CLUSTER DEVELOPMENT INITIATIVE

A way forward for Economic Growth

SURGICAL CLUSTER, SIALKOT

3rd Mission Report

1st Competitive Reinforcement Initiative for Surgical Cluster – Sialkot

"Market driven development of surgical cluster – Sialkot"

(April 14, 2019 to April 19, 2019)

CDI is jointly implemented by PSIC and UNIDO

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1. Market Driven Development of Surgical Cluster-Sialkot

The surgical cluster team of Cluster Development Initiative (CDI) project carried out Diagnostic Study (DS) of surgical cluster, Sialkot with technical assistance of United Nations Industrial Development Organization (UNIDO). In light of the findings of the DS, 1st Competitive Reinforcement Initiative (CRI) on "Market Driven Development of Surgical Cluster-Sialkot" was identified in consultation with Surgical Instruments Manufacturers Association of Pakistan (SIMAP). The project was approved by Cluster Project Selection Committee of the CDI Project in its meeting held on June 21, 2017 with total cost of PKR. 16.130 Million and gestation period of 18 months.

Secretary Industries presiding the meeting of Cluster Project Selection Committee

The objective of the CRI is to provide technical assistance to surgical cluster companies by: -

i. Developing their capacities on market intelligence, export marketing & branding strategies.
ii. Capacity building of marketing related Business Development Services Providers (BDSPs).

To achieve the ambitious results in a sustainable way, an integrated approach consist of the following will be adopted:-

- Assessment of training needs for surgical cluster companies and Business Development Service Providers (BDSPs) will be identified focusing their willingness to participate in the programme.

- An export marketing and branding strategy with priority target markets & prioritized marketing interventions will be developed together with the key stakeholders.
- Capacity building of participating companies and BDSPs in different areas of marketing and branding.
- Access of surgical cluster of Sialkot to international market will be optimized by launching an online surgical cluster portal and participation in trade fairs.

2. Engagement of International Experts

UNIDO has engaged two international experts having sound experience in market intelligence and export marketing to build the capacity of the cluster companies and Business Development Service Providers on export marketing.

Mr. Peter Hurst

Mr. Warner Uiterwijk

3. Kick Off Mission of International Experts

Kick off mission of international experts visited Pakistan from 1st July, 2018 to 7th July, 2018 to start the activities of the 1st CRI. The objective of the mission was to identify need assessment of surgical cluster companies & Business Development Service Providers (BDSPs) and organizing an Awareness Workshop to apprise the cluster companies on the project activities including, selection criteria to participate in the project, overall approach of the project, benefits to the participating companies as well as sensitizing the cluster companies on different perspectives related to export marketing.

3.1 Meeting at SIMAP

The kick off activities of the mission started from an opening meeting of CDI team, UNIDO's local and international experts with Chairman, SIMAP and Executive

Committee Members of the Association. During the meeting, the roadmap of the CRI "Market Driven Development of Surgical Cluster-Sialkot" was shared. The members from SIMAP expressed their satisfaction on the road map and assured full cooperation in implementing the CRI.

3.2 Visit of Companies

The international experts along with UNIDO and CDI team visited nine (09) companies operating in surgical cluster of Sialkot. The companies visited were large, medium and small in nature. The objective of the visit was to assess the capacity building needs and to gather necessary information by interviewing the owners to develop selection criteria depending upon the present scenario of the cluster and taking all segments of the companies into consideration. The experts conducted the interviews and gathered necessary information based on the ground realities such as product range, price range, existing marketing strategies, gaps, etc. They also witnessed the business operation of the companies. All the companies appreciated the CRI and expressed their willingness to participate in the forthcoming activities.

Opening Meeting with SIMAP

Meeting with Surgical Company

3.3 Visit of Business Development Service Providers

The international experts conducted meetings with two (02) potential Business Development Service Providers (BDSPs) working in Sialkot. The objective of the meeting was to assess the availability, accessibility, quality marketing related services

of the BDSPs and assessment of capacity building needs. During the meetings, information such as existing structure, current service portfolio and availability of human resource, etc. was gathered. More importantly, their willingness to enhance the service portfolio in marketing was analyzed. All the BDSPs showed their willingness to participate in the programme.

3.4 Organizing Awareness Workshop

During the mission, an awareness workshop was organized in collaboration with SIMAP on 4th July, 2018 at Hotel The Jeeven's Sialkot. The objective of the workshop was to apprise the cluster companies on the project activities including selection criteria to participate in the project, overall approach of the project, benefits to the participating companies as well as sensitizing the cluster companies on different perspectives related to export marketing. The cluster companies, BDSPs, academia, government institutions were invited through e-mails / personal visits to participate in the workshop. Banners were also displayed outside the venue and within different areas of the city providing information about the workshop.

Banner is displayed outside SIMAP office

The international experts imparted knowledge to more than one hundred and twenty (120) surgical manufacturers and Business Development Service Providers (BDSPs) present in the seminar on importance of marketing and branding in the contemporary

world export markets vis-à-vis apprised participating companies on scope of the intervention, participation criteria for the companies and potential benefits for the participating companies.

Awareness Workshop

4. Call for Company's Expression of Interest

The Expression of Interests (EOIs) were called upon inviting surgical cluster companies to join the project which will focus on further development of international sales and marketing skills of business owners and senior managers responsible for export development under the guidance of UNIDO's International Experts. The EOIs were floated among all the surgical cluster companies registered with SIMAP through e-mail. It was also advertised in the press which appeared in Daily Nawa-i-Waqt, Lahore dated 10.8.2018 and Daily Khabrain, Sialkot dated 10.8.2018. The last date for submission of the EOIs was fixed on 15.8.2018. In response to the EOI, 65 companies submitted their EOIs to participate in the programme.

5. Company Visits by CDI Team

The UNIDO's international experts developed a detailed questionnaire named "Company Export Audit" to understand the existing scenario of the company related to export marketing and future commitment to participate in the project activities. The Surgical Cluster Team of CDI remained in Sialkot from September 01, 2018 to September 18, 2018 to gather the information on the prescribed format from the companies who submitted their EOIs. The National Technical Expert, UNIDO joined

the CDI team off and on during the field visits. On completion of the visits, 55 companies were shortlisted for future activities. The scanned copies of all the filled questionnaires were shared with the international experts through e-mail for their assessment.

6. Visit of 2nd Mission of International Experts

The 2nd Mission of International Experts visited Pakistan from September 30, 2018 to October 14, 2018 to conduct two training workshops (two days each) on "Export Marketing Plan Development" from 02-03 and 04-05 October, 2018, respectively and to meet each company individually to chalk out company specific action plans for time-bound implementation of export marketing plans.

6.1 Meeting with SIMAP

The activities of the 2nd mission started from an opening meeting of CDI team, UNIDO's local and international experts with Chairman, SIMAP and Executive Committee Members of the Association. The objective of the meeting was to discuss the activities of the CRI, objective of the current mission and to invite Chairman, SIMAP on opening and closing sessions of the workshop. It was shared that two training workshops (two days each) on "Export Marketing Plan Development" from 02-03 and 04-05 October, 2018, respectively will be conducted at Hotel The Jeeven's Sialkot. The schedule of the workshop was also shared with the association. SIMAP members expressed their satisfaction on the road map and assured full cooperation in implementing the CRI in the cluster.

6.2 Training Workshop

During the mission, two training workshops (two days each) on "Export Marketing Plan Development" from 02-03 and 04-05 October, 2018, respectively was conducted at Hotel The Jeeven's Sialkot. The trainings were attended by more than 70 participants from more than 47 surgical cluster companies of Sialkot. The objective of the trainings was to sensitize the cluster companies about the export marketing and to develop company specific Export Marketing Plans.

Project Director, CDI gave an overview of the project to the participants and highlighted its importance for the development of industrial clusters including surgical cluster in Punjab. He emphasized that a strong cluster support system would require joint efforts for the development process including public and the private sector in order to help upgrade management, technology and skills and to provide help to firms in networking with each other and accessing new markets. The purpose of the CDI is therefore to create an enabling environment for growth and prosperity of industries, to create better quality of life through economic uplift in Punjab, to up-grade technology and enhance productivity, quality and profitability of local industries and driving productivity and competitiveness improvements through key established Punjab export focused SME manufacturing clusters.

National Programme Coordinator, UNIDO shared the scope of the training workshop with the participants and encouraged them for active participation during the workshop activities in order to gain maximum knowledge and to benefit from the int'l experts. This will further help the companies in developing their export market related capabilities to better compete in the global market.

Chairman, SIMAP appreciated the efforts of CDI team for sustainable development of surgical cluster Sialkot and assured full support from the side of SIMAP.

During the workshop, the experts imparted knowledge in the following areas:-

- ✓ Power of Partnership
- ✓ Collaboration and Clustering
- ✓ Market Intelligence Insights
- ✓ Composing Export Marketing Plans
    - Composing company introduction
    - Composing company vision
    - Composing company mission

- Composing Key Performance Indicators (KPIs)
- Company SWOT analysis
- Market entry strategy
- Objectives and action plans
- Budget & forecasts

The experts also shared best market intelligence sources (general/finding buyers/partners) in order to apply these sources for market intelligence purposes and to compile Export Marketing Plans.

The participants of the workshop gave full participation and acknowledged the efforts of the government for uplifting of surgical cluster Sialkot.

At end of the workshop, certificates were awarded to the participants.

6.3 Company Visits

Subsequent to the trainings the international experts conducted one-on-one exclusive session with each company so as to address company specific issues and challenges related to export marketing. More than 40 surgical cluster companies were visited by the international experts and were guided to develop a draft Export Marketing Plan which will subsequently be forwarded to the international experts for finalization.

6.4 Wrap up Meeting with SIMAP

A wrap up meeting of international experts was held on 11th October, 2018 at SIMAP office, Sialkot under the Chairmanship of Mr. Khalil ur Rehman, Chairman (SIMAP).

The purpose of the meeting was to share the activities conducted during the training workshop of surgical cluster companies of Sialkot on Export Marketing Plan (EMP) and visits of the Surgical Companies.

6.5 Debriefing Session with Managing Director, PSIC

A debriefing session was held on 12th October, 2018 wherein Managing Director, PSIC was apprised about the activities of the mission. Mr. Peter shared that the cluster companies appreciated the project and showed their commitment for future activities. It was also apprised that a template of Export Marketing Plan (EMP) has been shared with the companies who attended the workshop to prepare a 1st draft of EMP. Once the companies will prepare the 1st draft of EMP, it will be forwarded to CDI/UNIDO local team for improvement and subsequently forwarded to Mr. Peter Hurst, UNIDO international expert for finalization in consultation with the company. After completion of the EMPs, future activities will be carried out in accordance with the Action Plans of the companies narrated in the EMPs. Moreover, Market Intelligence Reports will also be prepared under the project to share with the companies in order to tap new potential markets. Managing Director, PSIC shared that PSIC is also about to launch financial assistance programmes to cater the financial needs of the industry enabling them to grow and prosper. The technical and financial support in combination will open new horizons for industrial development in the province.

6.6 Debriefing Session with Secretary IC&I Department

A debriefing session was held on 12th October, 2018 wherein Secretary IC&I department was apprised about the project and activities of the current mission. The way forward was also shared with the Secretary.

7. Visit of 3rd Mission of International Experts

3rd Mission of International Experts visited Pakistan from April 14-19, 2019 to conduct one-on-one meetings with the participating surgical cluster companies to provide them guidance / assistance in finalizing their EMPs and to organize a one-day training workshop on "Export Marketing Plan". **(Mission Schedule is available at Annex-I)**

7.1 Opening Meeting with SIMAP

An opening meeting with SIMAP was held on April 15, 2019 wherein Chairman, SIMAP was briefed about the activities of the Mission including one day training workshop. It was shared that 65 nos. surgical cluster companies submitted their Expression of Interests (EOIs) out of which 55 nos. companies were shortlisted to participate in the programme. During 2nd Mission, two training workshops (two days each) on "Export Marketing Plan Development" from 02-03 and 04-05 October, 2018, respectively was conducted at Hotel The Jeeven's Sialkot. The trainings were attended by more than 70 participants from 47 surgical cluster companies of Sialkot. The objective of the trainings was to sensitize the cluster companies about the export marketing and to develop company specific Export Marketing Plans. After the trainings, 32 nos. companies started working on their Export Marketing Plans (EMPs) under the guidance of international experts. For the purpose of coaching,

skype/whatsapp calls were also arranged through which companies were assisted in preparing their respective EMPs. The objective of the 3rd Mission is to conduct one-on-one meetings with the 32 nos. participating surgical cluster companies to guide them in finalizing their EMPs and inclusion of relevant information from the Market Intelligence Report named 'Sialkot Surgical Valley Market Intelligence - Exploring Markets for Surgical, Dental, Veterinarian and Beauty Care Instruments', prepared by UNIDO's international experts for surgical cluster Sialkot. One day training workshop is also a part of the Mission activities. Chairman, SIMAP expressed satisfaction over the performance of the project and assured full cooperation from the side of SIMAP in order to make the project successful.

7.2 Training Workshop

A one-day training workshop on "Export Marketing Plan" was conducted on April 16, 2019 at Hotel The Jeeven's Sialkot **(Workshop Programme is available at Annex-II)**. The workshop was attended by more than 40 participants **(List of participants is available at Annex – III)**. The objectives of the workshop were to bring all of the companies that had submitted 2nd and 3rd versions of their EMP together to fully understand the details that had been previously provided to them in the document 'Sialkot Surgical Valley Market Intelligence - Exploring Markets for Surgical, Dental, Veterinarian and Beauty Care Instruments'.

Additional Project Director, CDI gave an overview of the project to the participants and highlighted its importance for the development of industrial clusters including surgical cluster in Punjab. He emphasized that a strong cluster support system would require joint efforts for the development process including public and the private sector in order to help upgrade management, technology and skills and to provide help to firms in networking with each other and accessing new markets. The purpose of the CDI is therefore to create an enabling environment for growth and prosperity of industries, to create better quality of life through economic uplift in Punjab, to up-grade technology and enhance productivity, quality and profitability of local industries and driving productivity and competitiveness improvements through key established Punjab export focused SME manufacturing clusters.

National Programme Coordinator, UNIDO shared the scope of the training workshop with the participants and encouraged them for active participation during the workshop

activities in order to gain maximum knowledge and to benefit from the int'l experts. This will further help the companies in developing their export market related capabilities to better compete in the global market.

Chairman, SIMAP appreciated the efforts of CDI team for sustainable development of surgical cluster Sialkot and assured full support from the side of SIMAP.

Peter Hurst reviewed the project progress to-date and thereafter handed over to Warner Uiterwijk to present the market intelligence report.

7.2.1 Activities Conducted During The Market Intelligence Workshop (MI)

In the Market Intelligence workshop, the main objectives were to gain an understanding of how to select focus markets and how to apply these logically in their own EMP, plus guidance of what information can be found in the Market Intelligence report. At the same time, feedback on the overall content and methodology of market selection and how this was collected was explained in order to enhance the MI report.

Being a critical element in the EMP, the rationale of each company's market selection has been was focused on by organizing two 20-30 minutes sessions for 2 assignments about the market selection. With 1-2-1 support from Peter and Warner during these assignments many of the companies managed to reflect on their own logic of market selection.

Out of the 5 Country Briefs, 2 briefs (Spain and Indonesia) was selected to introduce to the audience and the content of each brief. The idea was to use the online Kahoot competition as a learning tool for this purpose, but this plan was abandoned because of a lack of a reliable internet connection.

7.2.2 Professionalizing Your Approach / Next Steps

Following the presentation on the MI report and group / individual activities, the closing section of the workshop focused on the subject of 'Professionalizing Your Approach / Next Steps' and the next phase of the project.

Part of this presentation discussed in detail a number of needs-based training modules that were identified from the previous mission and in particular the work conducted with the companies to develop their EMP. The training modules were headed 'Skills Needed to Win & Manage New Business' and an outline was given covering the following modules:

i. Business Communication Skills

ii. Time Management Skills
iii. Selling and Negotiating Skills
iv. Presentation Skills
v. Online Marketing Skills
vi. Branding and Promotional Skills
vii. Prospecting for Customers Online / Developing a Pipeline
viii. Trade Fair Participation Skills

Each module was discussed in some detail and following this a 'show of hands' was requested from the participants in order to ascertain the level of interest. For all 8 modules there was unanimous enthusiasm to receive this training leading up to module 8 being the preparation to participate in a trade fair using the new skills learned. A new project plan will include these skills development activities. Companies have not been exposed to any formal training on these essential skills and are not 'market ready' to enter into new markets and meet new buyers for a win/win relationship.

7.2.3 Additional Activities During The Workshop

EMAIL - BUSINESS ETIQUETTE

During the discussion on professional communication, the subject of email etiquette was discussed and participants at the tables were asked to compose a jointly constructed fictitious email introducing themselves and their company to a German buyer for the very first time and to gain an appointment at his offices for their upcoming market visit. This proved to be a highly essential subject as almost all companies try to attract business and buyers through e-marketing.

DISTRIBUTOR BUSINESS MODEL & AGREEMENT

A distributor business model and distributor agreement examples were provided following the workshop as, when asked at the beginning of the project, the audience were unable to confirm that they had any agreement that they had provided and had formally signed by their distributors.

7.3 Individual Company Meetings

Out of 32 nos. surgical cluster companies, 29 nos. companies were interviewed individually in two separate meeting rooms and by the two experts supported by local team members. The remaining 3 companies could not get time for interview/meeting due to their preoccupations. 10 guideline interview questions were used to ensure commonality on the interview content and responses required **(Guideline Interview Question is available at Annex-IV)**. **The list of companies interviewed is available at Annex-V**

7.4 Wrap up Meeting with SIMAP

A warp up meeting with SIMAP was held on 18.4.2019 wherein mission activities were shared with the SIMAP. During the meeting, “Market Intelligence Report” and “EMP Final Advice to the Company” were also shared with the SIMAP for circulation to the SIMAP members for their information.

(A copy of the Market Intelligence presentation is available at Annex-VI)

(A copy of the Market Intelligence Report is available at Annex-VII)

(A copy of the EMP Final Advice to the Company is available at Annex-VIII)

7.4 Wrap up Meeting with Project Director, CDI

A wrap up meeting with Project Director, CDI was held on 19.4.2019 wherein mission activities including training workshop were shared. PD, CDI expressed satisfaction over the mission activities.

