

**SME Development Fund (SDF)/
Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)
(Organisation Support Programme) (OSP)**

Final Report on Approved Project

Project ref. no. : D13 002 010
Project title : A Promotion Program for Hong Kong Medical and
Healthcare Devices Industries on New International
Emerging Markets Exploration
Period covered : From 1 January 2014 to 31 July 2015
(dd/mm/yy) (dd/mm/yy)

1. Project Details

(Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.)

Project Summary (in about 150 words)

Hong Kong medical and healthcare devices industry has been developed for a decade and it is now in the growing stage. More and more SMEs are equipped with international quality and risk management systems, infrastructure and production facilities to fulfil the industry stringent requirements and they are ready to make a wide scope of devices for diagnosis, monitoring operations, patient care, rehabilitation and other purposes.

However, most of them are being engaged in low profit margin contract manufacturing business for market leaders or wholesalers in traditional western markets. Viewing the foreseeable uncertain economic situation in the USA, European countries and Japan, HK SMEs must channel widely to other new emerging countries, such as Brazil, Russia and Indonesia in order to grasp new market opportunities instead of relying on traditional markets so as to minimize business risk.

Project Objective(s) (in about 80 words)

To assist the Hong Kong Medical and Healthcare Devices Industry to explore new overseas emerging markets such as Brazil, Russia and Indonesia.

To build up image and promote Hong Kong manufacturers as quality and competitive medical and healthcare brand products suppliers.

To study the regulatory, technological, quality assurance and risk management requirement on supplying medical and healthcare devices to emerging markets and develop assessment tool for manufacturers to self-evaluate the gap for entering those markets.

Grantee/Collaborating Organisation/Implementation Agent

Grantee : Hong Kong Medical and Healthcare Device Industries Association Ltd.
(HKMHDIA)

Collaborating Organisation(s) : Hong Kong Trade Development Council
Hong Kong Electrical Appliance Industries Association
Hong Kong Mould and Product Technology Association
The Hong Kong Metals Manufacturers Association

Implementation Agent(s) : Hong Kong Productivity Council

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator :	Ir Prof Andros Chan	HKMHDIA	2788 5799/ 3187 4543
Deputy Project Co-ordinator :	Ir Richard Lun	HKMHDIA	2788 5799/ 3187 4543

Project Period

	<u>Commencement Date</u> (day/month/year)	<u>Completion Date</u> (day/month/year)	<u>Project Duration</u> (No. of months)
As stated in project agreement	1 January 2014	30 April 2015	16 months
Revised (if applicable)	1 January 2014	31 July 2015	19 months

2. Summary of Project Results

Project Deliverables

(Please list out the project deliverables as stated in the project proposal appended to the project agreement and provide details related to the actual result achieved for each of them.)

	Project deliverable	Quantifiable target number (e.g. 100 participants)	Actual result achieved (e.g. 90 participants)	Reasons for not achieving the target, if applicable (e.g. The total number of registered participants was over 120. However, some of them did not show up eventually. Will strengthen promotion and try to make up for the shortfall in the following two seminars.)
a)	An awareness seminar for briefing on particulars of project	Not indicated in proposal	28 participants	
b)	Set up a "Hong Kong Medical and HealthCare Devices Pavilion" in 3 major medical and healthcare devices exhibitions in new emerging markets	3 exhibitions new emerging markets; Around 100 different medical and healthcare devices from local manufacturers as exhibits	HK Pavilion was set up in 3 international exhibitions in emerging markets; Hospital Expo in Jakarta, Indonesia, ZDRAVOOKHARANENIYE in Moscow, Russia and Hospitaliar in San Paulo, Brazil. There were 47 exhibitors for each exhibition with more than 140 different medical and healthcare devices displayed in each exhibitions.	
c)	Organise 3 study missions cum business matching activities in 3 new emerging markets where exhibitions hold.	Not indicated on proposal	44 participants in total has joined 3 study missions cum business matching events in Indonesia, Russia and Brazil	
d)	Conduct study with potential medical and healthcare device buyers at 3 exhibitions.	Not indicated on proposal	Questionnaire survey was conducted with a total of 75 potential buyers from Indonesia, Russia and Brazil during the 3 exhibitions held. Statistical data and findings are listed on the study report of this project.	
e)	Compile a gap assessment check list	3 checklists for 3 emerging countries	3 separate gap assessment checklists for entering Indonesia, Russia and Brazil market had been compiled.	
f)	A debriefing workshop	Not indicated on proposal	31 participants	
g)	Compile a study report	1,500 copies	1,500 copies were printed and distributed.	

h)	Upload summary of study report to HKMHDIA website	1 website for public access	The summary was uploaded to HKMHDIA (project applicant website) for public access.	
i)	Compile directory of HK medical and healthcare devices manufacturers	3,000 copies	3,000 copies of directory were printed and distributed on exhibitions and other channels.	
j)	Prepare video and DVD of HK medical and healthcare devices industry	1 video, 3000 copies of DVD	A 3 min video with voice over in English, Indonesian, Russian and Brazilian Portuguese was compiled. 3,000 copies was printed and distributed to potential buyers via exhibitions and other channels.	

Details of the deliverables (e.g. date, duration, venue, speaker, topic discussed, etc.)

(Please list out in table format if necessary.)

A project steering committee was established in January 2014. It consists of 7 members from the project applicant, HKMHDIA, HKIE BME Division, HKPC and an independent lawyer invited by HKMHDIA. An awareness seminar was held on 6 February 2014 to brief local medical and healthcare industry SMEs about the project, its deliverables and seeking for SMEs' participation.

