials are hard to come by; sourcing them elsewhere bring prices back to North American levels.

The Canadian consulate, the Indian Investment Centre and the Chambers of Commerce in India can help identify potential partners, and establish credentials (assets, credit rating, experience). The Canadian Manufacturers' Association also actively facilitates joint-ventures through links with the Confederation of Indian Industry: the CMA has been in India since the early '80s and has helped approximately 150 companies find partners.

Be prepared to turn over local marketing initiatives to

Indian partners: they know the market and may want the freedom to act independently.

Given that patent protection and copyright laws are not as stringent in India as in Canada, at least one firm protects its product through royalty agreements and by withholding one part of the product, which is ultimately supplied by the Canadian operation and installed in India.

For a list of Indian medical companies identified as seeking joint-ventures, see the Sources section.

INDIGENOUS MANUFACTURING

Medical electronics equipment was first manufactured in India in the 1970s. ECG and x-ray machines were first out of the plant; production jumped from US\$800,000 in 1972 to US\$22.6 million in 1990. Manufacturers now turn out defibrillators, fetal monitors, cardioscopes, gamma ray scanners, CT scanners, and ultrasound scanners. Production is primarily founded on foreign technology: Siemens, Phillips Medical, GE Medical, Hitachi, Hewlett Packard, Shimadzu, and Toshiba have a presence in India.

MORE INFORMATION

TRADE SHOWS

Biotech South Asia '96: 1996 October Biennial, Ashok Hotel, New Delhi. Convex Convention Expos, Ms. Pushpa Nai, Manager, 14-F Basant Lok, Vasant Vihar, New Delhi 110 057. Phone 91-11-670-346. Fax 91-11-687-5598.