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Pictures Gallery

Opening Meeting with SIMAP to discuss Mission Activities

Training Workshop Participants

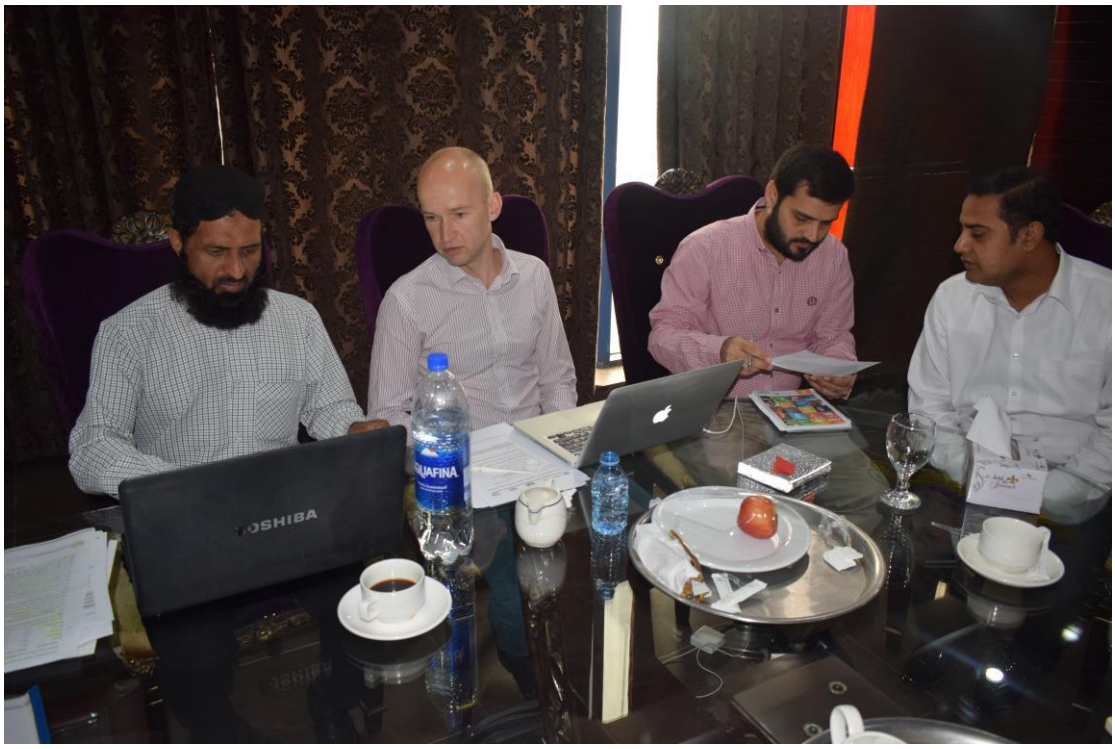
International Expert imparting knowledge to the participants of Training Workshop

Expert guiding the participant to prepare Export Marketing Plan

Expert guiding the participant to prepare Export Marketing Plan

Expert having meeting with Surgical company

Expert having meeting with Surgical company



Expert having meeting with Surgical company

Expert having meeting with Surgical company

Expert having meeting with Surgical company

Closing Meeting with SIMAP to discuss Training workshop and activities performed during the Mission

Debriefing session with Project Director-CDI on Mission Activities

Annex-I

Mission Schedule
April 14, 2019 to April 19, 2019

Date / Time	Company Name	Activity	Meeting with
Sunday 14-04-19 03:45 Hrs		Arrival to Lahore	
Sunday 14-04-19 03:45 Hrs	**Luxus Grand Hotel Lahore**	**Meeting with Local UNIDO/CDI Team** • Confirm programme details for the week • Status of EMPs and quality comments regarding effort and content. Picking winners! • Confirm individual company interview schedule • Local export development consultant/s (Coaches). How and who? • Progressing the cluster purpose (SIMAP's role) • Agree and close	Peter, Warner, UNIDO / CDI Team
Sunday 14-04-19 1600 Hrs		Travel to Sialkot	Peter, Warner, local team
Monday 15-04-19 10:00-12:00 Hrs	• Denta Craft • Amicus Enterprises • Bizztrex International • Primed Instruments	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Monday 15-04-19 12:00-13:00 Hrs	Surgiforce Instruments Sublime Chowk Sialkot	Discussion on EMP	Peter, Warner, UNIDO / CDI Team
Monday 15-04-19 14:00-16:00 Hrs	SIMAP office Sublime Chowk, Sialkot	Objectives of the current mission and activities	Peter, Warner, UNIDO / CDI Team
Monday 15-04-19 16:00-18:00 Hrs	• Amin & Jameel International • Cornerstone Corporation • Accuray Surgicals Surgical Sources Industries	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Tuesday 16-04-19 09:00-17:00 Hrs	Jeevens Hotel, Sialkot	Training Workshop on "Market Intelligence and Market Selection"	Peter, Warner, UNIDO / CDI Team

Wednesday 17-04-19 09:00-11:00 Hrs	• Next Instruments • A Plus Manufacturing Company • Kopek International Venue: Meeting room at Jeeven's Hotel	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Wednesday 17-04-19 11:00-13:00 Hrs	• Raiz & Sajjad Surgical Company • Hiltonbro Surgident Company • BAHASA Enterprises Venue: Meeting room at Jeeven's Hotel	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Wednesday 17-04-19 14:00-16:00 Hrs	• ALM Surgicare • Nurikon International Pvt. Ltd • Scala Trading Company	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Wednesday 17-04-19 16:00-18:00 Hrs	• Ctomed Instruments • Applied Instruments • ANZ CNC International • Tecadent Instruments	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Thursday 18-04-19 09:00-11:00 Hrs	• AL-E-AHMAD Surgical Company • Beautizon Instruments • Saqalain Int'l	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Thursday 18-04-19 11:00- 13:00 Hrs	• Dada Chiragh Manufacturing Company • Emerald Instruments • Trephine International • Dynamic Surgical	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	SIMAP, Peter, Warner, UNIDO / CDI Team
Thursday 18-04-19 14:00-16:00 Hrs	• Rhein enterprises • Sahara international • Silver Hawks Industries • Forward Techno	Meetings with Surgical Cluster Companies on EMPs. Each EMP will be 'screened' by projector and individual company's EMP will be reviewed with feedback provided.	Peter, Warner, UNIDO / CDI Team
Thursday 18-04-19 1600 hrs	Travel from Sialkot to Lahore	Luxus Grand Hotel Lahore	Peter, Warner, UNIDO / CDI Team

Friday 19-04-19 10:00-11:00 Hrs	Project Office CDI 40 T Gulberg II Lahore	Debriefing session with Project Director CDI	Peter, Warner, UNIDO / CDI Team
Friday 19-04-19 11:30-12:30 Hrs	Punjab Small Industries Corporation ALfalah Building The Mall, Lahore	Debriefing session with MD-PSIC	Peter, Warner, UNIDO / CDI Team
Friday 19-04-19 15:00-16:30 Hrs	Project Office CDI 40 T Gulberg II Lahore	Discussion with Local team on mission findings and next steps	Peter, Warner, UNIDO / CDI Team
Saturday 20-04-19	Allama Iqbal Int'l Airport	Lahore to Istanbul	Peter, Warner, UNIDO / CDI Team

Annex-II

WORKSHOP ON MARKET INTELLIGENCE & MARKET SELECTION

Date: 16 April 2019 from 10:00 to 17:30
Venue: Hotel The Jeeven's, Sialkot

PROGRAMME

Time	Activity	Who
10:00	**Registration & Refreshments**	
10:30	**Welcome and Introduction**	**Badar ul Islam** **National Programme Coordinator** **UNIDO**
10:40	**Remarks**	**Muhammad Umer Wattoo** **Additional Project Director** **Cluster Development Initiative**
10:50	**Opening Remarks**	**Khalil Ur Rehman** **Chairman** **Surgical Instruments Manufacturers Association of Pakistan**
11:00	**Review of Project & Progress**	**Peter Hurst** **UNIDO International Expert**
11:30	**The Market Intelligence Report & Guidance Explained** • **Kahoot introduction to the theme** • **Selection of priority countries explained** • **Market briefs - Giving you the details** • **Integrating the market briefs into your EMP** • **Assignments for participants - Using what you have learned** • **Questions answered**	**Warner Uiterwijk** **UNIDO International Expert**
13:30	**Lunch**	
14:30	**Market Intelligence Continued**	**Peter Hurst,** **Warner Uiterwijk** **UNIDO International Experts**
16:00	**Professionalising Your Approach / Next Steps**	**Peter Hurst** **UNIDO International Expert**
17:30	**Summarising & Close**	**Peter Hurst** **UNIDO International Expert**

Annex-III

List of Participants of Training Workshop

Sr. No.	Name	Designation	Organization
1.	Muhammad Zaman Khan	Director	Dynamic Surgical Pvt. Ltd
2.	Mukhtar Ahmad	G.M Production	Accuray Surgicals Ltd
3.	Waqas Ahmad Butt	Manager Production	Accuray Surgicals Ltd
4.	Raffat Minhaj	G.M	Accuray Surgicals Ltd
5.	Usman Ahmad	Director	Nurikon Intl Pvt.Ltd
6.	Uzma Naeem	Proprietor	Dada Chiragh Mfg. Co
7.	Syed Fiaz Bukhari	CEO	A.L.M Surgicare
8.	Ali Shahid	Manager	A.L.M Surgicare
9.	Fasih-Ur-Rehman	Director	Primed Instruments
10.	Sultan Haider Shabbir	Partner	Saqalain International
11.	Safeer ul Hassan	CEO	Applied Medical
12.	Nasir Javed	Proprietor	Beautizon Instruments
13.	Faizan ul Haq	Q.A Executive	Suddle Group of Companies
14.	Nadeem Ahmed	Proprietor	Bahasa Enterprises
15.	Hussnain Afzal	Export Manager	Emerald Instruments
16.	Aneeq Hassan	Marketing Manager	Aplus Manufacturing Company
17.	Sibit e Hassan Bukhari	CEO	Aplus Manufacturing Company
18.	Aun Muhammad	Director	Kopek International
19.	M. Rizwan Bajwa	CEO	Surgical Sources Industries
20.	Muhammad Moazzam	Assistant Marketing & Sales Manager	Hiltonbro International
21.	Khalid Mehboob	CEO	Hiltonbro International
22.	Shaukat Ali	Regulatory & Technical Consultant	Rhein Enterprises
23.	Daud Gill	Marketing Manager	Cornerstone corporation
24.	Javed Gill	CEO	Cornerstone corporation
25.	Mubeen Minhas	Managing Partner	Denta Craft
26.	Muhammad Zaid	Managing Partner	A&Z CNC International
27.	Mohsin Hassan	Managing Partner	Trephine Intl
28.	Hassan Ali	Managing Director	CTOMED Pvt. Ltd
29.	Shabbir Ahmad	Partner	Al-E-Ahmed Surgical co
30.	Mian Muhammad Anwar	Director	Forward Techno Pvt. Ltd

31.	Sajid Hussain	Sales Representative in Middle Easts	Forward Techno Pvt. Ltd
32.	Hassan Ahmad	Director	Nurikon International
33.	Salman Altaf	Partner	Sahara Intl
34.	Khalil ur Rehman	Chairman	SIMAP
35.	Salman Majeed	Marketing Manager	Next Instruments
36.	Muhammad Sajjad Mughal	CEO	Raiz & Sajjad
37.	Muhammad Khizar	Sales Head	Raiz & Sajjad
38.	Atif Rehman	Partner	Scala Trading
39.	Muhammad Ramzan	Partner	Scala Trading
40.	Abdullah Amjad	Director	Rhein Enterprises

Annex-IV

EXPORT MARKETING PLAN - INDIVIDUAL COMPANY INTERVIEW AND ASSESSMENT

NAME OF COMPANY:_____

DATE OF INTERVIEW:_____

REPRESENTED BY:_____POSITION:_____

	SCORE 1 TO 10 (10 BEING HIGHEST)
1. Overall comprehension of the importance of the EMP as a road map	
2. Presentation (general quality of the EMP)	
3. Unique Selling Proposition explained (USP)	
4. Understanding and importance of market trends	
5. Clear market selection and focus	
6. Describing their market entry strategy and focus (Including product, promotion, pricing strategy)	
7. Does the SWOT Analysis capture and reflect all of the aspects in the above?	
8. From the SWOT analysis is the action plan recording and prioritising what needs to be done?	
TOTAL SCORE	
9. Are you fully committed to work with and support other companies together in a cluster approach to export markets? (Yes or No)	
10. Name at least 4 companies that you will be positive to work together with in a cluster approach: • . • . • . • .	

Please write other objective comments on the reverse of this form:

Annex-V

List of Surgical Cluster Companies Interviewed

Sr. No.	Company Name
1.	Denta Craft
2.	Bizztrex International
3.	Primed Instruments
4.	Cornerstone Corporation
5.	Accuray Surgicals
6.	Surgical Sources Industries
7.	Next Instruments
8.	A Plus Manufacturing Company
9.	Kopek International
10.	Raiz & Sajjad Surgical Company
11.	Hiltonbro Surgident Company
12.	BAHASA Enterprises
13.	ALM Surgicare
14.	Nurikon International Pvt. Ltd
15.	Scala Trading Company
16.	Ctomed Instruments
17.	Applied Instruments
18.	ANZ CNC International
19.	AL-E-AHMAD Surgical Company
20.	Beautizon Instruments
21.	Saqalain Int'l
22.	Dada Chiragh Manufacturing Company
23.	Emerald Instruments
24.	Trephine International
25.	Dynamic Surgical
26.	Rhein enterprises
27.	Sahara international
28.	Silver Hawks Industries
29.	Forward Techno

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Cluster Development Initiative – A Way Forward for Economic Cooperation

Finalising Your Export Marketing Plan

Annex-VI

‘Your Pathway to a Profitable Future’

The Jeevens Hotel - Sialkot - 16th April 2019

Review of Project & Progress

Peter Hurst

Reinforcing Our Joint Purpose

The aim of the project is to have a proactive surgical instrument cluster of collaborative companies working together to improve their sustainable performance through joint initiatives that bring benefit to all stakeholders

Reinforcing Our Joint Purpose

4th July Kick Off Workshop

Reflections

‘Raising Our Game & Working With Winners’

Increasing International Trade

‘Kick Off’ Workshop

Sialkot – 4th July 2018

4th July Kick Off Workshop - Reflections

Sialkot will be known for the following values?

- **S**pecialists
- **I**nnovative
- **A**daptable
- **L** earning
- **K**nowledgeable
- **O**pen
- **T**ransforming

Everything Starts with a Vision!

4th July Kick Off Workshop - Reflections

Some basics covered…

- Without a market you don't have a business!
- Without customers you don't have a market!
- How does marketing drive your company's direction for customers?
- Is your company truly driven by a Business Plan and an Export Marketing Plan?
- Who really owns your markets and your customers?
- Who currently shapes your destiny?
- Do you want to be order takers…
- …or be ORDER MAKERS?
- …or continue the dangerous downward spiral of selling on price alone!

Without a 'roadmap for direction' you will get lost!

Sialkot – 2nd & 3rd and 4th & 5th October 2018

Reflections

'YOU NEED TO KNOW BEFORE YOU GO‘

Improving International Trade
Export Marketing Plan Workshop

Introduction to EMP Process

Key Points - You will follow this planning process:

Your entire Business Plan should follow the same structure

The Power of Partnerships

Clustering & Collaboration – Ethiopia Case Study…

World of Coffee – Amsterdam June 2018

The Power of Partnerships

Clustering & Collaboration – Ethiopia Case Study…

AFCA Rwanda 2019

Where Are We Now?

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Where Are We Now?

Congratulations on all your hard work - but the journey continues…

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Where Are We Now?

Export Marketing Plans (EMP) Status

- 32 companies submitted their initial draft EMP
- Companies were provided personal feedback on their first effort
- 2nd draft received from companies
- Based on this, 'Further Advice' document was sent to companies assisting them to adjust their EMP
- 19 companies provided a 3rd 'final draft' based on the advice
- All companies have been provided the Export Market Intelligence document to guide them with their market selection
- Interviews being conducted this week to achieve 'complete' EMP's
- But remember - every EMP is never finished - It's a live document!

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Where Are We Now?

Export Marketing Plans (EMP) – Major Observations

- Vision and Mission statements form the critical foundation
- What is your 'Wow Factor'? USPs are essential. Be different…or!
- If you don't know what's trending…how can you be 'trendy'?
- Competitor analysis means knowing your enemy - then you know how to prepare for combat!
- Use of the Market Intelligence - Leads to your market entry strategy?
- SWOT analysis drives the action plan…and then…
- The action plan detail and prioritisation is everything
- …but remember, one person cannot do it all!

Microsoft Office
Word Document

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Questions to Consider / Answers Sought

Your…

- Overall comprehension of the importance of the EMP as a road map
- Unique Selling Proposition explained (USP)
- Understanding and importance of market trends
- Clear market selection and focus
- Describing your market entry strategy and focus (Including product, promotion, pricing strategy)
- Does the SWOT Analysis capture and reflect all of the aspects in the above?
- From the SWOT analysis is the action plan recording and prioritising what needs to be done?
- Are you fully committed to work with and support other companies together in a cluster approach to export markets? (Yes or No)

Reality Check…

- Has your thinking changed?
- Do you look at your export growth more critically?
- Are you actually implementing the changes?

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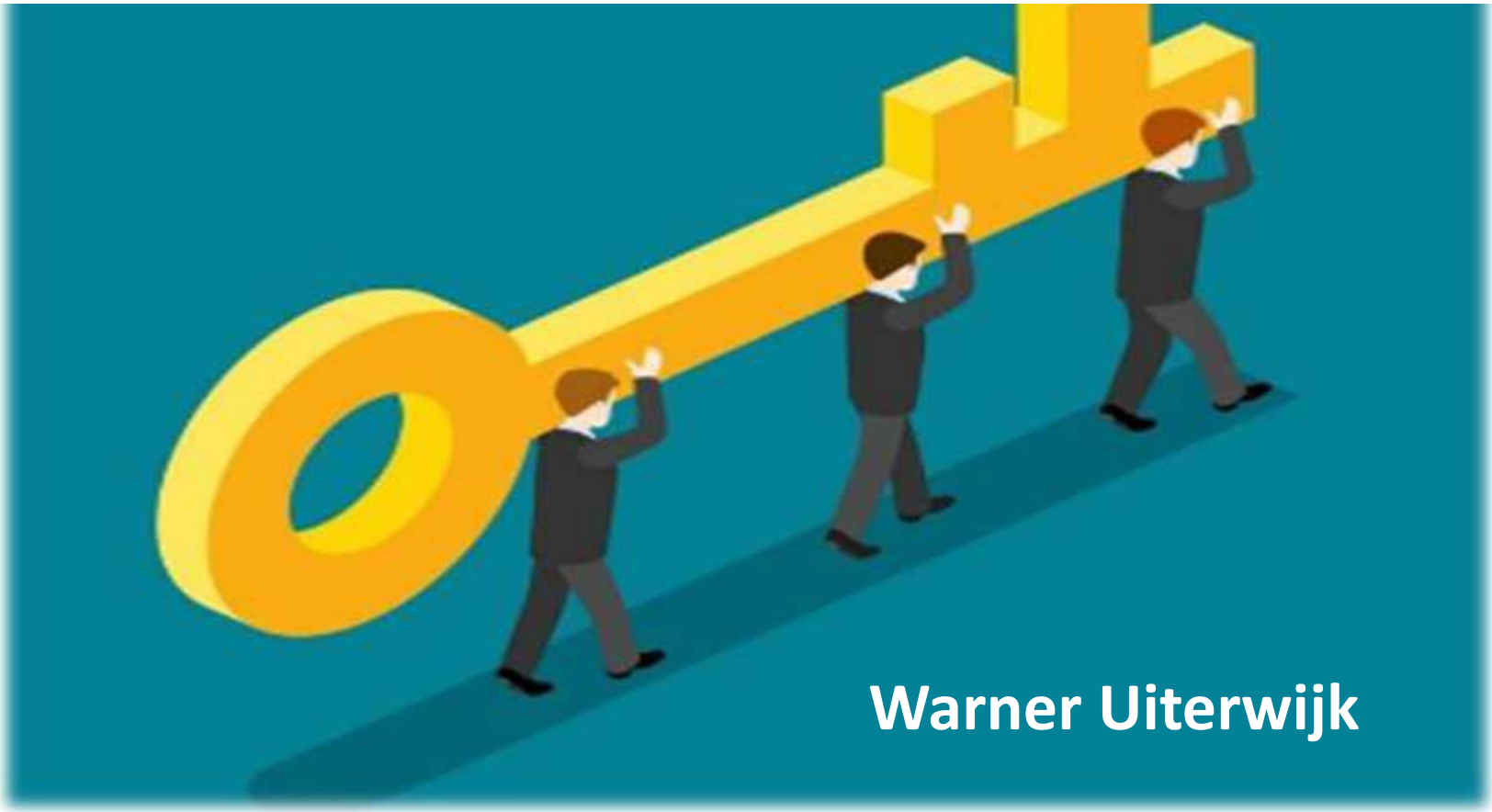
Market Intelligence - The Key to Competing



Professionalising Your Approach / Next Steps

Peter Hurst

Professionalising Your Approach / Next Steps

Skills Needed to Win & Manage New Business…

- Business Communication Skills
- Time Management Skills
- Selling and Negotiating Skills
- Presentation Skills
- Online Marketing Skills
- Branding and Promotional Skills
- Prospecting for Customers Online / Developing a Pipeline
- Trade Fair Participation Skills

Professionalising Your Approach / Next Steps

Business Communication Skills – What will you learn?

