

HEALTHCARE & MEDICAL EQUIPMENT TRADE MISSION
Almaty and Astana, Kazakhstan
May 11-14, 2009

MISSION DESCRIPTION

The United States Department of Commerce is organizing a four-day industry-specific Healthcare & Medical Equipment Mission to Astana and to the 16th annual Kazakhstan International Health Care Exhibition, May 11-15, 2009. Organized by the International Trade Administration's Healthcare Team and the U.S. Commercial Service office in Almaty, the mission will include representatives from a variety of U.S. firms in the healthcare services and medical equipment sectors, with special emphasis in the following product areas: cardio-surgery, neurosurgery, oncology equipment including radiotherapy and chemotherapy, and hematology equipment. These mission participants will be introduced to international agents, distributors, and end-users whose capabilities and services are targeted to each participant's needs.

Participants will:

- Participate in a catalog show at Kazakhstan International Health Care Exhibition (KIHE), managed by the U.S. Commercial Service while mission participants are at other events.
- Meet with representatives of Kazakhstan's Ministry of Health and medical business community.
- Attend individualized matchmaker appointments and visit medical institutions and companies of commercial interest.
- Participate in a health products seminar for local firms and government officials.

COMMERCIAL SETTING

Demand for medical equipment in Kazakhstan is increasing due to the sustained growth of the economy and increased healthcare spending, as well as the recognized need to replace obsolete equipment, which comprises about 80% of the medical equipment in the country's public hospitals. The public sector purchases approximately 85% of its medical equipment in Kazakhstan. From 2007 to 2008, the market for medical equipment in Kazakhstan increased by an estimated 66%, with almost all of the medical equipment imported. Medical equipment imports from 2007 to 2008 are expected to increase by 67%, reaching an estimated \$800 million. The U.S. market share was 5.5% in 2007, valued at almost \$26 million.

The Government of Kazakhstan is implementing reform programs that will nearly double state healthcare expenditures over the next few years. Priorities stated in the program include reformation and development of the country's primary healthcare networks, improvement in its public health administration system, provision of enhanced medical personnel training, enhancement of mother and child health services, emphasis on preventive measures such as diagnostics, treatment of social diseases, and patient rehabilitation. It is planned that \$1.2 billion will be allocated to Kazakhstan's healthcare sector from the budget in 2008, which exceeds the 2007 figure by 40%. In 2007, President Nazarbayev directed the government to develop the "Building a Hundred Medical Facilities" program, to be implemented by state-owned and private medical institutions. Emphasis will be placed on multi-purpose clinics intended to provide a wide range of medical services. According to the program, construction on a number of regional hospitals, clinics and blood centers will start in 2008. Building of municipal clinics and hospitals, as well as university clinics, is planned in 2009.

In January 2008 the World Bank approved a \$118 million loan for the Kazakhstan Health Sector Technology Transfer and Institutional Reform Project. The total project cost is \$296 million, with \$178 million being co-financed by the GOK. The project will help introduce international standards and build long-term institutional capacity in the Ministry of Health and related healthcare institutions in support of key health sector reforms pursued by the government.

Kazakhstan's healthcare and medical equipment market provides excellent opportunities for U.S. companies in several areas, including cardio-surgery, neurosurgery, oncology equipment, blood equipment and healthcare equipment to necessary for the dynamic growth in the hospitals being constructed.

16th Annual Kazakhstan International Health Care Exhibition, Almaty

With over 150 exhibitors and 5,000 trade visitors, KIHE is Central Asia's largest medical trade event and a great way to promote medical products and services in Kazakhstan's fast developing healthcare market. The US Commercial Service will operate a US Product Literature booth for mission members, allowing them to collect trade leads and gauge market interest while they are participating in other mission meetings.

MISSION GOALS

The mission will assist representatives of American companies responsible for business activity in Eurasia with their efforts to identify profitable opportunities and new markets for their respective U.S. companies and to increase their export potential. The summary of results expected from the mission includes finding potential partners, agents and distributors, joint venture partners; and provide market knowledge for future expansion.