47 SMEs joined 3 international exhibitions on medical and healthcare devices in emerging markets in Indonesia, Russia and Brazil by May 2015. They contributed over 140 different medical and healthcare devices samples together with information for demonstrating the outstanding technology, quality systems, integrity and other capabilities of local medical and healthcare devices manufacturing industry for display in Hong Kong Pavilion under 3 international exhibitions. 3000 copies of directories and DVDs comprising video of HK medical and healthcare industries was also compiled and shipped to exhibitions for distribution in overseas emerging markets by end August 2014

Hong Kong Pavilion were set up on the following 3 international exhibitions on period as below:

- Hospital Expo 2014 in Jakarta, Indonesia; 15-18 October 2014
- ZDRAVOOKHARANENIYE 2014 in Moscow, Russia; 8-12 December 2014
- Hospitaliar 2015 in San Paulo, Brazil; 19-22 May 2015

There were over 1,000 foreign visitors and potential buyers from the home country where these exhibitions held and from nearby emerging markets to visit the HK Pavilion in each exhibition. Among all the exhibitions, there were most visitors (more than 1,600) for the Hospitaliar 2015 in Brazil, then the ZDRAVOOKHARANENIYE in Russia (around 1,400) and Hospital Expo (around 1,100).

3 study missions in Indonesia, Russia and Brazil cum business matching were organised during the exhibitions periods. A total of 44 participants has joined 3 missions and 52 useful contacts of government organizations, trade professional associations, importers, distributors, hospitals, medical & healthcare devices registration consultancy firm and trade promotion NGOs were collected. All the useful contacts have been printed on the study report of this project.

Questionnaire survey was conducted with a total of 75 potential buyers from Indonesia, Russia and Brazil in HK Pavilion during the 3 exhibitions. Useful statistical information on sales volume amount of importers, interested products to import, percentage of importers with contact points in Hong Kong/China, priority of factors on procurement and countries of distribution among importers visiting the HK Pavilions in 3 emerging markets were collected and disseminated on the debriefing workshop, study report and electronic summary on HKMHDIA website under this project to targeted SMEs and public.

3 separate gap assessment checklists for entering Indonesia, Russia and Brazil market had been compiled by end June 2015 and disseminated to target SMEs in a project debriefing workshop held on 13 July 2015. Besides, statistical information concerning the survey and study with potential buyers from 3 emerging markets during the exhibitions together with some insights of exhibitors was distributed on the workshop as well. The debriefing workshop was conducted by Mr. Alan Tso, Consultant of Materials and Manufacturing Division of HKPC. Two project steering committee members who participated all the exhibitions under the project, Ir. Richard LUN and Ir. David WONG also shared their experience in business matching with foreign buyers in those emerging markets and their insights of those markets.

Finally, 1,500 copies of study report comprising contents on

- Overview of Hong Kong Medical and Healthcare Device Industry
- Overview of Emerging Markets (Indonesia, Russia and Brazil)
- Demographics of 3 Markets
- Market Size and Trends of 3 Emerging Markets
- Characteristics: Tax and Tariffs, Top 5 Product Categories, Number of Hospitals/Doctors
- Current Regulatory Issues of 3 Emerging Markets
- Useful Information and Contacts of Distributors and other Trade Organisations
- Statistical Survey Analysis on Study with Potential Buyers of HK Pavilion in 3 Emerging Markets

were compiled and printed by end July 2015. Summary of the report was uploaded to website of the project applicant, Hong Kong Medical and Healthcare Devices Association for SMEs and the public to access and download.

Milestones (in chronological order)

(# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.)

Milestone (as set out in the approved project proposal appended to the project agreement)	Original target completion date	Revised completion date (if applicable)	Status (C/D/N) #
(a) To form a project steering committee, organize an awareness seminar, promote the project to public and select exhibiting countries and exhibitions of 3 emerging markets.	31/03/2014	06/02/2014	C
(b) To design and set up an exhibition kit for the HK Pavilion.	30/04/2014	08/09/2014	C
(c) To edit and print directory of HK medical and healthcare industries.	31/05/2014	20/8/2014	C
(d) To edit and produce a video for promoting HK medical and healthcare devices industry. To voice over the video in languages of 3 emerging overseas markets and duplicate DVDs.	30/11/2014	28/02/2015	C
(e) To exhibit in HK Pavilion under 3 selected exhibitions of emerging overseas markets, hold 3 product promotion seminars and conduct survey with visitors.	31/12/2014	26/05/2015	C
(f) To carry out 3 business matching with potential distributors/buyers and hospitals at the three exhibition countries.	31/12/2014	31/05/2015	C
(g) To compile and distribute a gap assessment checklist on supplying medical and healthcare devices to emerging overseas markets.	28/02/2015	31/07/2015	C
(h) To consolidate all information collected, then compile and distribute a study report and electronic summary to local SMEs.	30/04/2015	31/07/2015	C

Future Plan for Promoting the Project Deliverables (Nil if not applicable)

The project applicant, HKMHDIA and HKPC will continue to promote the study report and electronic summary posted on its website to practitioners, trade associations and the public via EDM, HKPC industry focus magazine and other media.

HKMHDIA will consider to host HK Pavilion with HKTDC, HKPC or under its own resources to explore emerging markets in Brazil, Russia and Indonesia.

It will also consider to launch further projects in exploring other new emerging markets such as Argentina, Eastern European countries, South Africa; with further government funding support if necessary due to the success under this project.