- Communication style
- Appreciating cultural sensitivity
- Producing effective email
- Being an active listener
- Asking open questions
- The importance of understanding body language
- Developing your word choice / message clarification

Professionalising Your Approach –

Email Assignment

- Following your research to find prospective buyers you are sending a first email to Mr fritz von Westenschutz, from a German company called Schleusenkrug & Baumgarten.
- They are a major instrument importer
- Your are travelling to Germany and you wish to secure a meeting

Business Communication Skills – Email Advice

- The subject line needs to be crystal clear - You need something straight and to the point - Say exactly what it's regarding
- You can never go wrong with 'Dear' - Contacting someone for the first time is no place for 'hi' or 'hey': 'Always start with 'Dear'
- If you don't know them, use 'Dear' followed by their full name and title
- Never use 'Dear Sir/Madam' when making first contact with a prospect / buyer - Always find out who you should address your enquiry to - If it's not obvious – call the company and ask
- 'Dear' can turn to 'Hi' - But only if you've spoken on the phone, or had lots of contact
- If they are senior to you, stick to 'Dear' until they change
- If they're the same level, then 'Hi' is fine if you've developed some sort of relationship

Business Communication Skills – Email Advice

Include Your Profile..But keep it brief

- Who you are
- What do you do
- What's special (features & benefits of your products and business)
- Attributes / achievements / references (Include any testimonials from other international buyers)
- Contact info
- (Use the profile on LinkedIn / FaceBook other social media)

Professionalising Your Approach / Next Steps

Time Management Skills – What will you learn?

- That it is about managing yourself – not your time!
- Day-to-day planning
- Planning projects or complex tasks
- Establishing goals and aims
- Managing the balance between work and private/personal time
- Being firm - saying no politely
- Resisting interruptions / time-wasters

Professionalising Your Approach / Next Steps

Selling & Negotiating Skills – What will you learn?

- That people buy people first!
- The 9 point selling cycle
- Prospecting for customers
- Improving your sales and 'elevator' pitch
- Initiating the discussion
- Selling benefits (not features)
- Finding empathy / closing the sale

Professionalising Your Approach / Next Steps

Presentation Skills – What will you learn?

- How to present to buyers or interest groups
- How to structure your presentation
- How to use visual aids to make your point
- How to overcome nervousness
- How to use body language
- …And learn what not to do!

Professionalising Your Approach / Next Steps

Online Marketing Skills – What will you learn?

- Targeting the right audience for your product
- Defining your business goals
- Creating an online budget
- Using SEO
- Starting a blog
- Using the power of social media
- Using PPC advertising
- Using benefits of online customer reviews

Professionalising Your Approach / Next Steps

Branding & Promotional Skills – What will you learn?

- **Developing your Brand:**
  - ✓ Brand core values
  - ✓ Brand identity
  - ✓ Brand image
  - ✓ Brand positioning
  - ✓ Brand personality
  - ✓ Brand equity
  - ✓ Brand experience
  - ✓ Brand differentiation
  - ✓ Brand communication
  - ✓ Brand extension

Professionalising Your Approach / Next Steps

Prospecting for Customers Online / Developing a Pipeline - What will you learn?

- Being Persistent and Consistent
- Focus, Focus and Focus Your Efforts
- Implement Different Techniques
- Create Prospecting Scripts
- Be a Provider of Great Solutions
- Practice ‘Warm Calling’
- Know That Prospecting is Not Selling!

Customer Prospecting Introduction

It needs resources – Time and people!

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Identifying Customers before You Contact Them

Step 1 Evaluate your own business

Critically who are we & what is our unique story ?

What are our Product Market Combinations and export objectives? (from your EMP)

Step 2 Basic research to identify a list of potential customers

Your Trade Associations

Trade Fair Exhibitors Lists

Buyers Websites

Competitors websites

Info websites – CBI / ITC etc.

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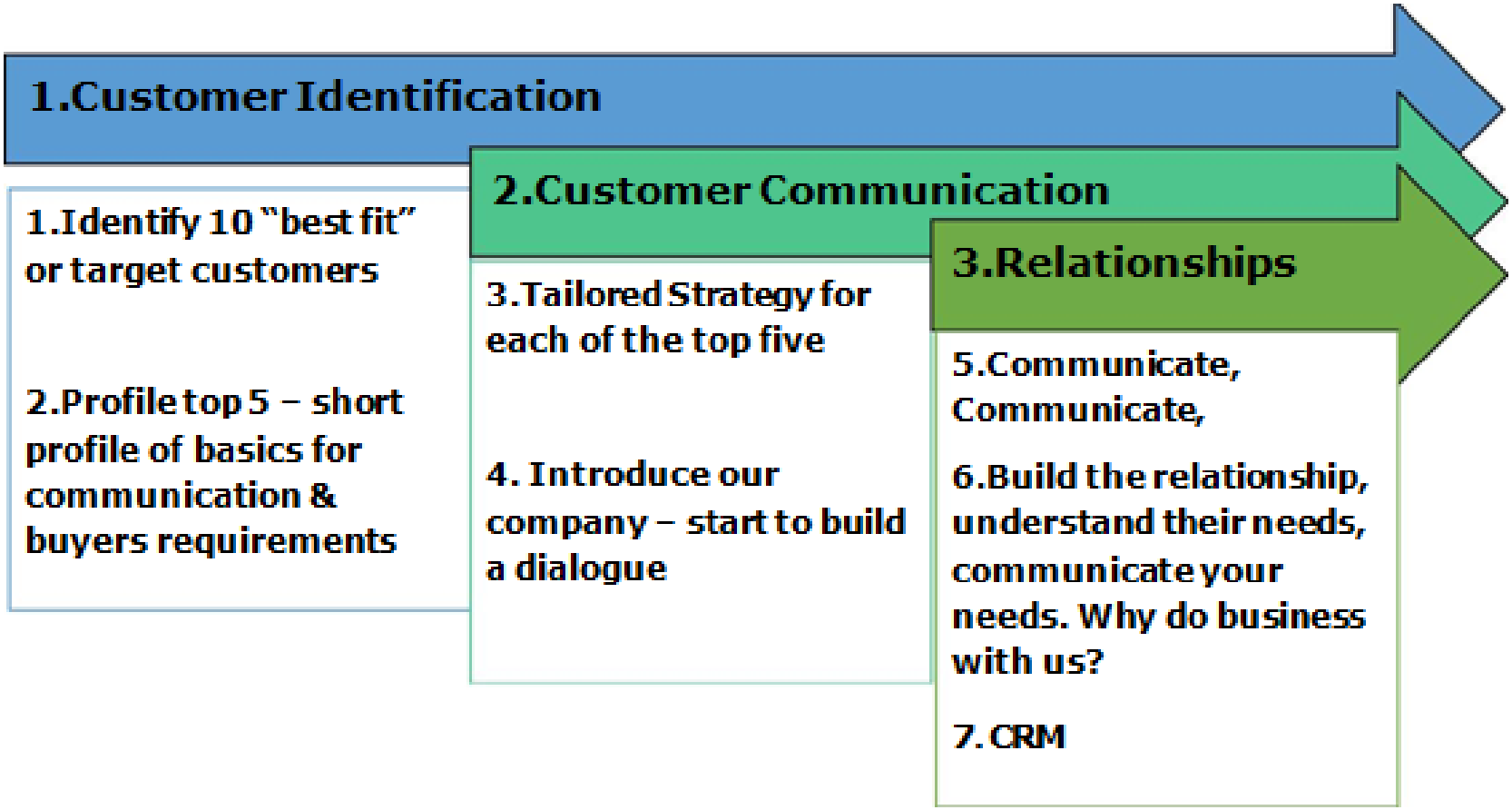
Finding the Right Customers



Before, during or after a trade show or market visit

Professionalising Your Approach / Next Steps

Trade Fair Participation Skills – What will you learn?

- How to prepare for an international trade fair
- Setting-up a meetings schedule
- How to behave on the stand
- 2 is better than one
- Being proactive
- ‘Spying’ on the competition
- Avoiding time-wasters, brochure takers, sample ‘thieves’
- Keeping records / following-up

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Finalising Your Export Marketing Plan

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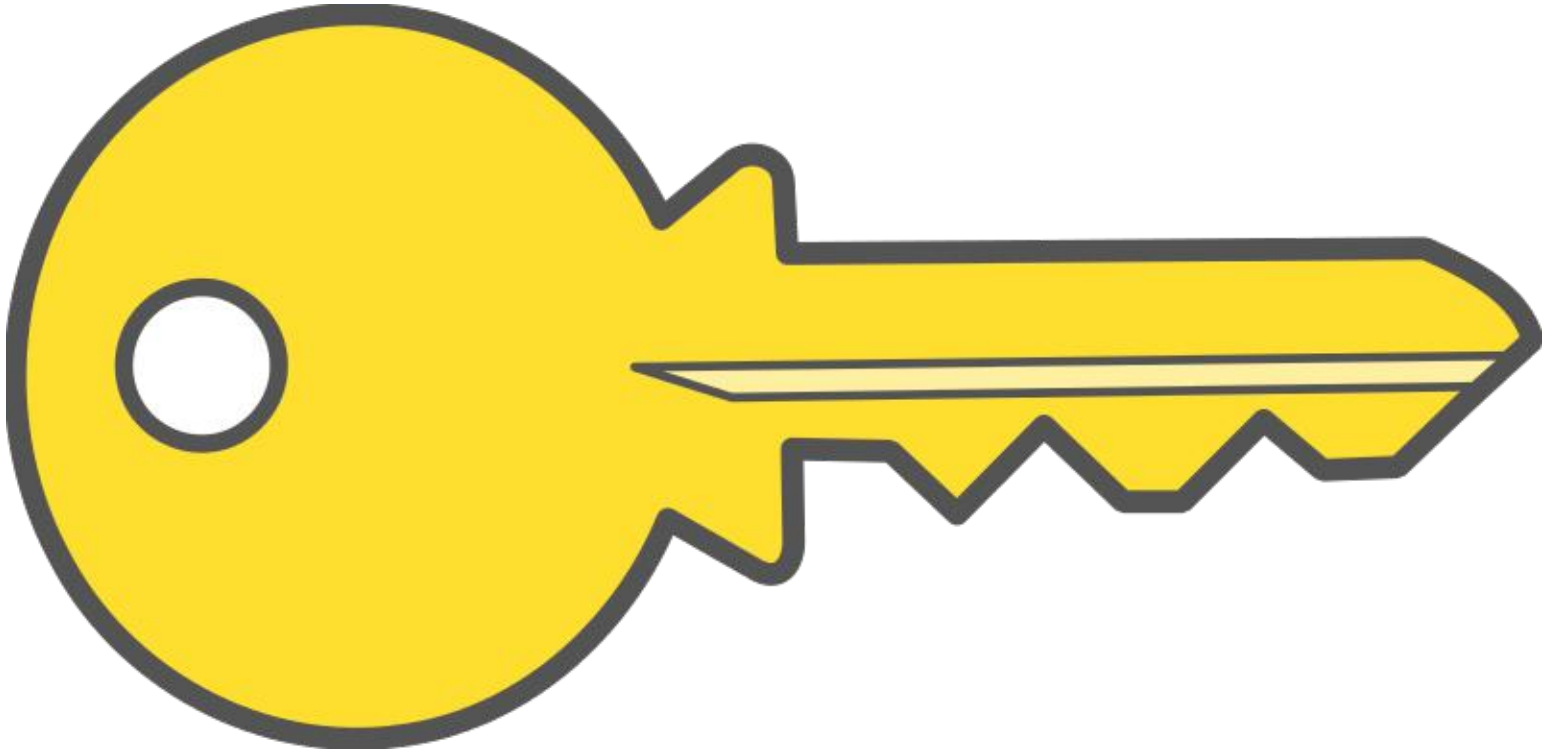
Market Intelligence - The Key to Competing



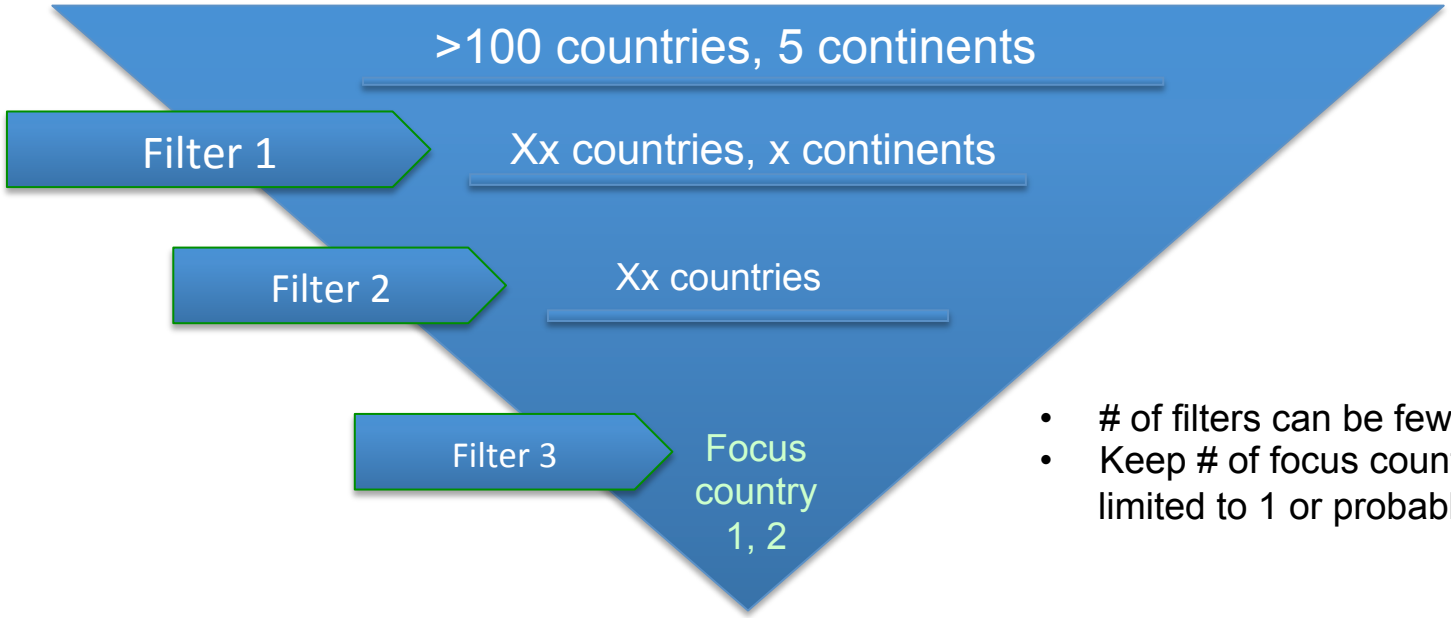
Become intelligent about your markets

Additional guidance to the MI Report - Market Selection + 5 Market Briefs

1. **Understand the Market Selection Approach**
    1. Methodology / filter criteria / sources
    2. Selected markets
    3. Assignment (SI/VI/DI/BCI) – define your own filter criteria
    4. Wrap up
2. **Introduction to the market briefs**
    1. Building blocks - structure, content, and used sources
    2. Assignment and Kahoot Spain
    3. Assignment and Kahoot Indonesia

1. Market selection

1. Shortlist countries to define a focus market (country).
2. Use of criteria to bring down the # of untapped markets.



- # of filters can be few or many
- Keep # of focus countries limited to 1 or probably 2.

Market selection

Criteria / filters (2 expressions with the same meaning)

many types available and each company may choose a different set of criteria!

1. Can also be on region level.
    1. E.g. focus on EU because of compliance with MDD.
    2. Or, focus on Africa as requirements are thought to be lowest.
    3. Or, focus on West Africa as the company already exports to Ghana.
2. Import statistics, Share of Pakistan supply, share of competitors. Absolute values and/or growth.
3. GDP, GDP growth, Healthcare expenditure, etc.

Market selection in the MI report

Criteria / filters

- Region interest – Europe and Asia, also because further "meet the buyer" activities will most probably take place over there.
- Trade statistics – absolute import values, share of Pakistan supply.
- Common interest among the companies in the cluster program
- Livestock population per country.

Criteria	Useful Sources
Trade statistics related: Import statistics, Share of Pakistan supply, share of competitors	ITC TradeMap – http://www.trademap.org
Livestock population	FAOSTAT Live Animals – www.fao.org/faostat/en/#data

Based on ITC Trademap Data extractions, then further processing in XLS!!!

Figure MS2: Markets in Europe for HS 90189090, 2017, by share of Pakistani supply.

Market	Total imports (USD million)	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function (Deeper analysis per country)
Europe	***22,322***	***139.3***	***0.6%***		
United Kingdom	1,816	34.2	1.9%	41%	2Africa and Europe
Serbia	22	0.3	1.6%	980%	
Bulgaria	62	0.9	1.4%	46%	
Germany	3,837	49.4	1.3%	15%	Definitely
Estonia	44	0.5	1.1%	338%	
Portugal	203	1.9	0.9%	194%	a little bit to Africa
Denmark	264	2.3	0.9%	31%	a little bit to Africa
Hungary	109	0.9	0.8%	29%	
Romania	112	0.9	0.8%	44%	
Ukraine	104	0.7	0.7%	144%	
France	1,835	12.3	0.7%	10%	2Africa in particular
Italy	1,570	10.3	0.7%	51%	2Africa and Europe
Poland	392	2.6	0.7%	88%	
Czech Republic	257	1.4	0.6%	-36%	
Russian Federation	901	4.3	0.5%	30%	
Switzerland	1,055	2.3	0.2%	103%	

NOTE: The tables in the report are printscreens of tables compiled in XLS.

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
Austria	463	1.0	0.2%	-50%	2Africa
Slovakia	60	0.1	0.2%	188%	
Spain	1,000	1.9	0.2%	25%	2Africa
Latvia	26	0.1	0.2%	-64%	
Croatia	52	0.1	0.2%	45%	
Netherlands	3,008	4.6	0.2%	-42%	2Europe
Belgium	3,121	4.7	0.1%	-23%	2Europe
Finland	189	0.2	0.1%	-88%	
Ireland	613	0.7	0.1%	-4%	2Europe
Greece	182	0.2	0.1%	-14%	
Luxembourg	37	0.0	0.1%		
Sweden	422	0.4	0.1%	-8%	2Africa
Belarus	79	0.1	0.1%		
Lithuania	99	0.1	0.1%	-56%	
Cyprus	20	0.0	0.0%	-100%	
Slovenia	60	0.0	0.0%		
Norway	237	0.1	0.0%		

*Only countries with more than USD15 million imports per year are included in the list.

Figure MS5: Markets in Africa* for HS 90189090, 2017, by share of Pakistani supply.

