

# China Clinical Laboratory Market

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# OVERVIEW

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- I. Market Overview**
- II. Market Demand**
- III. Market Data**
- IV. Best Prospects**
- V. Key Suppliers**
- VI. Market Entry**
- VII. Tips On Doing Business in China**

# Market Overview

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1. China's clinical laboratory market was the second largest in Asia in 2007
  2. China's clinical laboratory instruments market is expected to experience an annual growth rate of approximately over 20% over the next three years
- *Source: Chinese Association for Medical Devices Industry (CAMDI)*

# Market Demand

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- The vast majority of Chinese, 88% in 2007, still lack health insurance. In addition to this, less than 2% can afford standard Western medical care. Ongoing medical reforms are designed to expand the number of the insured, but in the short term private funding is replacing government financing. Before China's present market reforms, all government employees and workers at state-owned enterprises enjoyed virtually free medical care for themselves and their dependents.

# Market Demand

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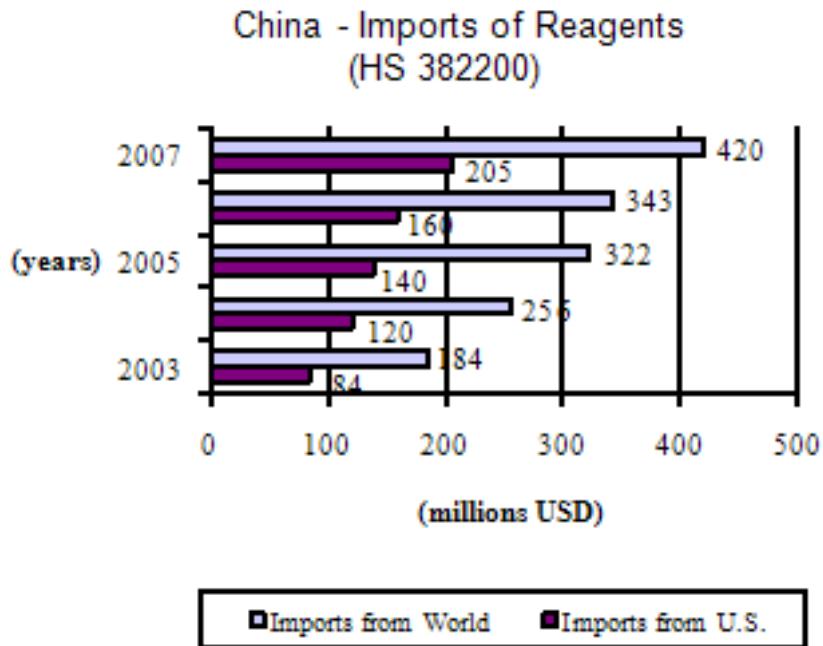
- Testing facilities. There are very few private laboratories or reference labs in China. As China continues a trend of hospital privatization, the number of testing facilities will undoubtedly increase. A promising part of the future clinical laboratories market should be found at hospitals of Grade 3 with more than 500 beds.

# Market Data

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- America's fourth largest export market and second largest trading partner
- China's clinical laboratory market was the second largest in Asia in 2007
- Imports of reagents and analytical laboratory instruments topped \$2.2 billion in 2007
- annual growth rate is about 20%

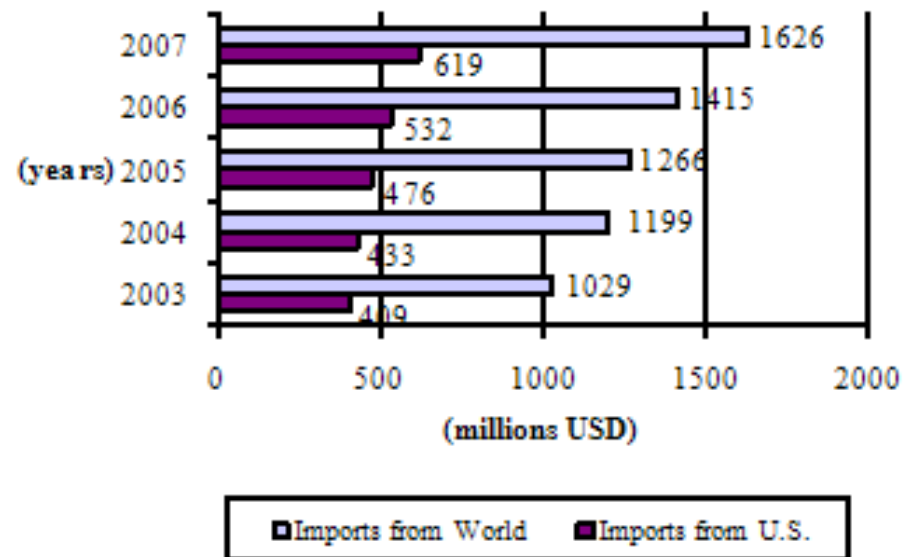
# Market Data



Source: United Nations Commodity Trade Database

# Market Data

China - Imports of Analytical Lab Instruments  
(HS 902720/30/50/80)





