

INTRODUCTION

China is the famous “world manufacturing factory”, which has many No. 1 in the production volume in different categories.

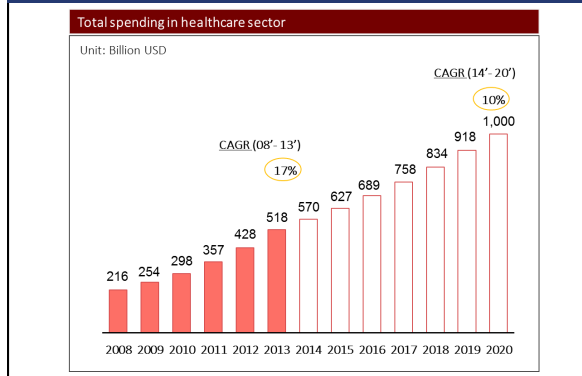
CLIENT BACKGROUND

Our client is a mid-sized medical device and consumables manufacturer, who want to enter China market. They launched the project to better understand how's China market, where are the risks, how to define the strategy and what's the action plans.

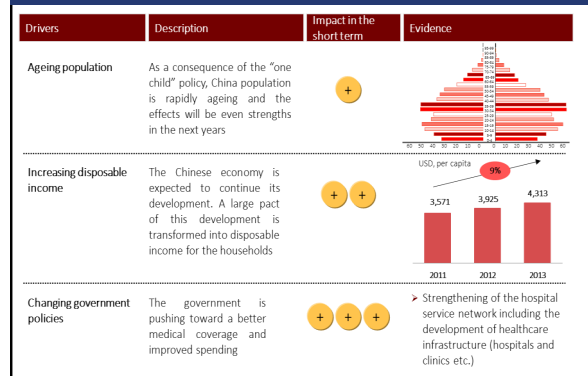
KEY FINDINGS

- With the 2009 new blueprint for healthcare reforms and the 12th Five Years Plan (2011 to 2015) the government emphasizes the role of foreign investments and private capital (also through Private Equity funds) in the development of the healthcare sector
- New areas of activity have been opened to direct foreign investment (e.g. Medical services)
- There is a huge gap to be filled in between the public service (almost free of charge but with very poor service) and the few private initiatives (with good service but extremely expensive)

In 2020 the total healthcare is expected to reach 1 trillion USD



Major drivers point towards long term growth for the next decade

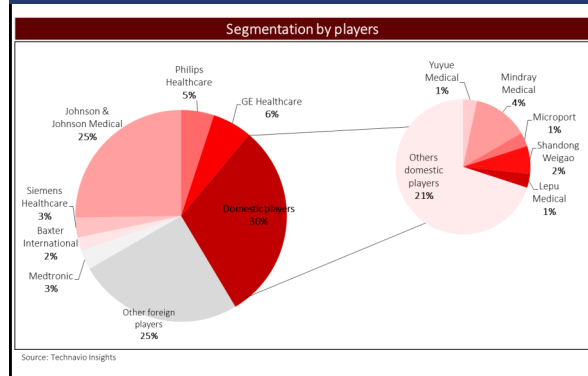


In the period 2010-2016 China will be the second largest market for pharmaceuticals

Pharmaceutical market (USD billion, 2010)	Population (million)	Per capita spend (USD)	Pharmaceutical market (USD billion, 2016 (**))	Population (million) (**)	Per capita spend (USD)
USA	322	314	365	314	1,162
Japan	111	127	120	127	944
China	59	1,343	125	1,343	93
Germany	45	81	49	206	238
France	41	66	48	81	592
Brazil	30	206	37	66	560
Italy	29	61	25	61	409
Spain	22	47	24	1,237	20
Canada	22	34	24	144	166
UK	21	63	23	34	782

(**) Assumed unchanged
Source: IHS/IDC/INSTAT

Foreign players captured 77% of the Medical Device market



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