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
Africa	***1,161***	***14.0***	***1.0-1.2%*****		
Nigeria	17	0.6	3.6%	19%	
Ghana	15	0.5	3.4%	337%	
Kenya	33	0.7	2.2%	17%	
Algeria	44	1.0	2.2%	4%	
South Africa	339	6.7	2.0%	323%	2Africa
Egypt	156	2.1	1.3%	14%	
Tanzania	44	0.6	1.3%	1%	
Uganda	37	0.4	1.1%	-33%	
Morocco	46	0.5	1.1%	-31%	
Libya	30	0.2	0.6%		
Ethiopia	51	0.3	0.5%	109%	
Tunisia	68	0.3	0.5%	-32%	
Senegal	33	0.1	0.4%	-51%	
Sierra Leone	15	0.0	0.1%		
Namibia	29	0.0	0.0%		
Maldives	18	0.0	0.0%	-100%	
Sudan	26	0.0	0.0%		

Final market selection in MI report

REMEMBER: There are **many** markets that are worth focusing on by Pakistani instruments exporters

Countries selected for MI:

- Surgical instruments: Spain, Indonesia, Japan, and China.
- Veterinary instruments: Spain, Indonesia, Japan, and China.
- Dental instruments: France, Spain and Indonesia.
- Beauty-care instruments: France.

Now let's check it yourself..

Group Questions - Surgical Instruments p 60 - 67

1. Which three countries have most potential?
2. For each of the countries, give the reasons why.
3. What is missing in the analysis of page 60-67?

Group Questions - Vet instruments

1. What about the selection of the four countries Spain, Indonesia, Japan and China for a market brief? Was it a right decision?
2. What is missing in the analysis of page 67?
3. Which statistics are defining the market size for veterinary instruments, according to you?
    1. Population size of: Pigs / Sheeps & goats / Cattle / Buffaloes / Horses / Asses / Mules / Other animals (game?) / Camels and camelids
    2. GDP
    3. GDP/capita
    4. GDP/animal
    5. Imports of HS901890 and share of Pakistan

Group Questions - Dental instruments

1. What about the selection of the three countries France, Spain, and Indonesia for a market brief? Was it a right decision?
2. What is missing in the analysis of page 67-70?
3. Which statistics are defining the market size for dental instruments, according to you?
    1. Imports of HS901849 and share of Pakistan
    2. Population size
    3. GDP
    4. GDP/capita

Group Questions - Beautycare instruments

1. What about the selection of the country France for a market brief? Was it a right decision?
2. What is missing in the analysis of page 70-71?
3. Which statistics are defining the market size for dental instruments, according to you?
    1. Imports of HS821420 and share of Pakistan
    2. Population size
    3. GDP
    4. GDP/capita

Market selection in your EMP

Sources for the criteria / filters

Criteria	Useful Sources
Selection of regions	**Common sense**
Trade statistics related: Import statistics, Share of Pakistan supply, share of competitors	ITC TradeMap – http://www.trademap.org
GDP, GDP growth, Trade Freedom, etc.	Worldbank Open Data – https://data.worldbank.org Heritage Foundation – https://www.heritage.org
Healthcare expenditure, etc.	OECD Data – https://data.oecd.org/health
Livestock population	FAOSTAT Live Animals – www.fao.org/faostat/en/#data

Next step: ASSIGNMENT

define your own filter criteria

1. Now check your own EMP.
2. Are you happy with your methodology for selection of a focus market? (4.1 − Market & Country selection)
3. Improve 4.1 of your own EMP: add first/second filter criteria from 1 − what you learned in the previous hour, and 2 − from chapter 7 − Appendices.
   - TIP: first filter should lead to selection of a continent or region.

Conclusion

1. Several ways to select your focus markets. There is not a single right approach.
2. Statistics on imports are a must.
3. It helps you to sort your considerations / rationale on market selection.

2.Market Briefs

- Surgical instruments: Spain, Indonesia, Japan, and China.
- Veterinary instruments: Spain, Indonesia, Japan, and China.
- Dental instruments: France, Spain and Indonesia.
- Beauty-care instruments: France.

Market Briefs – Building Blocks

Market Briefs – Sources

Quantitative: Statistics from Trademap

- Start with extractions for several (sub)families:
  - Surgical and vet instruments
  - Dental instruments
  - Ophthalmic instruments
  - Endoscopes: not included but possible.
- Extractions processed in XLS to presentable tables.
- Presentable tables copied (print screen) into the report.
- Tables enriched with textual analysis, explaining findings, relations, developments, etc.
- REQUIRED SKILLS: Trademap experience, and advanced XLS skills.

Market Briefs – Sources

Qualitative sources:

- Desk research
- Primary research -> input through interviews with:
    1. Edwin Leander (Leander Healthcare / EU, Asia, Oceania, surgical and dental).
    2. Leendert Santema (Santema Consultancy / EU, surgical).
    3. Elly Roos (Pajunk, Germany).
    4. Erik de Bree (Faber Medical, Netherlands, surgical)
    5. Rene Klaver (Dental Instruments Webshop, Netherlands).
- National level / International level
- REQUIRED SKILLS: Advanced research skills.

Surgical Instruments in Spain

1. Read / scan the MI report (15 minutes)
2. Kahoot online learning game. Click here to play the game.

Surgical Instruments in Indonesia

1. Read / scan the MI report for Indonesia (15 minutes)
2. Kahoot online learning game. Click here to play the game.

MI and your Export strategy..

Market entry strategy and pricing strategy

1. What are the current structures and players?
2. Where do the instruments come from? (import statistics)
3. How much do importers pay for the instruments now? Service?
4. How can you offer better value to importers? (it's not only about price!)

Product strategy

1. Which product family? Surgical, dental, vet, bc?
2. Which application family? Neurosurgery, cardiovascular, orthopedic, cosmetic surgery, obstetrics & gynecology, urology, ophthalmology, laparoscopy, wound closure, etc etc.
3. Single / re-usable, stock items / custom-made.
4. Will you attack the market alone, or through a cluster of companies?

Promotion strategy

For your focus market / product, etc (established before)

1. Shooting from a distance - Low-hanging fruit:
    - Optimize your website
    - List prospects, email/call/samples (plan meeting in Pak or destination country?)
    - Google Adwords, other online campaigning?
2. Development of samples, brochures, promotion materials
3. Attack and conquer - Country visit:
    - Trade fair visit (can be in another country),
    - Visits to prospects and building network,
    - Trade fair participation as exhibitor.

Quick check

- Questions about MI report?
- Questions about how to use the MI in your EMP?
- Let’s do a quick check if everything’s clear… Let’s play this Kahoot – 6 questions.

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Cluster Development Initiative – A Way Forward for Economic Cooperation

Sialkot Surgical Valley Market Intelligence

EXPLORING MARKETS FOR SURGICAL DENTAL VETERINARIAN AND BEAUTY CARE INSTRUMENTS

LEEUWARDEN-SIALKOT-VIENNA / JANUARY 2019

1. INTRODUCTION 5

1.1 Market selection 5

1.2 Notes - Marketing and country branding 5

2. SPANISH MARKET FOR INSTRUMENTS – SURGICAL, DENTAL AND VETERINARIAN 6

2.1 Map of Spain 6

2.2 Imports 7

2.3 Main suppliers 9

2.4 Market characteristics and trends in healthcare 13

2.5 Market characteristics and trends in dental care 15

2.6 Market characteristics and trends in veterinary care 15

2.7 Market access requirements 15

2.8 Trade structure and potential trade partners 16

2.9 Trade promotion 17

2.10 More information 18

3. INDONESIAN MARKET FOR INSTRUMENTS – SURGICAL, DENTAL AND VETERINARIAN 19

3.1 Imports 19

3.2 Map of Indonesia 20

3.3 Main suppliers 20

3.4 Market characteristics and trends in healthcare 22

3.5 Market characteristics and trends in dental care 24

3.6 Market characteristics and trends in veterinary care 25

3.7 Market access requirements 25

3.8 Trade structure and potential trade partners 26

3.9 Trade promotion 27

3.10 More information 28

4. JAPANESE MARKET FOR INSTRUMENTS – SURGICAL AND VETERINARIAN 29

4.1 Map of Japan 29

4.2 Imports 30

4.3 Main suppliers 31

4.4 Market characteristics and trends in healthcare 32

4.5 Market characteristics and trends in veterinary care 34

4.6 Market access requirements 34

4.7 Trade structure and potential trade partners 35

4.8 Trade promotion 36

4.9 More information 37

5. FRENCH MARKET FOR INSTRUMENTS – DENTAL AND BEAUTY-CARE 38

5.1 Map of France 38

5.2 Dental instruments 39

5.3 Beauty-care instruments 41

5.4 Market characteristics and trends in dental care 42

5.5 Market characteristics and trends in beauty-care 43

5.6 Market access requirements 43

5.7 Trade structure and potential trade partners 44

5.8 Trade promotion 46

5.9 More information 47

5.10 Appendix – French surgical instruments import statistics 47

6. CHINESE MARKET FOR INSTRUMENTS – SURGICAL AND VETERINARIAN 49

6.1 Map of China 49

6.2 Imports 50

6.3 Main suppliers 52

6.4 Market characteristics and trends in healthcare 55

6.5 Market characteristics and trends in veterinary care 56

6.6 Market access requirements 56

6.7 Trade structure and potential trade partners 58

6.8 Trade promotion **59**

6.9 More information **59**

7. APPENDICES **60**

7.1 MARKET SELECTION **60**

1. INTRODUCTION

This report is part of the Trade-Related Cluster Development project, a UNIDO project to support the internationalisation of the surgical instruments sector in Sialkot, Pakistan.

The content of this report can be used as follows:

- The companies that are supported through the program are working on their EMP since October 2018. They have put good efforts is making up their EMP's, but the market selection and market information part of their EMP is still weak. They can use this report as a source or as a guideline how to write these parts of their EMP's.
- As a guideline used in a workshop for the companies (and possibly for SIMAP rep's) to learn how to conduct market research.
- To generate ideas for potential promotional activities in one or certain target market(s).
- SIMAP can use this for dissemination towards their members.

1.1 Market selection

There are many markets that are worth focusing on by Pakistani instruments exporters. For a few selected countries, the following chapters offer more details (through so-called market briefs):

- Surgical instruments: Spain, Indonesia, Japan, and China.
- Veterinary instruments: Spain, Indonesia, Japan, and China.
- Dental instruments: France, Spain and Indonesia.
- Beauty-care instruments: France.

More details can be found in Chapter 7 – Appendix – Market Selection.

1.2 Notes - Marketing and country branding

In our approach we made the assumption of direct Pakistani exports to destination markets. This is the only way to judge the role of Pakistani direct exports. However, it neglects the practice of "ABC"- branding: in the medical industry, for example "Made in Germany" or "Made in UK" is very much appreciated in many destination markets. Therefore, some smart Pakistani exporters are already exploiting or setting up an A-B-C system in which their Pakistani made (made in country A) instruments are shipped to country B, then labelled "made in country B", and shipped to / sold in country C as "product from country B".

2. Spanish market for instruments – surgical, dental and veterinarian

2.1 Map of Spain

2.2 Imports

Table – Spanish imports of HS 9018, Instruments and appliances used in medical, surgical, dental or veterinary sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
Total		**1,961**	**2,169**	**1,941**	**2,160**	**2,224**		**3.2%**
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	993	1,026	886	1,028	1,000		0.2%
'901839	Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary ...	438	505	496	521	543		5.5%
'901849	Instruments and appliances used in dental sciences, n.e.s.	121	142	121	137	144		4.5%
'901831	Syringes, with or without needles, used in medical, surgical, dental or veterinary sciences	93	108	101	113	112		4.8%
'901819	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for ...	70	101	97	84	92		7.3%
'901850	Ophthalmic instruments and appliances, n.e.s.	81	98	80	86	90		2.5%
'901832	Tubular metal needles and needles for sutures, used in medical, surgical, dental or veterinary ...	53	65	52	63	79		10.6%
'901813	Magnetic resonance imaging apparatus	47	53	46	60	71		10.9%
'901812	Ultrasonic scanning apparatus	43	47	41	45	58		7.6%
'901811	Electro-cardiographs	14	16	14	17	20		9.0%
'901841	Dental drill engines, whether or not combined on a single base with other dental equipment	2	3	3	2	11		54.6%
'901820	Ultraviolet or infra-red ray apparatus used in medical, surgical, dental or veterinary sciences	5	4	3	3	3		-14.2%
'901814	Scintigraphic apparatus	1	2	1	2	2		11.3%

Spanish imports of 9018 reached USD 2.2 billion in 2017, after 3.2% average annual growth in the period 2013-2017. Imports of 901890 had a dip in 2015, but recovered in 2016. On average, imports of 901890 remained stable. More details for several codes follow below:

- 901890 - surgical and veterinary instruments. It shows that the category "other" (code 90189084) experienced a dip in 2015 but regained strength afterwards. Still, on average imports declined slightly (-0.9%).
- 901849 – dental instruments. There was quite some fluctuation but the trend shows an average growth.
- 901850 – ophthalmic instruments. While optical instruments declined, the trend for non-optical instruments was positive with 7.6% average growth.

Table – Spanish imports of HS 901890, Instruments and appliances used in surgical, or veterinary sciences, category "other", values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'90189084	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	774	795	680	722	746		-0.9%
'90189030	Renal dialysis equipment "artificial kidneys, kidney machines and dialysers"	58	57	58	146	61		1.6%
'90189050	Transfusion and infusion apparatus used in medical sciences	41	39	36	41	53		6.9%
'90189020	Endoscopes used in medical, surgical or veterinary sciences	35	49	40	43	50		9.5%
'90189060	Anaesthetic apparatus and instruments	17	25	25	27	45		27.0%
'90189040	Diathermic apparatus (excl. ultraviolet or infra-red apparatus)	45	35	22	26	21		-16.9%
'90189010	Instruments and apparatus for measuring blood-pressure	16	22	18	18	20		5.3%
'90189075	Apparatus for nerve stimulation	7	5	7	3	4		-16.1%
'90189085	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	0	0	0	0	0		
'90189070	Ultrasonic lithotripsy instruments	0	0	0	0	0		
'90189041	Ultrasonic diathermic apparatus	0	0	0	0	0		
'90189049	Diathermic apparatus (excl. ultrasonic and ultraviolet or infra-red apparatus)	0	0	0	0	0		

Table – Spanish imports of HS 901849, Instruments and appliances used in dental sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'90184990	Instruments and appliances used in dental sciences, n.e.s.	109	131	111	127	129		4.3%
'90184910	Burrs, discs, drills and brushes, for use in dental drills	12	11	10	11	15		6.3%

Table – Spanish imports of HS 901850, ophthalmic instruments and appliances, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'90185010	Ophthalmic instruments and appliances, non-optical, n.e.s.	43	60	49	53	58		7.6%
'90185090	Ophthalmic instruments and appliances, optical, n.e.s.	38	38	30	34	32		-4.3%

2.3 Main suppliers

2.3.1 Surgical instruments HS 90189084

Pakistan takes the 41st position in the list of leading suppliers with a share of only 0.05% in 2017. Pakistani exports peaked in 2014 and dropped considerably in 2015. In 2016 and 2017 exports regained growth.

The leading suppliers USA-Mexico, Germany, and Belgium-Netherlands in total represent 75% of Spanish imports. The Spanish market relies on the established brands to a very large extent.

Chinese supply represents 3% of Spanish imports and increased by 7.5% on average. Pakistan experienced a same growth, and also Vietnam entered the Spanish market in 2017. Other “low-cost suppliers” that experienced strong growth are Bosnia and Herzegovina, Malaysia, and Turkey. This is proof that the Spanish market has seen an increase in demand for instruments directly from low-cost countries.

Table – Leading suppliers of HS 90189084 to Spain, surgical instruments used in human and veterinary healthcare, category "other - other", values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**774.3**	**795.2**	**680.3**	**722.0**	**745.7**			**-0.9%**
41	***Pakistan***	***0.272***	***0.4***	***0.334***	***0.352***	***0.37***		0.05%	8.0%
1	United States of America	180.7	180.0	173.0	185.8	195.0		26%	1.9%
2	Germany	95.3	104.2	88.9	102.8	98.2		13%	0.7%
3	Mexico	72.8	69.9	64.1	68.9	82.2		11%	3.1%
4	Belgium	54.9	82.5	56.7	55.6	63.4		8%	3.7%
5	Netherlands	50.9	56.1	54.0	64.1	58.7		8%	3.6%
6	France	30.6	35.2	31.4	24.9	26.9		4%	-3.2%
7	Italy	44.7	37.4	28.2	28.2	26.1		3%	-12.6%
8	China	19.2	21.5	20.1	20.8	25.7		3%	7.5%
9	Portugal	70.9	35.7	25.9	27.8	22.4		3%	-25.0%
10	United Kingdom	37.2	39.9	25.4	25.7	16.3		2%	-18.6%
11	Switzerland	25.8	22.3	18.5	9.9	14.8		2%	-13.0%
12	Lithuania	7.2	8.5	7.5	8.3	9.2		1%	6.2%
13	Japan	7.2	9.5	7.8	9.6	9.1		1%	6.0%
14	Costa Rica	11.1	7.0	3.9	12.6	8.8		1%	-5.8%
15	Bosnia and Herzegovina	0.0	0.0	0.3	4.9	8.4		1%	
16	Finland	6.8	10.1	5.9	4.9	8.3		1%	5.0%
17	Dominican Republic	13.8	13.2	7.7	8.8	7.1		1%	-15.4%
18	Korea, Republic of	3.4	4.5	5.4	5.3	5.7		1%	14.0%
19	Malaysia	3.6	5.0	4.4	5.4	4.9		1%	8.2%
20	Israel	4.7	8.6	11.7	5.2	4.9		1%	1.0%
21	Turkey	0.6	5.5	4.3	4.6	4.9		1%	69.7%
22	Czech Republic	5.0	5.3	5.0	4.2	4.7		1%	-1.3%
23	Hungary	0.0	0.1	0.0	2.1	4.4		1%	254.2%
24	Taipei, Chinese	2.9	4.5	3.1	3.6	4.1		1%	9.1%
25	Ireland	3.7	3.8	3.3	2.5	4.0		1%	2.0%
26	Viet Nam	0.0	0.0	0.0	0.0	3.6		0%	549.6%
27	Poland	1.9	2.8	2.1	1.7	3.1		0%	13.2%
28	Denmark	3.3	2.9	3.9	4.8	3.0		0%	-2.7%
29	Sweden	2.9	4.9	3.5	2.3	2.1		0%	-8.5%

2.3.2 Dental instruments HS 901849

Pakistan plays a minor role as supplier to the Spanish dental instruments market:

- 21st position for dental instruments (USD 269,000 in 2017).
- 18th position for dental drills parts (USD 30,000 in 2017).

The best year was 2016, when Pakistani exports reached USD 697,000.

The leading supplier of HS 901849 to Spain is Germany, while Italy takes a firm 2nd position. Other important suppliers are USA, France, UK and Finland. The Spanish market seems to rely on the established brands to a very large extent. Chinese supply represents 2% of Spanish imports and increased by 14.4% on average. This is proof that the Spanish market offers opportunities for supply solutions that offer lower costs.