# Best Prospects

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- General and specialized market opportunities exist in China

# Key Suppliers

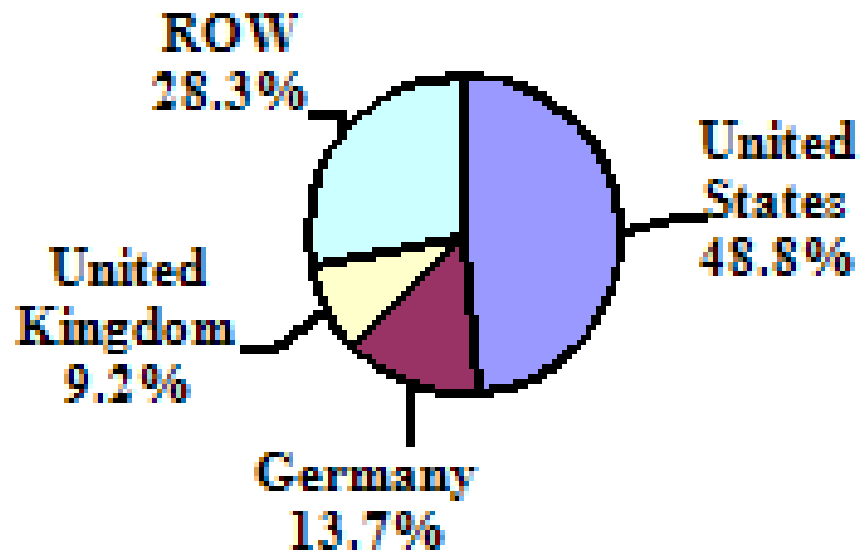
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- In China, imports comprise a large portion of the instrumentation market



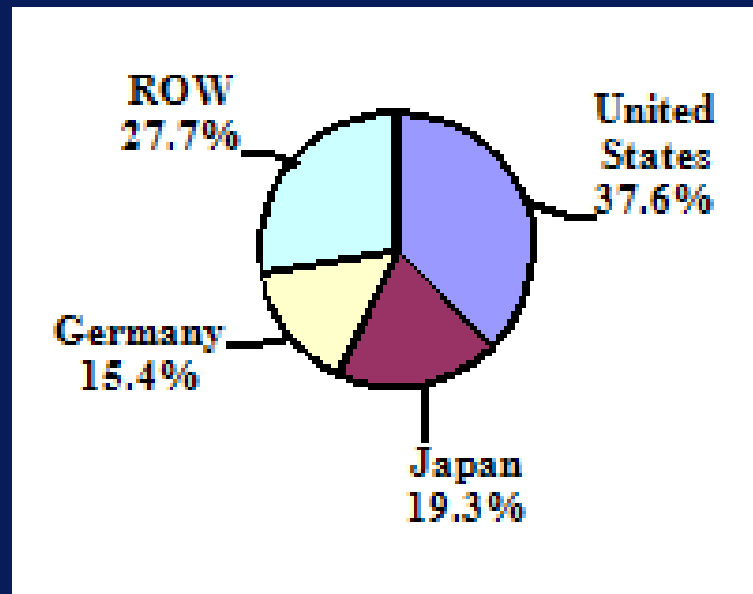
# Reagents suppliers to China (2007)

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*Source: United Nations Commodity Trade Database*

# *Analytical Laboratory Instrument Suppliers to China (2007)*



*Source: United Nations Commodity Trade Database*

# Market Entry

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- *Regulatory Requirements*
- *Distribution*

# Challenges

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## Operational Challenges

- Power Shortages
- Traffic Congestion
- Pollution (air & water)
- Disparity between coast and interior
- Size and diversity of regional markets
- Personnel/Skilled Labor

## Business Challenges

- IPR Infringement
- Transparency
- Rule of Law
- Corruption
- Protectionism

## Economic Challenges

- Unemployment
- Unstable financial system
- Demographics

# WTO Implementation “Outstanding Issues”

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- Cross-Sector Issues
  - Intellectual Property Protection
  - Trading & Distribution Rights
  - Regulatory Transparency



# Practical Tips to Remember

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## UNDERSTANDING THE MARKET

- Visit China to understand opportunities
- Know and sell what the market demands
- Develop Chinese language literature

## MANAGING REALISTIC EXPECTATIONS

- Balance between market “hype” & doomsday
- Conduct due diligence before entering China
- Have a market strategy/systematic plan



# Practical Tips to Remember

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## PROTECTING YOUR INTERESTS

- Safeguard and register your IP  
(<http://www.usembassy-china.org.cn/ipr/>)
- Understand your rights under WTO
- Contracts must be reviewed by legal counsel
- Have an exit strategy; be prepared to “bail”
- Mind the store; Business endeavors require constant oversight



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# For More Information

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Please visit our websites:

[www.buyusa.gov/china](http://www.buyusa.gov/china)

[www.export.gov/cs](http://www.export.gov/cs)



# Contact information

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