MISSION SCENARIO

Applications received after March 15, 2009, will be considered only if space and scheduling constraints permit.

MISSION TIMETABLE

Monday, May 11, 2009

This day will allow firms to arrive into Kazakhstan and meet with other mission members. CS Almaty staff will provide a country briefing and review the mission agenda.

- Arrival to Astana
- Country Briefing and Mission Overview
- No host introductory dinner

Tuesday, May 12, 2009

This day will be dedicated to providing market knowledge and contacts within the government of Kazakhstan and provide a first hand view of the country's existing healthcare facilities. The afternoon will include a marketing event to reach out to the Astana medical community, followed by a networking reception.

- Meetings with representatives of the Ministry of Health
- Site visit to Astana-based medical institution/hospital and meetings with representatives of Kazakhstan's medical business community
- Mission seminar for local companies and suppliers, held at US Embassy
- Mission Networking Reception at the Ambassador's Residence

Wednesday, May 13, 2009

This day will be dedicated to meeting local firms that can serve as agents, distributors or partners.

- Departure to Almaty (am)
- Matchmaking Meetings at the hotel (pm)

Thursday, May 14, 2009

This day will be dedicated to the KIHE show and additional meetings with local firms that can serve as agents, distributors or partners. As most flights depart in the late evening, mission members can chose to depart on this evening or early the following morning.

- Matchmaking Meetings at the hotel

- KIHE opens, mission catalog show starts, visit to show floor
- Mission Networking Reception at the SCO's Residence
- Early departures from Almaty that night

PARTICIPATION REQUIREMENTS

All parties interested in participating in the Commercial Service Healthcare & Medical Equipment Trade Mission to Almaty and Astana, Kazakhstan must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 7 and a maximum of 12 companies will be selected to participate in the mission from the applicant pool. U.S. companies already doing business with Kazakhstan as well as U.S. companies seeking to enter Kazakhstan for the first time may apply.

Fees and Expenses:

After a company has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee will be \$3,600 for a small or medium-sized enterprise (SME) * and \$6,150 for large firms. The fee for each additional firm representative (SME or large firm) is \$300. Expenses for travel, lodging, most meals, and incidentals will be the responsibility of each mission participant. Delegation members will be able to take advantage of Embassy rates for hotel rooms

Conditions for Participation:

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content of the value of the finished product or service.

Selection Criteria for Participation: Selection will be based on the following criteria:

- Suitability of the company's products or services to the Kazakhstani healthcare and medical market
- Applicant's potential for business in Kazakhstan, including likelihood of exports resulting from the mission
- Consistency of the applicant's goals and objectives with the stated scope of the mission

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

* An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see http://www.sba.gov/services/contracting_opportunities/sizestandardsttopics/index.html). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including posting on the Commerce Department trade missions calendar -- <http://www.ita.doc.gov/doctm/tmcal.html> -- and other Internet websites, publication in domestic trade publications and association newsletters, direct outreach to internal automotive clients and automotive distribution lists, posting in the Federal Register, and announcements at industry meetings, symposia, conferences, and trade shows.

Recruitment for the mission will begin immediately and conclude no later than March 15, 2008. The mission will open on a first come first served basis. Applications received after March 15, 2009, will be considered only if space and scheduling constraints permit.

CONTACT INFORMATION

Stuart Schaag, Senior Commercial Officer AND
Nurlan Zhangarin, Commercial Specialist
U.S. Commercial Service
U.S. Embassy Branch Office
Samal-2, 97 Zholdasbekov St.
Samal Towers Building, Almaty
Tel: 7-727-250-4850 Fax: 7-727-250-4967
Email: Stuart.Schaag@mail.doc.gov and Nurlan.Zhangarin@mail.doc.gov

Jennifer Loffredo
Pontiac U.S. Export Assistance Center
Oakland Pointe Office Building
250 Elizabeth Lake Rd, Suite 1300 West
Pontiac, MI 48341
Phone: (248) 975-9600
Fax: (248) 975-9606
Email: Jennifer.Loffredo@mail.doc.gov