Table – Leading suppliers of HS 90184990, dental instruments to Spain, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**108.8**	**130.8**	**111.1**	**126.6**	**128.7**			**4.3%**
21	***Pakistan***	***0.309***	***0.587***	***0.554***	***0.697***	***0.269***		0.21%	-3.4%
1	Germany	40.6	44.8	40.0	51.9	52.3		41%	6.5%
2	Italy	16.8	22.8	18.4	22.1	19.5		15%	3.8%
3	United States of America	8.7	7.0	10.0	9.4	11.2		9%	6.4%
4	France	7.1	8.7	7.4	7.6	7.4		6%	1.1%
5	United Kingdom	3.3	4.7	10.3	5.0	6.7		5%	19.4%
6	Finland	2.9	9.3	5.4	6.6	6.1		5%	20.0%
7	Switzerland	13.2	13.1	3.7	4.5	4.5		3%	-23.7%
8	Austria	3.3	4.0	3.3	3.3	3.7		3%	3.1%
9	Netherlands	1.4	2.8	1.8	2.1	2.4		2%	13.6%
10	China	1.3	1.8	1.6	1.6	2.2		2%	14.4%
11	Sweden	2.1	1.9	1.8	2.5	1.9		1%	-2.3%
12	Denmark	1.1	4.1	1.9	1.1	1.9		1%	14.5%
13	Portugal	0.5	1.0	0.9	1.8	1.3		1%	24.8%
14	Belgium	1.3	0.3	0.3	0.8	1.2		1%	-2.4%
15	Brazil	0.4	0.5	0.3	0.9	1.1		1%	26.4%
16	Korea, Republic of	0.5	0.5	0.7	0.9	1.0		1%	15.9%
17	Poland	0.4	0.3	0.5	0.6	0.8		1%	17.5%
18	Lithuania	0.2	0.3	0.6	0.6	0.7		1%	40.5%

Table – Leading suppliers of HS 90184910, burrs, discs, drills and brushes, for use in dental drills to Spain, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**11.9**	**11.2**	**9.8**	**10.8**	**15.2**			**6.3%**
18	***Pakistan***	***0***	***0***	***0***	***0.002***	***0.03***		0.20%	
1	Switzerland	3.3	2.4	2.5	2.8	6.5		42%	18.0%
2	Germany	2.4	2.2	1.8	2.4	2.8		19%	4.6%
3	France	3.1	2.9	2.6	2.2	2.2		15%	-7.5%
4	Italy	0.8	0.8	0.3	0.4	0.8		5%	-0.3%
5	United States of America	0.4	0.3	0.6	0.6	0.7		4%	12.4%
6	Austria	0.5	0.4	0.2	0.4	0.4		3%	-3.8%
7	Sweden	0.6	0.5	0.3	0.4	0.3		2%	-13.2%
8	Ireland	0.3	0.4	0.3	0.5	0.3		2%	-1.0%
9	Brazil	0.0	0.0	0.0	0.0	0.3		2%	
10	Lithuania	0.0	0.3	0.4	0.3	0.2		1%	
11	China	0.0	0.0	0.1	0.1	0.2		1%	113.5%
12	Belgium	0.2	0.1	0.0	0.1	0.1		1%	-8.1%
13	Israel	0.0	0.1	0.1	0.2	0.1		1%	22.3%
14	Korea, Republic of	0.0	0.0	0.2	0.1	0.1		0%	44.3%

2.3.3 Ophthalmic instruments HS 901850

Pakistan plays a tiny role as supplier to the Spanish ophthalmic instruments market. The best year was 2016, when Pakistani exports reached USD 10,000. More details are in the 2 tables below.

The leading suppliers of non-optical instruments to Spain are Belgium and the Netherlands, while France, Switzerland, Germany and USA make up the top 6 of the list. The Spanish market seems to rely on the established brands to a very large extent. Chinese supply is negligible, but instead, Vietnam has shown quite a good performance with a supply growing from zero in 2014 to USD 400,000 in 2017. This is proof that the Spanish market offers opportunities for supply solutions that offer lower costs.

Table – Leading suppliers of HS 90185010, non-optical ophthalmic instruments and appliances, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**43.0**	**59.9**	**49.3**	**52.6**	**57.7**			**7.6%**
41	***Pakistan***	***0.002***	***0.005***	***0.005***	***0.01***	***0***		0.00%	-100.0%
1	Belgium	10.1	15.7	15.3	17.6	20.6		36%	19.6%
2	Netherlands	14.4	16.9	13.0	15.1	13.6		24%	-1.5%
3	France	2.0	3.5	5.0	6.6	8.5		15%	44.1%
4	Switzerland	3.3	2.4	2.5	2.8	6.5		11%	18.0%
5	Germany	3.5	9.7	7.0	5.3	5.0		9%	9.5%
6	United States of America	8.2	7.8	3.9	2.8	3.8		7%	-17.5%
7	Switzerland	1.2	1.3	0.9	1.2	1.6		3%	7.5%
8	Denmark	0.0	0.0	0.0	0.0	1.1		2%	
9	Japan	1.1	1.3	1.9	1.9	1.1		2%	-0.9%
10	United Kingdom	0.6	0.8	0.6	0.6	0.9		1%	9.6%
11	United States of America	0.4	0.3	0.6	0.6	0.7		1%	12.4%
12	Italy	0.9	0.5	0.4	0.3	0.5		1%	-13.4%
13	Viet Nam	0.0	0.0	0.2	0.3	0.4		1%	
14	Sweden	0.6	0.5	0.3	0.4	0.3		1%	-13.2%
15	Taipei, Chinese	0.2	0.2	0.2	0.1	0.1		0%	-7.4%
16	Turkey	0.0	0.0	0.0	0.1	0.1		0%	52.2%
17	China	0.1	0.1	0.1	0.1	0.1		0%	13.5%
18	Austria	0.4	1.0	0.1	0.2	0.1		0%	-32.1%
19	Ireland	0.0	0.0	0.1	0.1	0.1		0%	33.2%
20	Bulgaria	0.0	0.0	0.0	0.0	0.1		0%	

Table – Leading suppliers of HS 90185010, optical ophthalmic instruments and appliances, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**38.0**	**37.9**	**30.5**	**33.8**	**31.8**			**-4.3%**
31	***Pakistan***	***0***	***0.001***	***0***	***0***	***0.002***		0.01%	
1	Germany	16.1	11.1	10.1	8.6	8.1		25%	-15.9%
2	Netherlands	3.7	4.8	4.7	5.2	5.3		17%	9.6%
3	France	3.7	6.2	4.7	5.4	5.1		16%	8.8%
4	Italy	1.9	3.8	2.4	2.9	2.7		8%	9.2%
5	Switzerland	1.3	1.8	1.2	2.0	2.6		8%	19.0%
6	United States of America	5.6	2.4	2.9	3.5	2.4		8%	-19.3%
7	Japan	1.4	1.2	0.9	0.8	1.6		5%	2.4%
8	United Kingdom	1.4	2.4	1.3	1.5	1.2		4%	-2.5%
9	Israel	0.0	0.1	0.5	0.1	0.6		2%	232.2%
10	China	0.1	0.2	0.2	0.3	0.5		2%	48.1%
11	Korea, Republic of	0.3	0.4	0.3	0.3	0.4		1%	7.2%
12	Portugal	0.6	0.3	0.3	0.3	0.3		1%	-18.7%
13	India	0.1	0.1	0.2	0.2	0.2		1%	17.8%
14	Australia	0.0	0.0	0.0	0.8	0.2		1%	75.7%

2.4 Market characteristics and trends in healthcare

Spain belongs to the top 7 medical devices and instruments markets in Europe and relies on imports of instruments to a very large extent. The Spanish population of more than 46 million people has a good access to comprehensive medical services. This is because the Spanish National Healthcare System ("Instituto Nacional de la Salud" or "seguridad social"), founded on Spain's General Healthcare Act of 1986, guarantees universal coverage and free healthcare access to all Spanish nationals, regardless of economic situation or participation in the social security network.

2.4.1 Quick facts

- The National Health System has 2,914 health centres, and 10,202 local clinics providing basic healthcare services to the local population.
- In 2009 there were 804 hospitals operating in Spain. The National Health System had 315 hospitals, equipped with 105 thousand beds, and four Ministry of Defence's hospitals with 1,000 beds. The remainder 465 hospitals are privately run and have more than 53 thousand beds, which totals to more than 160 thousand beds. Public hospitals are generally much larger than private hospitals and deal with a much higher number of patients.
- In 2015, Spain spent €2,374 per capita on healthcare compared to the EU average of €2,797. This was 9.2% of GDP, also below the EU average of 9.9%.
- Substantial variations arise in health spending per capita across regions. The regions of Basque Country, Principality of Asturias and Navarre spend over 30% more on health per capita than the region of Andalusia.

2.4.2 Segmentation

The market can be segmented in several ways:

- Public healthcare institutions (public hospitals, health centres, research institutes) represent more than 75% of the market. The balance is for the private healthcare sector. It is this smaller section of the market where largest growth has taken place in recent years, for the simple reason that the government has cut the budget for the public healthcare sector, in a way to reduce the country's budget deficit. In the period 2013-2017, this led to a small decline of between 0-2% for procurement of surgical instruments by public health institutions.
- In terms of geography, the hotspots in the market are the regions of Madrid and Catalonia. These two regions absorb more than 80% of the market.
- SME's represent 90% of the total number of companies and take 40-45% of instruments sales.. The large companies represent less than 10% of the total number of companies, but are good for 55-60% of the market. Pakistani exporters should focus on the group of SME companies in the first place.

The year 2018 is thought to have been a better year for the healthcare sector in Spain; after more than 6 years of budget cuts, the 2018 spending on healthcare has increased by almost 4% over 2017. The import of single-use instruments is expected to show approximately 3% growth in 2019, followed by dental instruments (2%), and ophthalmic instruments (1%).

The economic crisis and its impact on the Spanish economy have also had quite an impact on the market for surgical instruments. In the first place, the demand for instruments went down (or did not grow like in other European countries). In the second place, there was a growing attention for cost-efficient instruments/solutions. This is mostly visible from the increased sourcing of single-use items from Asian countries such as China and Pakistan. However, still most instruments come from established supplying countries like Germany.

Safety
In the surgical instruments market, innovative techniques and products are constantly being developed to (further) increase patient safety. Such innovations include e.g. an electronic instrument that improves precision in spinal surgery and an actuating device that reduces needle misplacement errors.

Disposability
There is a trend towards disposable rather than reusable surgical instruments. These disposable products can be more cost- and time-effective than reusable products that need to be sterilized after each use. Disposable surgical instruments can be made of e.g. high-grade polymer, but also of stainless steel like most reusable instruments.

Minimally invasive surgery
There is continual innovation in the field of minimally invasive surgery (MIS). Compared to regular procedures, minimally invasive surgery involves smaller incisions, lower risks of infection and shorter recovery time. As well as having obvious benefits for the patient (e.g. minimal blood loss, skin scarring, duration of hospital stay and trauma), this type of surgery can increase the number of operations in day surgery and ensure a faster turnaround of patients while reducing costs. Instruments especially suited for minimally invasive surgery include pivoting retractors and lighted blades. MIS developments are most clearly visible in the area of cardiology and robotics, but affect other fields as well.

Ageing population
Spain is also affected by the "challenge" of an ageing population. It results in higher demand for specific product ranges, such as home care and hospice products, and orthopaedic appliances.

The majority of deaths in Spain are due to cardiovascular diseases or cancer
Although death rates due to cardiovascular diseases in Spain are among the lowest in the EU, they represent the main cause of death in Spain, accounting for 30% of all deaths in 2014. Cancer is the second most important cause of mortality, accounting for 27% of all deaths. Deaths from respiratory diseases represent 11% of all deaths, followed by deaths from nervous system diseases (including dementia) at 10%.

2.5 Market characteristics and trends in dental care

- Dentists in Spain are mostly private. They are not covered by the Spanish healthcare system. Free dental care in Spain is only available for children and in case of emergency treatment for adults. In most situations adults need to pay for the service, unless they have a private dental health insurance.
- Because dentists in Spain are almost all private, they typically compete with each other to offer the best range of treatments and the latest dental technology to attract patients. It means that they are also looking at and open for innovative instruments and concepts.
- Spain has more than 34,000 registered dentists and more than 25,000 dental clinics. The Consejo Dentista database lists them all.

2.6 Market characteristics and trends in veterinary care

- Spain is home to 28 million pigs, 6 million cows, and 20 million sheep and goats. Further: more than 16 million pets; more then 25% of them being dogs, followed by cats with almost 20% share.
- There are about 6,000 veterinary clinics in Spain.
- In terms of # of animals, Spain is in the top 4 in Europe, after Russia, Germany and France. It has the largest population of pigs in Europe, ahead of Germany.
- The Spanish market is still underdeveloped in terms of the number of pets and spending. The Spanish spend €1,100 a year per pet, while in the UK that figure is €2,500, and in the United States it is €3,500. As a result, the Spanish market is not a leading one in terms of innovation. Instead it is more following trends and developments in leading markets such as the UK and USA.
- The Spanish market for pet care belongs to the top 7 in Europe. It comes after the UK, Germany and France, Italy and Spain.
- The market for veterinary surgical instruments in Spain is dominated by the leading brands in this industry, mostly from Germany or USA. Examples are iM3 (distributed by Medivet), Medtronic and B Braun Vetcare.
- Online sales have grown steadily in recent years, but are still taking a small share of the Spanish market. One example of an online shop is Medical-Vet.

2.7 Market access requirements

Spain is member of the European Union (EU) and therefore you need to comply with the Medical Devices Regulation to obtain CE marking for instruments used in human healthcare. The European Commission has recently revised the previous three Directives. This process has taken years and the aim is to 'achieve a suitable, robust, transparent and sustainable regulatory framework' for the development of safe, effective and innovative medical devices. Two European Regulations have replaced the 3 directives: 1) Medical Devices Regulation and 2) In Vitro Diagnostic Medical Devices Regulation.

These Regulations will be implemented by 2020. More information is available here and for the several groups of stakeholders here.

The instruments need to be imported by a company that has the corresponding authorization to handle medical products ("authorised representative"). The Ministry of Health issues this permit. For efficiency reasons, Pakistani exporters should dedicate their attention to one country where they export to, and from where they register and sell / distribute their products to the rest of the EU.

Note that these requirements do not apply to instruments used in animal healthcare.

2.7.1 Import duties

Import duties are 0% for all countries exporting instruments to the EU and/or Spain.

2.7.2 Single-use instruments – sterile packaging

Sterile packaging is an important requirement for medical devices. ISO 11607 - Packaging for terminally sterilized medical devices is the main standard in this area.

It consists of two parts:

- 11607-1 - requirements for materials, sterile barrier systems and packaging systems
- 11607-2 - validation requirements for forming, sealing and assembly processes

ISO 11607 is a voluntary standard. However, the European medical device industry considers compliance a necessity to meet the requirements of the Medical Devices Directives.

2.8 Trade structure and potential trade partners

The best method to access the Spanish market is through distributors/importers. Such distributors have either an established distribution network or know how to develop such a network. The exporter can supply the product under the own brand or as private label product; this depends on the requirements of the customer.

Public healthcare procurement works with official tenders. It starts with a pre-selection process in which suppliers present the hospital with product descriptions and prices. Based on that, the hospitals make their selection and invite the selected companies for an open bid. Exporters from outside the EU, who want to take part in an official tender, need to have either a Spanish distributor or their own office in Spain (this also enables them to provide the after-care service as required by law).

Supplying private hospitals and institutions is less complicated. Tender processes are not common; private hospitals usually select a limited number of suppliers from whom they make direct purchases.

Some examples of companies that might be interesting prospects are:

- Corysan - http://www.corysan.es/ - distributor of surgical instruments.
- Ziacom - http://ziacom.es/en/company/ - producer of dental implants.
- Inserbo - http://www.inserbo.com/ - distributor of veterinary instruments.
- Quirumed - https://www.quirumed.com/en/company - distributor of surgical instruments for several market segments.
- Distrivet - http://www.distrivet.es/empresa - distributor of veterinary instruments.
- JMO – producer of otolaryngology instruments.

- Hortal Medical - https://www.hortalmedica.es/ - distributor of surgical instruments.
- Ecosem - http://www.ecosem.es/ - distributor of ophthalmic instruments.
- Matmedic - http://www.matmedic.es - distributor op surgical instruments with focus on ENT.
- Dental Cost - https://www.dentalcost.es/ - online shop for dental instruments and material.
- La Tienda del Dentista - https://www.latiendadeldentista.com - online shop for dental specialists.
- Anoris Dental - https://anorisdental.es - distributor of dental instruments from Dentsplay Sirona and Stern Weber.
- Bader - http://www.bader.es - distributor of dental instruments of own Bader brand.

More potential trade partners can be found through the website of the Spanish Federation of Manufacturers, Exporters and Importers of medical devices (FENIN). Their members are grouped by subsector.

Some keywords that will help to find potential buyers by searching the internet (internet TLD for Spain is .es), are the following:

English name	Spanish name
Instrument	Instrumento
Surgical	Quirúrgico
Surgery	Cirugía
Medical	Médico
Veterinary	Veterinario
Animal	Animal
Dental	Dental
Forceps	Fórceps
Scissor	Cortar con tijeras
Single-use	(de un) Solo uso

2.9 Trade promotion

Spanish distributors and producers attend the world's leading trade fairs in Germany:

- Medica trade fair for the medical industry that takes place every November in Düsseldorf.
- IDS trade fair for the international dental industry, every uneven year in March in Cologne.
- EuroTier is the world's #1 trade event for animal production, including the veterinary industry.

Visits to (or exhibit at) these trade fairs might offer you the opportunity to also meet buyers from other countries in and outside Europe. If you want to focus for 100% on the Spanish market, consider to visit/exhibit at the relevant events in Spain:

- IBERZOO-PROPET trade fair for the animal industry, every year in March in Madrid.
- FIGAN trade fair for animal production, every uneven year in Zaragoza.
- EXPODENTAL trade fair for the dental industry, every even year in March in Madrid.
- ORTO Medical Care, trade fair for the ortoprostehetic industry in Southern Europe. Every even year in Madrid.

Spain is also home to:

- Euro-ophthalmology 2019 – the European conference for ophthalmic surgery.
- The international trade fair MEDLAB EUROPE, every even year in Barcelona. This fair is dedicated to the medical laboratory industry.

These Spanish fairs primarily attract Spanish visitors, but are also important for Portuguese and Italian professionals. Also France is well represented looking at the visitor data.

Many of the Spanish manufacturers that exhibit at these trade shows also import products and could be as such an opportunity for Pakistani exporters too. All these fairs have an exhibitor database, offering visitors the possibility to select the prospects for a visit plan.

There are a few relevant trade magazines:

- Ateuves - https://ateuves.es/quienes-somos/ - portal and magazine dedicated to veterinary technical assistants.

2.10 More information

- Spanish Ministry of Health
- Overview of the Spanish Healthcare System
- Healthcare in Spain: A guide to the Spanish healthcare system
- TDAP – Surgical Instruments in Spain
- State of Health in the EU Spain Country Health Profile 2017

3. Indonesian market for instruments – surgical, dental and veterinarian

3.1 Imports

Table – Indonesian imports of HS 9018, Instruments and appliances used in medical, surgical, dental or veterinary sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
Total		**305**	**273**	**331**	**440**	**485**		**12.3%**
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	180	153	185	270	294		13.1%
'901812	Ultrasonic scanning apparatus	23	19	26	28	45		18.4%
'901839	Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary ...	24	31	35	44	41		14.5%
'901819	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for ...	16	15	21	30	31		17.9%
'901850	Ophthalmic instruments and appliances, n.e.s.	10	13	20	16	20		17.4%
'901831	Syringes, with or without needles, used in medical, surgical, dental or veterinary sciences	21	16	18	21	18		-3.4%
'901813	Magnetic resonance imaging apparatus	16	11	9	11	15		-1.5%
'901832	Tubular metal needles and needles for sutures, used in medical, surgical, dental or veterinary ...	7	6	6	6	7		0.9%
'901811	Electro-cardiographs	4	4	5	6	5		6.5%
'901849	Instruments and appliances used in dental sciences, n.e.s.	2	1	1	3	5		20.6%
'901820	Ultraviolet or infra-red ray apparatus used in medical, surgical, dental or veterinary sciences	1	3	2	3	2		22.2%
'901814	Scintigraphic apparatus	1	1	1	1	1		15.4%
'901841	Dental drill engines, whether or not combined on a single base with other dental equipment	0	0	0	0	0		17.4%

Indonesian imports of 9018 reached USD 485 million in 2017, after 12.3% average annual growth in the period 2013-2017. Imports of 901890 had a dip in 2014, but recovered in the years afterwards. On average, imports of 901890 grew by more then 13% per year. More details for 901890 shows that the category "other" (code 90189090) experienced a dip in 2014 but regained growth afterwards.

Table – Indonesian imports of HS 901890, Instruments and appliances used in medical, surgical, or veterinary sciences, category "other", values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
90189090	Other instruments&appliances in medical	115	78	92	139	178		11.5%
90189030	Electronic instruments and appliances	43	56	74	104	124		30.0%
90189020	Intravenous administration set (adult)	21	19	19	26	20		-0.9%

3.2 Map of Indonesia

Indonesia has in total 34 provinces. They are subdivided into districts (Kabupaten or Kotamadya), and each district is further divided into sub-districts (Kecamatan).

3.3 Main suppliers

3.3.1 Surgical instruments HS 90189090

Pakistan takes the 25th position in the list of leading suppliers with a share of only 0.34% in 2017. Pakistani exports peaked in 2015, dropped in 2016, but regained growth in 2017.

The leading suppliers Germany (including Malaysian exports which come from Esculap), USA/Mexico, Singapore and China in total represent 64% of Indonesian imports. It shows that the Indonesians buy from established companies from Germany and the USA (directly and also indirectly through Singapore), but at the same time they also import relatively low-cost instruments from China.

"Low-cost suppliers" that experienced strong growth to Indonesia are China, Vietnam, India, and Turkey. This is proof that the Indonesian market has seen an increase in demand for instruments directly from low-cost countries.

Table – Leading suppliers of HS 90189090 to Indonesia, surgical instruments used in human and veterinary healthcare, category "other - other", values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**115.5**	**78.5**	**91.9**	**139.4**	**178.4**			**11.5%**
25	***Pakistan***	***0.361***	***0.253***	***0.63***	***0.45***	***0.614***		**0.34%**	**14.2%**
1	Germany	30.7	20.2	23.3	31.4	39.7		22%	6.6%
2	United States of America	12.8	9.6	10.6	16.6	26.4		15%	19.9%
3	Singapore	4.8	11.1	13.6	18.4	21.1		12%	44.5%
4	China	9.3	9.2	12.5	15.8	20.6		12%	21.9%
5	France	1.9	1.7	2.7	5.5	11.6		6%	57.5%
6	Korea, Republic of	12.8	4.8	5.6	6.9	9.2		5%	-8.0%
7	Ireland	1.5	0.9	0.6	4.7	7.2		4%	49.0%
8	Switzerland	0.8	1.1	2.3	4.2	5.0		3%	58.9%
9	Italy	1.0	0.8	0.8	3.1	4.8		3%	47.5%
10	Japan	4.1	4.4	4.9	5.9	4.6		3%	2.8%
11	Finland	0.2	0.4	1.5	2.5	3.2		2%	100.2%
12	Hong Kong, China	0.6	0.8	1.7	1.2	3.0		2%	51.4%
13	Malaysia	1.3	1.1	1.1	1.2	2.7		2%	19.7%
14	Viet Nam	2.7	1.4	1.0	1.9	2.7		2%	-0.1%
15	Mexico	0.5	0.6	0.7	0.8	1.3		1%	27.3%
16	Sweden	0.6	0.8	1.7	1.3	1.3		1%	23.2%
17	Czech Republic	0.1	0.2	0.1	0.5	1.3		1%	74.5%
18	India	0.5	0.6	0.6	1.2	1.3		1%	25.8%
19	Russian Federation	0.2	0.0	0.2	0.4	1.3		1%	70.1%
20	Taipei, Chinese	1.1	0.5	0.7	1.0	0.9		0%	-4.8%
21	Netherlands	0.5	0.9	0.3	1.6	0.8		0%	14.3%
22	Austria	19.7	0.1	0.4	6.0	0.8		0%	-54.8%
23	United Kingdom	0.6	1.3	0.8	0.7	0.8		0%	9.0%
24	Costa Rica	0.0	0.0	0.1	0.6	0.7		0%	152.9%
25	Pakistan	0.4	0.3	0.6	0.5	0.6		0%	14.2%
26	Poland	0.2	0.2	0.4	0.6	0.6		0%	30.9%
27	Turkey	0.1	0.1	0.2	0.6	0.6		0%	68.1%
28	Dominican Republic	0.0	0.0	0.1	0.1	0.6		0%	144.1%
29	Hungary	0.2	0.5	0.5	0.6	0.5		0%	22.4%
30	Denmark	0.2	0.2	0.3	0.4	0.5		0%	20.0%

3.3.2 Dental instruments HS 901849

Pakistan is the #13 supplier to the Indonesian dental instruments market with 0.6% share of Indonesian imports. Pakistani exports showed a weak performance, as exports declined by 8.5% on average. Contrary, Indonesian imports increased by more than 20% on average per year. It should be noted that there is a considerable difference in import data reported by Indonesia and export data reported by Pakistan. Pakistani export data of HS901849 show a better performance.

The leading supplier of HS 901849 to Indonesia is Germany by a long way; the Germans take almost 50% of the market. China and Italy are good for another quarter of the Indonesian market. The strong performance of Germany and Italy shows that the Indonesian market relies on the established brands to a very large extent. This is proof of the fact that Indonesians consider European and American dental care products to provide the best quality and reliability of advanced technology. On the other hand, the good

position of China is an indication that there is a considerable opportunity for Pakistani exporters to improve their market share in the Indonesian dental instruments market. Chinese manufacturers concentrate mostly on the lower end of the market and lower quality products.

Table – Leading suppliers of HS 901849, dental instruments to Indonesia, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**2.2**	**1.0**	**1.1**	**3.1**	**4.6**			**20.6%**
13	***Pakistan***	***0.04***	***0.02***	***0.05***	***0.06***	***0.03***		0.61%	-8.5%
1	Germany	0.1	0.1	0.3	1.4	2.2		48%	107.3%
2	China	0.5	0.3	0.3	0.6	0.6		14%	8.4%
3	Italy	1.1	0.1	0.0	0.1	0.5		10%	-19.9%
4	Singapore	0.0	0.0	0.0	0.0	0.3		6%	70.3%
5	Switzerland	0.2	0.2	0.1	0.1	0.2		5%	9.3%
6	United States of America	0.0	0.0	0.0	0.1	0.2		5%	80.0%
7	Korea, Republic of	0.0	0.0	0.1	0.1	0.2		4%	
8	Japan	0.1	0.1	0.1	0.1	0.1		3%	9.5%
9	Slovakia	0.0	0.0	0.0	0.0	0.1		2%	
10	Malaysia	0.0	0.1	0.0	0.0	0.0		1%	-3.9%
11	Taipei, Chinese	0.0	0.0	0.0	0.3	0.0		1%	42.3%
12	France	0.0	0.0	0.0	0.0	0.0		1%	
13	Pakistan	0.0	0.0	0.1	0.1	0.0		1%	-8.5%

3.4 Market characteristics and trends in healthcare

Healthcare improvement is one of Indonesia's national development agenda top priorities. Both the central and regional governments are building and/or upgrading healthcare facilities. And important improvement is the equipment of community health centres with inpatient facilities, and the overall improvement of service quality.

The government continues to encourage private sector involvement in developing hospitals. According to the Directorate General of Health Services, Indonesia Ministry of Health, Indonesia counts almost 2,700 hospitals, of which more than 1,700 privately managed and the remainder managed by the public sector. More details (from the year 2016) are in the following table:

Table - Number of hospitals in Indonesia (2016, Data dan Informasi Kesehatan Indonesia).

Category	Owner	General Hospital	Specialised Hospital	Total
Non Profit	Government	824	86	910
	Private Non Profit	541	162	703
For Profit	Private	624	301	925
	State-owned Enterprise	56	7	63
TOTAL		2045	556	2601

Both public and private hospitals are classified as either general hospitals or specialist hospitals. The general hospitals are divided into four levels, A to D, depending on their facilities and capabilities in serving their patients. In turn, specialist hospitals are divided into three levels, A to C.

Classification for Public Hospitals:

1. Hospital Level A: provides extensive specialist medical services and extensive sub-specialists.
2. Hospital Level B: provides extensive specialist medical services and limited sub-specialists.
3. Hospital Level C: provides at least a minimum of four basic specialist medical services (surgical, internal, child and maternity).
4. Hospital Level D: provides at least basic medical facilities.

Classification for Private Hospitals:

1. Private General Hospital at Priority level: provides general medical services as well as specialist and sub-specialist care.
2. Private General Hospital at Madya level: provides general services and a minimum of four specialist care services.
3. Private General Hospital at Pratama level: provides only general medical services.

Some public hospitals additionally deliver private services, such as Yasmin Kencana Clinic at Cipto Mangunkusumo Hospital. Patients pay a premium on top of normal hospital fees in order to access services at the clinic.

In total, the Indonesian hospitals offer more than 326 thousand hospital beds, or 1.2 beds per thousand Indonesians. This bed rate is very low by world standards. Also within the region, Indonesia lags far behind; Singapore, Thailand, Vietnam, and Malaysia average more than 2.0 hospital beds per thousand capita. Indonesia would at least need 500,000 more hospital beds to come on par with other countries in the region.

While in the large cities the infrastructure is better than average, it is particularly the rural areas where an appropriate healthcare infrastructure and qualified staff is lacking. Recently, for example, the largest hospital operator in Indonesia, Siloam Hospitals Group, expanded its network and added 10,000 beds in one or two years time.

2019 is actually and important – milestone – year for Indonesia. Five years ago, in 2014, Indonesia began implementing its (mandatory) Universal Health Coverage (UHC) plan, locally known as JKN (Jaminan Kesehatan Nasional or National Health Insurance Program). The goal of the plan is to realise universal coverage for the whole population in 5 years time, but it is unlikely that goals are met in 2019. Many challenges have not been overcome - structural issues such as underfinancing, lagging numbers of primary care providers and hospitals, and limited access to drugs in rural areas, and overall inaccessibility and inequity of care.

3.4.1 Quick facts

- Health expenditure in 2016 in Indonesia was USD105 per capita (compared to USD 9,000 in USA).
- Indonesia has 0.2 doctors per 1,000 capita (global average = 3.2).
- Indonesia's population increases by 3.5 million people every year. This urges the need for improvement of healthcare infrastructure. Coupled with on-going strong GDP growth and urbanisation, it will remain an important driver of further growth of surgical instruments imports.
- Rural areas have a very weak healthcare infrastructure and offer the largest potential for growth in surgical instruments demand. While the cities in these areas typically have a large population (>500 thousand), there are very few beds per capita. 70% of childbirths occur at home, and the population widely relies on traditional medicine and self-medication.
- Tuberculosis and HIV/AIDS are a huge burden, especially in the eastern part of Indonesia.
- The main causes of death are coronary heart disease, influenza and pneumonia, stroke, lung disease and tuberculosis.

- Average profit margins in the healthcare sector are believed to be still high, but since the introduction of UHC they have come down considerably. This is however not clearly visible from import prices paid for surgical instruments.
- Indonesia depends on medical devices imports to a very large extent, as local production is low and limited to medical furniture.

3.4.2 Segmentation

Private healthcare institutions represent between 60-70% of the market. The balance is for the public healthcare sector. It is this larger section of the market where largest growth has taken place in recent years, because the government has continued to encourage private sector involvement in developing hospitals in the past decade.

3.4.3 Trends in healthcare

Forecast: substantial pressure on government budgets
The reforms of the healthcare system and the changes in the demographic and social profile of the country will put considerable pressure on the government budgets between 2019-2025. It will result in an on-going increase of the patient co-payment for treatments. While that co-payment was 40% of healthcare expenditures in 2014, this share is reaching over 50% in 2019.

Growing middle class will be driving growth in healthcare market
For two reasons the growing middle class is expected to result in an expanding healthcare market. First, the middle class has a larger budget for spending on healthcare related issues, and secondly, as they have a rather unhealthy lifestyle on average, they will need more healthcare services too. Lifestyle changes within the rising middle class, and the fact that more than 60% of Indonesian men smoke, will lead to more lifestyle-related diseases such as cardiovascular disease, tuberculosis and cancer. The WHO even predicts that by 2030, lifestyle-related diseases will be the main cause for 87% of deaths.

High maternal mortality ratio
The national average maternal mortality ratio (190 per 100 thousand live births) is among the highest in Southeast Asia. Note that there is a considerable variation across the regions, both within Indonesia and ASEAN.

Healthcare "tourism"
Because the rather low quality of local healthcare, it is not uncommon for the upper-class but even for the middleclass to travel abroad for healthcare services. More than one third of healthcare expenditures are spend in private hospitals outside Indonesia. Popular destinations are Malaysia and Singapore.

3.5 Market characteristics and trends in dental care

- Indonesia has more than 31 thousand dentists. It is an emerging market for dental instruments and equipment, which was also recognised by Koelnmesse, Indonesian Dental Association (PDGI), and PT Traya Eksibisi Internasional. These organisations made a strategic partnership to organize the first Indonesia Dental Expo, in 2017 in Jakarta. The first edition was very successful and the next edition has been planned for 2019.
- In general, dental healthcare is still underdeveloped. There is little preventive care and regular check-ups are quite uncommon.

- In particular the Indonesian people with lower educational attainment have a lack of awareness about their dental health. The treatment options for a toothache are limited; patients prefer extraction to filling because they think it is the easiest and fastest way to stop toothache.
- The demand for dental equipment is significantly growing in recent years, due to increased awareness, economic development and the expansion of the middle and upper classes.
- Major users of dental equipment and related supplies are public and private hospitals, private dentists, health centres, and academic institutes.
- The best margins are realised with instruments for scaling and polishing, for bleaching, and for orthodontics.

3.6 Market characteristics and trends in veterinary care

- Indonesia is home to almost 8 million pigs, more than 15 million cows, 36 million sheep and goats, 1.3 million buffaloes and more than 400 thousand horses. Except the buffalo's population, the number of animals has seen a considerable increase in the past decades.
- Indonesia is the leading destination for live cattle exports from Australia. For example, this number totalled over 600 thousand in 2015. The latest live cattle importation regulation requires 20% of cattle imports by private companies to be breeding cattle. Also, cattle farmers need to operate a breeding program.
- The Directorate General of Husbandry Production keeps a strong focus on increasing livestock production. They encourage for example the breeding of slaughter and dairy cattle designed essentially for small-hold farmers. This is because improvements and further development are needed in the small-hold sector to increase national dairy production.
- Dairy production is concentrated in West, Central and East Java with almost 50% of dairy production (and also 50% of the more than 500 thousand dairy cattle in Indonesia) taking place in East Java.
- The number of pets in Indonesia is relatively low, but showing considerable growth. Every year more households own pets, which also results in a growing demand for veterinary pet care services.
- In terms of # of animals, Indonesia is in the top 5 in Asia, after China, India, Pakistan, and Bangladesh. It has the largest population of pigs in Europe, ahead of Germany.
- The market for veterinary surgical instruments in Indonesia is dominated by the leading brands in this industry, mostly from Germany or USA. One example is B Braun Vetcare.

3.7 Market access requirements

The export of medical, including dental equipment and supplies to Indonesia requires a (general import) license from the Indonesian Ministry of Health, while each product per supplier needs to be registered at a cost of USD150. One should plan that this process of licensing and registration takes 6 months. There are no restrictions for exporting medical equipment to Indonesia, except that the government prohibits the import of used equipment. In official government tenders, often it stated that there is a preference for equipment with local content.

The registration of medical Devices and Equipment follows legislation no. 1190/MENKES/PER/VIII/2010. This directive recognises three risk classes; most instruments will fall in the Low Risk class. Only the high-risk devices need to go through safety tests and complete a thorough clinical evaluation.

Note that these requirements do not apply to instruments used in animal healthcare.

3.7.1 Import duties

Indonesian import duties on medical equipment can be as high as 30%, while a VAT of 10% applies to all medical equipment. The normal (MFN) import duties for surgical and dental instruments are 5%, while a few countries and country groups benefit from lower rates, refer to the table below.

Tariff regime	Applied tariff	Total ad valorem equivalent tariff
Most Favored Nation (MFN) duties	5.00%	5.00%
Preferential tariff for India	4.00%	4.00%
Preferential tariff for AANZFTA countries	0%	0%
Preferential tariff for ASEAN countries	0%	0%
Preferential tariff for China	0%	0%
Preferential tariff for Japan	0%	0%
Preferential tariff for the republic of Korea	0%	0%

ASEAN includes the countries: Indonesia, Thailand, Malaysia, Singapore, Philippines, Vietnam, Cambodia, Myanmar, Brunei and Laos.
AANZFTA includes the ASEAN countries and Australia plus New Zealand.

3.8 Trade structure and potential trade partners

The only method to access the Indonesian market is through distributors/importers, as it is mandatory to have one if you want to sell in the Indonesian market. They can assist with import registration, product licensing and of course also with the logistics of importing the instruments. The exporter can supply the product under the own brand or as private label product; this depends on the requirements of the customer.

Some other tips for exporters to become successful are the following:

- Offer reasonable pricing and payment terms.
- Organise good post-sales services through your distributor.
- Target promotion to individual health care providers – hospitals, dentists, or veterinary practices. Also medical, dental or veterinary faculties can be interesting targets. Last but not least, develop a strong relation with the associations.

Some examples of companies that might be interesting prospects are the following distributors of medical equipment including instruments:

- PT Mensa Bina Sukses (MBS) representing leading brands from Germany etc.
- PT Transmedic Indonesia (headquartered in Singapore – products imported from Singapore are most likely from this company).
- PT Surgika Alkesindo representing leading brands.
- PT Enseval Putra Megatrading distributes everything related to healthcare for humans and animals.
- PT Anugrah Argon Medica (AAM)
- DIkamed - http://dikamed.com
- ND Medical - http://www.nd-medical.com
- Sani - http://www.sani.co.id
- Medicorp - http://medicorp.co.id
- Graha Ismaya - https://grahaismaya.co.id
- Medisave - http://www.medisave.co.id

- Sekar Surya Mandiri - http://sekarsuryamandiri.co.id
- Cobra Dental - http://cobradental.co.id (focus on dental)
- PT Binabakti Niagaperkasa - http://www.binabakti.co.id
- PT Era Surya Persada - http://www.erasuryapersada.id
- Medicalogy / Alat Kesehatan - https://www.medicalogy.com / https://www.alatkesehatan.id online distributor, also veterinary instruments.
- Kursi Roda - http://distributor-kursi-roda.blogspot.com - medical retailer

Examples of distributors of veterinary instruments are:

- PT Haes Brothers – http://www.haes.co.id/veterinary-equipments/ (part of a large range of agricultural and food processing instruments).
- Alat Peternakan – http://www.alatpeternakan.co.id

Online sales channels available in Indonesia are JD, Shopee and WeShop/Amazon.

Also interesting can be to visit the websites of the internationally famous companies such as B.Braun – https://www.bbraun.co.id (both for human and veterinary health care).

Some keywords that will help to find potential buyers by searching the internet (internet TLD for Indonesia is .id), are the following:

English name	Indonesian name
Instrument	instrumen
Surgical	bedah
Surgery	operasi
Medical	medis
Veterinary	dokter hewan
Veterinary instruments	instrumen kedokteran hewan
Animal	hewan
Dental	dental
Forceps	tang
Scissor	menggunting
Single-use	sekali pakai

3.9 Trade promotion

Consider to visit/exhibit at the relevant events in Indonesia:

- CMEF Indonesia annual trade fair for medical equipment in Indonesia, March in Jakarta. Check the 2018 exhibitor list here; by submitting “instrument” in the search you can see that there were many exhibitors from China.
- ILDEX trade fair for livestock, dairy, meat processing and aquaculture value chains, October 2019 in Jakarta. Check the 2017 exhibitor list here.
- Indo Livestock in Surabaya, every uneven year in July. Check the exhibitor list of 2018 here.
- Indo Pet Expo trade fair for the pets industry, every year in Jakarta in September. Click here for the list of participants in 2018
- Indo Optical Expo trade for optical technology, April 2019 in Jakarta.
- Indonesia Dental Exhibition, uneven years, next edition in September 2019 in Jakarta. An interesting read is the Post Show Report of 2017.
- Indonesian Hospital Expo, annually in October in Jakarta.

- Beauty Professional Indonesia, annually in September, Jakarta.

Organisations relevant for human and veterinary healthcare in Indonesia are:

- Association of the Indonesian Medical Devices and Laboratory Companies (Gakeslab Indonesia) Works closely with governmental institutions in licensing, securing and supervising the production and distribution of medical devices in Indonesia. It works as a liaison between Indonesian healthcare companies and the government. Gakeslab provides input on regulation and monitors product standards, facilities and human resources involved in the production, distribution and usage of medical devices. Gakeslab has around 343 members across Indonesia, including producers, importers, agents and distributors.
- Indonesian Dental Association
- Indonesian Veterinary Medical Association (PB PDHI)
- Faculties of Dentistries: https://www.umi.ac.id/id/ and https://fkg.ui.ac.id/.
- Faculties of Veterinary Medicine: http://fkh.ipb.ac.id/, http://fkh.ugm.ac.id/, and http://fkh.unair.ac.id/new/.

There are a few relevant trade magazines or portals for Indonesia or the Asian region:

- ARSHI Vet Lett is a veterinary magazine published by the Faculty of Veterinary Medicine of the Bogor Agricultural University (FKH IPB) in collaboration with the Indonesian Veterinary Hospital Association (ARSHI).
- Trobos Livestock Magazine - Indonesia
- Healthcare Asia Magazine - Asia
- Far Eastern Agriculture – Asia
- DokterSehat - health sector portal, including a database of hospitals and doctors.

3.10 More information

- Ernst & Young - Ripe for investment: the Indonesian health care industry post introduction of universal health coverage.
- Indonesia's Health Profile: Poor Health provides Great Opportunities for Healthcare Improvement
- AKH Medical Devices in Indonesia
- Presentation about the Medical Device Regulation in Indonesia
- Healthcare Business Opportunities in Indonesia
- Ministry of Health
- Statistics Indonesia
- National Agency of Drug and Food Control (BPOM)
- Directorate General of Health Services, Indonesia Ministry of Health
- Export opportunities for Medical Equipment to Indonesia – Export.gov.
- Medical devices registration in Indonesia – Emerhub

4. Japanese market for instruments – surgical and veterinarian

4.1 Map of Japan

4.2 Imports

Table – Japanese imports of HS 9018, Instruments and appliances used in medical, surgical, dental or veterinary sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
Total		**5,873**	**5,733**	**5,257**	**5,629**	**5,738**		**-0.6%**
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	2,230	2,074	1,995	2,124	2,170		-0.7%
'901839	Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary ...	1,846	1,853	1,676	1,771	1,854		0.1%
'901819	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for ...	369	352	317	393	411		2.7%
'901813	Magnetic resonance imaging apparatus	425	449	372	391	336		-5.7%
'901850	Ophthalmic instruments and appliances, n.e.s.	283	275	240	252	266		-1.6%
'901812	Ultrasonic scanning apparatus	225	241	205	214	198		-3.1%
'901849	Instruments and appliances used in dental sciences, n.e.s.	177	192	166	180	188		1.5%
'901832	Tubular metal needles and needles for sutures, used in medical, surgical, dental or veterinary ...	162	154	147	144	167		0.8%
'901831	Syringes, with or without needles, used in medical, surgical, dental or veterinary sciences	89	87	88	95	81		-2.2%
'901811	Electro-cardiographs	25	30	29	32	34		7.6%
'901814	Scintigraphic apparatus	26	6	12	19	15		-13.5%
'901820	Ultraviolet or infra-red ray apparatus used in medical, surgical, dental or veterinary sciences	13	15	7	7	11		-5.3%
'901841	Dental drill engines, whether or not combined on a single base with other dental equipment	3	5	3	6	7		21.5%

Japanese imports of 9018 reached USD 5.7 billion in 2017, after a small 0.6% average annual decline in the period 2013-2017. Imports of 901890 had a dip in 2015, but recovered in the years afterwards. On average, imports of 901890 decreased by 0.7% per year. More details for 901890 shows that the category “surgical instruments” (code 901890010) remained relatively stable in the period 2013-2015, while imports increased considerably in 2016 and even more in 2017.

Table – Japanese imports of HS 901890, Instruments and appliances used in medical, surgical, or veterinary sciences, category "other", values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'901890021	Other electro-dental apparatus (excluding apparatus driven by electric motors), and parts	683	623	578	662	678		-0.2%
'901890023	Other electro-dental apparatus (excluding apparatus driven by electric motors), and parts	446	463	500	576	571		6.4%
'901890022	Other electro-dental apparatus (excluding apparatus driven by electric motors), and parts	692	595	541	494	521		-6.9%
'901890024	Other electro-dental apparatus (excluding apparatus driven by electric motors), and parts	364	356	340	349	334		-2.2%
'901890010	Surgical instruments: forceps, knives, scissors and other hand-held instruments and parts	30	28	29	34	54		15.6%
'901890029	Other electro-dental apparatus (excluding apparatus driven by electric motors), and parts	15	10	8	9	13		-3.6%

4.3 Main suppliers

4.3.1 Surgical instruments HS 901890010

Pakistan takes the 22nd position in the list of leading suppliers with a share of only 0.01% in 2017. Pakistani exports peaked in 2015, dropped in 2016, but regained growth in 2017.

The leading supplier USA represents 74% of Japanese imports. It shows that the Japanese market depends on the established brands from the USA to a very large extent, while at the same time they don't import low-cost instruments directly from supplying countries like China and Pakistan.

Germany's exports of surgical instruments to Japan dropped considerably since 2013, probably caused by considerable competition from Japanese suppliers offering the same quality instruments at lower prices. One example of such a Japanese company is Hogy Medical. Hogy managed to outsource production to (probably) Pakistan successfully, and it resulted in instruments of "the same quality as German products at prices that were previously inconceivable".

The only "low-cost suppliers" that experienced strong growth to Japan are China and Pakistan. This indicates the small but growing interest among Japanese buyers to source instruments directly from low-cost countries.

Table – Leading suppliers of HS 901890010 to Japan, surgical instruments used in human and veterinary healthcare, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**30.1**	**27.8**	**29.4**	**34.2**	**53.6**			**15.6%**
22	***Pakistan***	***0.003***	***0.013***	***0.023***	***0.005***	***0.008***		**0.01%**	**27.8%**
1	United States of America	17.7	16.1	19.2	22.2	39.6		74%	22.3%
2	Ireland	2.5	4.3	5.1	4.7	6.1		11%	25.1%
3	Philippines	0.0	0.0	0.0	1.2	2.0		4%	
4	Poland	0.1	0.4	1.2	1.5	1.8		3%	126.9%
5	Germany	4.6	3.6	1.4	1.4	1.8		3%	-20.7%
6	Switzerland	3.2	2.3	1.4	1.4	0.4		1%	-39.1%
7	Sweden	0.0	0.1	0.0	0.0	0.4		1%	
8	China	0.0	0.3	0.2	0.3	0.4		1%	118.2%
9	Australia	0.3	0.3	0.3	0.3	0.2		0%	-0.5%
10	Taipei, Chinese	0.0	0.0	0.0	0.0	0.2		0%	79.4%
11	France	0.0	0.0	0.0	0.1	0.2		0%	126.1%
12	Netherlands	0.3	0.1	0.1	0.1	0.1		0%	-27.2%
13	Italy	0.1	0.0	0.1	0.0	0.1		0%	11.2%
14	Mexico	0.0	0.0	0.0	0.2	0.1		0%	
15	Brazil	0.0	0.0	0.0	0.0	0.1		0%	
17	Korea, Republic of	0.6	0.1	0.0	0.0	0.0		0%	-52.7%
28	Czech Republic	0.6	0.2	0.3	0.2	0.0		0%	

4.4 Market characteristics and trends in healthcare

The Japanese medical devices market is among the 3 largest in the world. The country is home to a few strong healthcare solutions providers, such as Olympus, Terumo, Nipro and Hoya. Still, Japan depends on imports for half of the total needs, which can also be seen from the USD 5.7 billion Japanese imports in 2017 for HS 9018. While the Japanese are strong in production of diagnosis devices and robot technology, they are weak in treatment devices.

Japan has an advanced healthcare system, but it is absolutely different from the healthcare system in other developed countries. Japan has a single payer system; the government is paying out most of the costs for healthcare via reimbursements. While some drug prices will be slashed in 2018, medical device prices will mostly stay the same. The Japanese government has a short and long-term strategy of stabilising healthcare costs by focussing on prevention, homecare and Minimal Invasive Surgery (MIS).

4.4.1 Quick facts

- In 2016 Japan counted 8,442 hospitals (of which 7,380 general hospitals and 1,062 psychiatric hospitals), 101,529 clinics and 68,940 dental clinics. 80% of the hospitals are privately owned, but they are for non-profit.
- The average hospital stay in Japan is 27.5 days. This is much longer than the average in other developed countries. Inpatient care in Japan is considerable, and also the number of inpatient beds per capita (more than 13) is among the highest in the word.

- The average time a woman will spend in a Japanese hospital for giving birth is about one week. In many countries in Europe but also in the USA this is not more than 1 or 2 nights.
- Japan has one of the lowest obesity rates in the developed world, and relatively low alcohol consumption.
- Among the major surgeries in Japanese hospitals are colorectal cancer surgery, hip or knee arthroplasty, breast cancer surgery and gastrectomy. More details are in the table below, which is basically a comparison of surgical mortality in Japan and USA, but it also give an idea of the number of surgeries per year.

Table - Surgical mortality in Japan and the United States of America

	Japan (diagnosis-procedure combination, 2006–2008)					USA (nationwide impatient sample, 2008)				
	N	Age≥75 years (%)	Comorbidity index (%)	In-hospital death	Crude mortality (%)	*N*	Age≥75 years (%)	Comorbidity index (%)	In-hospital death	Crude mortality (%)
All major surgeries	1 794 268	19.6	9.2	23,049	1.28	11 902 905	16.1	13.9	146 350	1.23
Coronary artery bypass graft surgery (CABG)	13 382	28.5	21.3	404	3.02	222 250	21.5	26.6	4935	2.22
Valvular surgery	11 669	26.3	7.2	437	3.74	107 939	33.2	23.1	5757	5.33
Breast cancer surgery	51 755	13.8	14.8	22	0.04	37 353	20.2	50.0	33	0.09
Lung cancer surgery	28 096	27.0	45.0	271	0.96	38 399	25.4	72.6	959	2.50
Oesophagectomy	5398	15.1	33.9	236	4.37	2024	17.0	56.7	157	7.76
Gastrectomy	49 787	31.1	33.0	781	1.57	8869	33.3	70.3	453	5.11
Hepatectomy	16 502	22.6	74.4	437	2.65	3676	16.1	76.8	191	5.20
Pancreatic cancer surgery	10 143	24.1	39.6	301	2.97	8007	22.6	69.7	352	4.40
Colorectal cancer surgery	70 678	33.8	35.1	1458	2.06	341 666	26.4	30.9	14 861	4.45
Nephrectomy	13 571	25.8	10.3	107	0.79	72 371	14.5	37.2	814	1.12
Hysterectomy for uterine cancer	12 072	7.4	17.3	29	0.24	40 474	15.0	43.3	178	0.44
Total hip or knee arthroplasty	52 938	38.0	1.8	69	0.13	901 022	25.4	4.3	1124	0.12

4.4.2 Leading trend: Aging society

Japan's society is rapidly aging and as a result, the number of patients with chronic and life-style diseases is increqasing. People over age 65 already represent 25% of the population, and this age group is projected to make up close to 40% of the population by 2050. An aging population also means a rise in health care costs,

with more demand for medical devices that alleviate pain, complement lost functions, and improve the quality of life. To combat the expected rise in costs, Japan has reduced approval times to get medical products onto the market, including a fast-track approval process for innovative medical devices (it took effect on July 31, 2017).

Other trends that shape the market are the growing market for in-home care devices, health IT related products, self-care and preventive care medical devices and products.

4.5 Market characteristics and trends in veterinary care

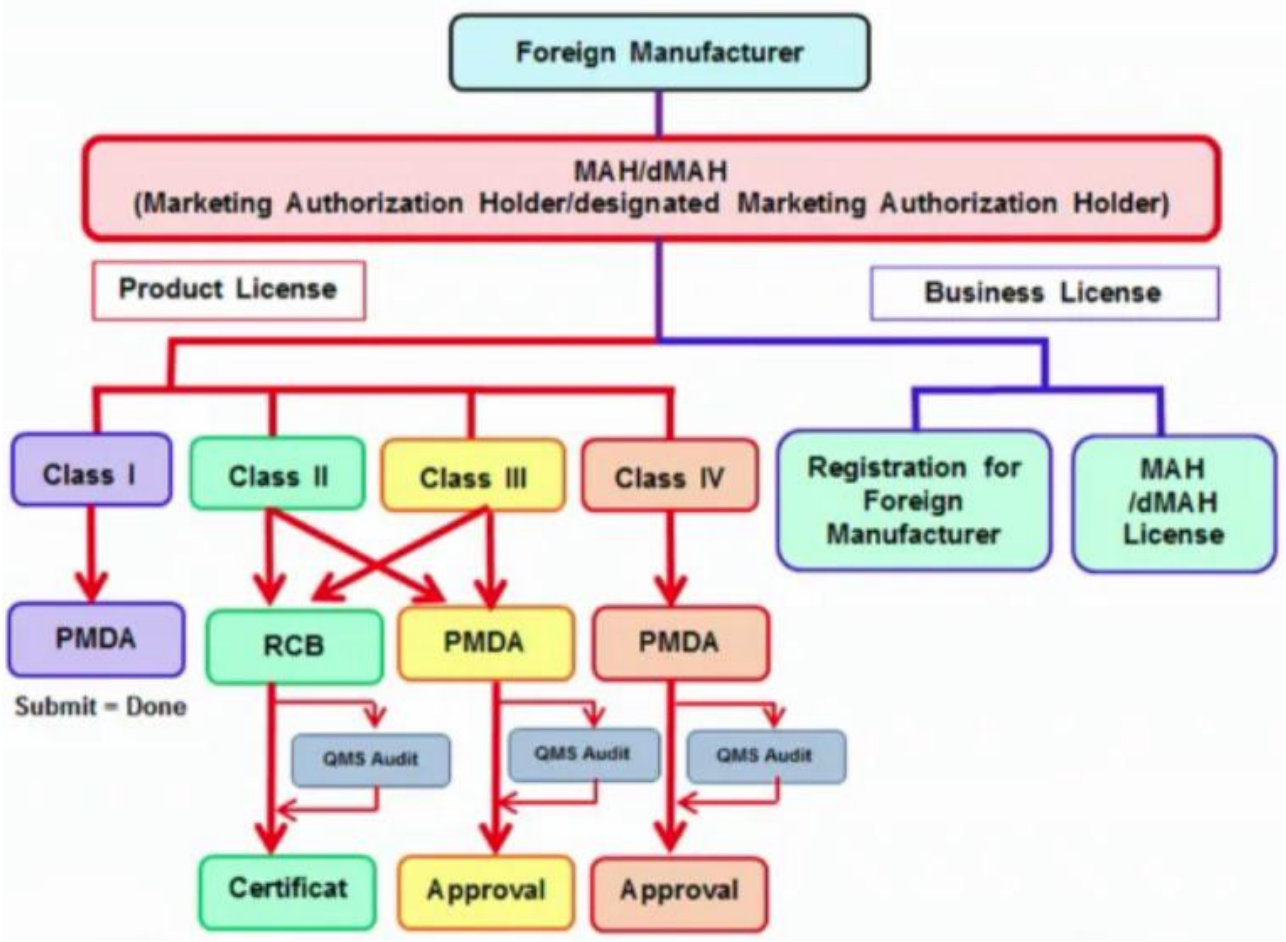
- Japan is home to more than 9 million pigs, and almost 4 million cows. Further, there are small populations of sheep, goats, and horses (80 thousand) in the country.
- While the number of farm animals is not so high as in other Asian countries, the veterinary care expenses per animal is among the highest in Asia. Look for example at the website of this Animal Hospital to see the equipment used.
- The Japanese like dogs and cats; their number is about 9 million for each. While the number of dogs decreased from around 10 million ten year ago to less than 9 million in 2017. Contrary, the number of cats has increased from 9.3 to 9.5 million in the period 2013-2017.
- Japan is home to more than 17 thousand private veterinary practices, of which about 4 thousand focus on farm animals and 13 thousand on small animals / pets. While the segment of farm animal veterinaries was declining in the past decades, the other segment showed considerable increase.
- Annual subsidy to cattle producers per head is USD 1,297 in Japan, compared to $152 in the USA, $1,560 in Switzerland and $9.2 in Australia (Source: United Nations FAO).

4.6 Market access requirements

The export of medical equipment and supplies to Japan requires the obtaining of a market licence; in practice the Japanese distributor/importer will do this. The most important law regulating the manufacturing and marketing of medical devices in Japan is the Pharmaceutical Affairs Law (PAL). Whatever business model you chose, as a manufacturer of surgical Class 1 devices outside Japan you will need to go through the following 2 steps:

1. **Appoint a local organisation for registration of the product and manufacturing facility.** Japanese PAL requires foreign medical device companies without a location in Japan to appoint a representative with a marketing authorization (the so called marketing authorisation holder or MAH). The MAH takes full regulatory responsibility for the imported medical products and must be licensed by MHLW. In case you set-up your own company in Japan you can obtain MAH status yourself. You can also engage an (independent) third party to fill this role. In the last case it is called a Designated Marketing Authorization Holder, or D-MAH. This D-MAH is usually a regulatory affairs (RA) consulting team that has registered with the Japanese government to perform marketing authorization holder functions.
2. **Submit application to the Pharmaceutical and Medical Devices Agency (PMDA) for a "Foreign Manufacturer Accreditation".**

The overall application process flow is as follows:



A guideline how to mark the surgical instruments can be found here.

Note that these requirements do not apply to instruments used in animal healthcare.

4.6.1 Import duties

Japanese import duties on medical equipment can be as high as 30%, while a VAT of 10% applies to all medical equipment. The import duties for surgical instruments are 0%.

4.7 Trade structure and potential trade partners

The best method to access the Japanese market is through distributors/importers. They can assist with acquiring the necessary licences and of course also with the logistics of importing the instruments. The exporter can supply the product under the own brand or as private label product; this depends on the requirements of the customer.

Some examples of companies that might be interesting prospects are the following distributors of medical equipment including instruments:

- LMS (Laboratory & Medical Supplies) – distributor owned by Criticare from the USA.
- Inami – distributor of instruments, focus on ophthalmology.
- Machida Endoscope – distributor / producer of endoscopes etc.

- M.E.Technica – importer of a large range of surgical human and animal healthcare instruments from Germany, UK, and USA and supplying to 800 distributors all over Japan.
- FHK – distributor / producer of agricultural instruments, probably also including a range of veterinary instruments
- OSADA – distributor of veterinary and dental equipment
- CI Medical – distributor of dental instruments, but also general surgical instruments both for human and animal healthcare
- Matsumoto Medical – importer and distributor of a small range of high-end instruments
- ACP Japan – importer and distributor of a large range of medical and surgical instruments from the USA company Scanlan.
- NeuroScience – importer and distributor of neurosurgical instruments.
- Mani – producer of a range of surgical and dental instruments. Mani has also set up production systems in Vietnam, Myanmar and Laos.
- ENTFirst Daiichi Medical – importer and distributor of ENT equipment.
- Medical Yuendoi – importer and distributor of surgical instruments.
- Mizuho – producer and importer of medical and surgical equipment / instruments.
- Hogy – importer and distributor of surgical instruments.
- Takasago – importer and distributor of surgical instruments.

More companies can be found through the member list of the Japan Society of Medical Devices. Another relevant association is JAHID or Japanese Association of Health Industry Distributors, but their member list is in Japanese.

One example of a Japanese instruments producer is Takayama - https://www.takayamamicro.com.
One example of an online distributor of medical instruments is Axel AS One.

4.8 Trade promotion

Consider to visit/exhibit at the relevant events in Japan. Jus a few examples are the following:

- APACRS2019 – annual conference of the Asia-Pacific Association of Cataract and Refractive Surgeons, the 2019 edition is in Kyoto, Japan (October).
- MEDICAL Japan, February, Osaka. The site give a good overview what you can expect from a
- participation in this trade fair.
- Medtec Japan, March, Tokyo.

There are many more relevant trade shows and conferences in Japan. BBraun's calendar of events for 2019 gives an extensive overview of fairs and conferences for the medical sector. Also J-Messe, JETRO's online trade fair database gives a list trade fairs of medical care and health in Japan (and abroad).

Other sources that may give ideas for promotion are:

- JSMI or Japan Society of Medical Devices
- Japan Medical Association
- Japan Veterinary Medical Association. They issue a monthly magazine, and give information about the Japanese veterinary medicine sector. Further they organise 3 annual congresses (one for companion animals, and for industrial animals).
- Relevant regional magazines are: Healthcare Asia Magazine and Far Eastern Agriculture.

4.9 More information

- Wisconsin Economic Development Cooperation - Rising demand for medical device imports in Japan
- Dutch Ministry of Foreign Affairs - Japan: Market Entry for Medical Devices
- Webinar (50 minutes) on Japanese regulatory requirements as of 2014.
- Maine International Trade Center – Medical Devices industry opportunities in Japan and China
- WHO - Japan Health System Review.
- OECD – Japan; Health at a Glance 2017
  USA Department of Commerce – Japan – 2016 Top Markets Report Medical Devices
- GlobalPETS – Japanese Pets Market

5. French market for instruments – dental and beauty-care

5.1 Map of France

5.2 Dental instruments

5.2.1 Imports of HS 9018 and HS 901849

Table – French imports of HS 9018, Instruments and appliances used in medical, surgical, or veterinary sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
Total		4,578	4,513	4,141	4,374	4,519		-0.3%
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	2,069	2,034	1,837	1,817	1,835		-2.9%
'901839	Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary ...	775	773	786	907	978		6.0%
'901831	Syringes, with or without needles, used in medical, surgical, dental or veterinary sciences	594	571	501	556	542		-2.2%
'901850	Ophthalmic instruments and appliances, n.e.s.	227	236	233	246	242		1.7%
'901819	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for ...	204	208	175	195	220		1.9%
'901849	Instruments and appliances used in dental sciences, n.e.s.	223	215	203	211	220		-0.4%
'901813	Magnetic resonance imaging apparatus	208	199	140	148	137		-9.9%
'901812	Ultrasonic scanning apparatus	145	146	131	125	123		-4.1%
'901832	Tubular metal needles and needles for sutures, used in medical, surgical, dental or veterinary ...	80	79	84	96	117		10.1%
'901811	Electro-cardiographs	21	23	23	38	49		24.1%
'901841	Dental drill engines, whether or not combined on a single base with other dental equipment	13	14	13	19	22		14.6%
'901814	Scintigraphic apparatus	12	8	8	9	22		16.6%
'901820	Ultraviolet or infra-red ray apparatus used in medical, surgical, dental or veterinary sciences	8	6	6	8	11		8.7%

French imports of 9018 reached USD 4.5 billion in 2017, which is a bit lower than it was in 2013. Imports of 901849, dental instruments, declined slightly as compared to 2013. After a dip in 2015, imports regained growth. On average, imports of 901849 declined by 0.4%. More details for 901849 are in the table below.

Table – French imports of HS 901849, Instruments and appliances used in dental sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'90184990	Instruments and appliances used in dental sciences, n.e.s.	182	174	164	175	184		0.3%
'90184910	Burrs, discs, drills and brushes, for use in dental drills	41	41	39	36	35		-3.7%

5.2.2 Leading suppliers of dental instruments to France

Pakistan plays a minor role as supplier to the French dental instruments market:

- 20th position for dental instruments (USD 870,000 in 2017).
- 25th position for dental drills parts (20 thousand in 2017).

The best year was 2016, when Pakistani exports to France reached USD 963,000 in total.

The leading supplier of HS 901849 to France is Germany, while Switzerland and Belgium follow in 2nd and 3rd place. Other important suppliers are USA, Italy, and Austria. The French market seems to rely on the established brands to a very large extent. Chinese supply represents 2% of French imports (only code 90184990) and increased by 20% on average. Further, Vietnam also started exports to France in 2016, and further grew to USD 300 thousand in 2017. This is proof that the French market offers opportunities for supply solutions that offer lower costs. Also Pakistani exports increased on average, but since 2014 growth has not been impressive.

Table – Leading suppliers of HS 90184990, dental instruments to France, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**182.2**	**173.5**	**164.1**	**175.0**	**184.3**			**0.3%**
20	***Pakistan***	***0.499***	***0.952***	***0.635***	***0.784***	***0.87***		0.5%	14.9%
1	Germany	85.6	84.5	75.5	81.0	84.5		46%	-0.3%
2	Switzerland	18.7	19.7	19.3	22.7	22.5		12%	4.7%
3	United States of America	16.5	13.2	14.0	13.3	11.8		6.4%	-8.1%
4	Italy	11.8	10.5	9.2	9.7	11.5		6.3%	-0.6%
5	Austria	7.9	8.4	7.1	7.4	8.0		4.3%	0.4%
6	China	2.5	3.2	3.0	4.1	5.2		2.8%	19.9%
7	Denmark	0.9	0.7	2.1	1.8	4.6		2.5%	50.9%
8	United Kingdom	5.6	4.7	4.4	4.7	4.5		2.4%	-5.5%
9	Israel	3.4	3.9	7.1	5.9	4.5		2.4%	6.9%
10	Netherlands	5.6	3.9	4.8	5.6	4.5		2.4%	-5.4%
11	Finland	8.9	6.1	3.8	3.6	3.9		2.1%	-18.4%
12	Spain	2.9	3.0	3.2	2.9	3.4		1.8%	3.9%
13	Belgium	0.5	0.6	0.6	1.7	2.6		1.4%	48.2%
14	Area Nes	2.6	2.3	2.0	2.6	1.7		0.9%	-10.0%
15	Tunisia	0.1	0.0	0.0	0.0	1.3		0.7%	73.1%
16	Japan	1.2	1.0	1.1	1.5	1.1		0.6%	-3.2%
17	Taipei, Chinese	0.3	0.4	0.5	0.9	1.0		0.6%	35.7%
18	Brazil	0.2	0.3	0.5	0.7	1.0		0.5%	48.0%
19	Sweden	1.8	1.2	0.7	0.6	0.9		0.5%	-14.9%
20	Pakistan	0.5	1.0	0.6	0.8	0.9		0.5%	14.9%

Table – Leading suppliers of HS 90184910, burrs, discs, drills and brushes, for use in dental drills to France, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**41.1**	**41.5**	**39.1**	**36.3**	**35.4**			**-3.7%**
25	***Pakistan***	***0.05***	***0.11***	***0.08***	***0.04***	***0.02***		0.05%	-23.6%
1	Belgium	19.5	21.0	18.0	18.4	19.6		56%	0.1%
2	Switzerland	8.6	8.7	9.7	7.2	5.6		16%	-10.4%
3	Germany	5.3	4.8	4.9	4.1	4.5		13%	-4.3%
4	Netherlands	1.2	0.9	0.9	0.7	0.9		2.7%	-5.3%
5	United Kingdom	1.1	1.1	0.8	0.6	0.7		2.1%	-9.4%
6	United States of America	1.1	0.9	0.8	0.7	0.6		1.7%	-13.9%
7	Italy	0.9	1.0	0.8	0.8	0.5		1.4%	-12.6%
8	Spain	0.5	0.7	0.5	0.5	0.5		1.4%	-1.0%
9	Area Nes	0.0	0.1	0.1	0.5	0.5		1.3%	116.8%
10	France	0.1	0.3	0.9	0.0	0.4		1.3%	35.4%
11	Ireland	0.3	0.2	0.3	0.2	0.3		1.0%	7.9%
12	Israel	0.2	0.3	0.1	0.2	0.3		0.8%	11.6%

5.3 Beauty-care instruments

French imports of beauty-care instruments reached USD 23.7 million in 2017 after 4.2% average annual growth since 2013. Imports peaked in 2014 and declined in 2015 to reach the bottom in 2016 (USD 16.5 million). Imports regained growth in 2017.

Pakistan plays an important role as supplier to the French beauty-care instruments market. The best year was 2014, when Pakistani exports reached USD 2.1 million. More details are in the table below.

The leading supplier to France by a long way is China, accounting for 45% of French imports in 2017. India's exports to France grew very strongly in 2017, which resulted in the country taking the 2nd place with 15% market share. Germany is #3 with a relatively stable performance overall. The French market definitely offers opportunities for supply solutions that offer lower costs, proven by the large share of supply from China.

Table – Leading suppliers of HS 821420, manicure or pedicure sets and instruments, to France, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**20.1**	**28.1**	**18.9**	**16.5**	**23.7**			**4.2%**
4	***Pakistan***	***1.9***	***2.1***	***1.5***	***1.7***	***1.9***		7.9%	-0.6%
1	China	8.3	15.2	9.9	7.1	10.7		45%	6.7%
2	India	0.6	0.1	0.3	0.7	3.5		15%	56.9%
3	Germany	2.2	1.3	1.3	1.8	2.0		8.4%	-2.2%
4	Pakistan	1.9	2.1	1.5	1.7	1.9		7.9%	-0.6%
5	Romania	1.9	2.6	1.3	1.2	1.2		5.2%	-10.3%
6	Netherlands	0.2	0.2	0.1	0.5	1.0		4.3%	59.0%
7	Korea, Republic of	0.8	1.0	0.8	0.7	0.6		2.7%	-4.7%
8	Italy	0.5	0.6	0.3	0.3	0.5		2.0%	-0.1%
9	Belgium	1.1	2.3	0.9	0.7	0.5		1.9%	-19.2%
10	United States of America	0.3	0.4	0.4	0.3	0.2		1.0%	-4.7%
11	Spain	0.1	0.2	0.3	0.2	0.2		0.9%	10.8%
12	Poland	0.1	0.1	0.1	0.2	0.2		0.8%	28.7%
13	Viet Nam	0.3	0.2	0.2	0.1	0.2		0.8%	-9.0%
14	United Kingdom	1.0	0.4	0.2	0.2	0.2		0.7%	-34.9%
15	Switzerland	0.2	0.3	0.1	0.1	0.1		0.4%	-12.5%
16	Portugal	0.0	0.0	0.0	0.0	0.1		0.4%	203.6%
17	Area Nes	0.1	0.1	0.6	0.1	0.1		0.4%	-12.9%
18	Czech Republic	0.1	0.1	0.0	0.1	0.1		0.3%	4.2%
19	Japan	0.0	0.0	0.0	0.0	0.1		0.3%	20.5%
20	Taipei, Chinese	0.1	0.1	0.1	0.1	0.1		0.3%	-15.7%
21	Tunisia	0.1	0.1	0.1	0.1	0.1		0.2%	-16.1%

5.4 Market characteristics and trends in dental care

- Healthcare in France is mainly delivered through a public social insurance system (SHI), requiring all French citizens to pay income-based contributions for health insurance. Dental healthcare is only partly covered by the reimbursement schemes under the various social, voluntary and complementary insurance schemes.
- Most dentists work as self-employed practitioners paid on a fee-for-service basis.
- Roughly one quarter of dental expenses go for conservative and surgical treatments (caries, extractions, devitalisations), and about 60% for prosthetics. The remaining expenditure is on consultations, orthodontics and x-rays. These treatments are generally reimbursed by 70% on a fixed tariff established by the “convention nationale dentaire”.
- The coverage of dental care in medical insurance has declined considerably in the past decades. Coupled with the situation that the dental practitioners can establish their own fees, this low level of insurance coverage has resulted in a consumers giving up dental treatment for financial reasons.
- France is home to more than 42 thousand dentists, of which more than 90% are self-employed. Every day, nearly 800,000 patients go to one of these dentists.

5.5 Market characteristics and trends in beauty-care

- France is the world's #1 supplier of beauty-care products and perfumes. While this French industry is famous through a few big names like L'Oreal, LVMH and Chanel, more than 80% of the companies are small and very small entities.
- The beauty-care market in France is very important; one out of every 4 women regularly go to a beauty salon, most of them in the age of 30-45.
- Every day, some 900,000 French customers visit a hairdressing salon. France counts more than 180,000 hairdressers. An important trend has been the growth in home hairdressing, in 2018 the share of home hairdressers has grown to 25% of the country's total.
- In 2018 and until August 2019 there is a social security program for self-employed hairdressers to equip themselves with ergonomic equipment with the aim to limit musculoskeletal disorders. Each hairdresser received 50% funding for a €500-5,000 investment in ergonomic equipment, including scissors.
- Professionals such as hairdressers, manicures and pedicures use most instruments. They are good for at least two-third but probably more than 80% of the market. The balance is for home use. Nail treatments in particular (more than other beauty treatments) are conducted at home, while only between 25-30% of these treatments are done with electrical or battery-powered devices.
- French beauty-care professionals traditionally have a preference for branded instruments. For example, hairstyling professionals like to work with scissors made of Japanese steel, with a good hardness of the blades, well-thought ergonomics of the scissors, and a cool design.
- While scissors remain elementary for hairdressers and for that reason scissors maintain their #1 position as instrument in the hair-care segment, for nail-care there is competition from electric devices for treatments like nail polishing.
- Social networks increasingly influence the young generation of 15-30. They watch YouTube videos, follow blogs and participate in online social networks like Facebook. This offers good opportunities to reach them through online advertising and to attract this group as customers.

5.6 Market access requirements

France is member of the European Union (EU) and therefore you need to comply with the Medical Devices Regulation to obtain CE marking for instruments used in human healthcare. The European Commission has recently revised the previous three Directives. This process has taken years and the aim is to 'achieve a suitable, robust, transparent and sustainable regulatory framework' for the development of safe, effective and innovative medical devices. Two European Regulations have replaced the 3 directives: 1) Medical Devices Regulation and 2) In Vitro Diagnostic Medical Devices Regulation.

These Regulations will be implemented by 2020. More information is available here and for the several groups of stakeholders here.

The instruments need to be imported by a company that has the corresponding authorization to handle medical products ("authorised representative"). The Ministry of Health issues this permit. For efficiency reasons, Pakistani exporters should dedicate their attention to one country where they export to, and from where they register and sell / distribute their products to the rest of the EU.

Note that these requirements do not apply to instruments used in beauty-care.

5.6.1 Import duties

Import duties are 0% for all countries exporting dental instruments to the EU and/or France.

For beauty-care instruments, the basic (MFN) rate is 2.7%, but many countries benefit from a preferential 0% tariff rate. Among the leading suppliers, China, India, USA and Taiwan, Japan and Hong Kong face the 2.7% rate.

5.6.2 Single-use instruments – sterile packaging

Sterile packaging is an important requirement for medical devices. ISO 11607 - Packaging for terminally sterilized medical devices is the main standard in this area.

It consists of two parts:

- 11607-1 - requirements for materials, sterile barrier systems and packaging systems
- 11607-2 - validation requirements for forming, sealing and assembly processes

ISO 11607 is a voluntary standard. However, the European medical device industry considers compliance a necessity to meet the requirements of the Medical Devices Directives.

5.7 Trade structure and potential trade partners

5.7.1 Dental instruments

The best method to access the French dental instruments market is through distributors/importers. Such distributors have either an established distribution network or know how to develop such a network. The exporter can supply the product under the own brand or as private label product; this depends on the requirements of the customer.

Potential trade partners such as distributors or importers can be found through the website of Comident, the association of French producers and distributors of dental equipment. Their member list can be downloaded here.

Some examples of webshops that sell dental instruments in France:

- Praxisdienst is the pan-European website for sales of medical, dental and veterinary instruments of Dieckhoff & Ratschow from Germany.
- GACD is a French webshop dedicated to dental instruments.
- PraxisInstruments is a French webshop for healthcare supplies.

Most producers in France have a strong focus on product innovation:

- Neolix – https://www.neolix.eu/en/content/8-neolix-company
- Thomas - http://www.thomas-dentaltools.com/en/pages/savoir-faire/
- ProdontHolliger. This company claims to be a 100% French producer, however it is unclear to which products of their range they refer, as they are part of the multinational instruments company Acteon.

5.7.2 Beauty-care instruments

There are 2 methods to access the French beauty-care instruments market: the first one is the traditional method of selling to distributors/importers. The products will then be available to consumers in physical

shops / outlets or in online webshops. The physical shops can be of general retailers such as Auchan, or dedicated beauty-care retailers such as BlueLibellule, BeautySuccess or Pro-Duo. There are many webshops in France; several of them have been listed below.

Note that there are also several online websites that seem to sell beauty-care items to French customers, which in reality are so-called affiliate marketing sites that refer to online market places. It means that when a consumer decides to buy ("acheter" or "acheter maintenant") a product, the consumer will be redirected to online market places like Amazon, Ebay, Alibaba or AliExpress. Some just have collected categories that offer interesting margins for referral; others are more a blog dedicated to a particular topic (sometimes very specific, such as nail care) and 'offer' a small range of products.

Some examples of companies that might be interesting prospects for beauty-care instruments are listed below in several sub-categories:

Retail – physical, online and brands

- Conforama is a retailer with outlets for household appliances and utensils.
- BeautySuccess is a French beauty-care retail chain with an online shop (see "accessories").
- BlueLibellule is a network of stores for hair- and beauty-care, including an online webshop.
- Sephora is a beauty-care retail chain, part of Louis Vuitton group.
- Pro-Duo is an online sales-channel for hair- and beauty-care. Pro-Duo is owned by Sally Beauty, an international distribution chain with sales of €3.6 billion per year in 200 Pro-Duo outlets across Europe (Belgium, France, Spain, Germany, Netherlands), but also in the USA, Canada and Chile in a total number of almost 5,000 stores.
- La Boutique du Coiffeur is a chain with hair-care products with 100 outlets and a webshop.
- JKN Trade is a wholesaler for brands and retailers including a range of beauty-care, with webshop.
- Copares is a wholesaler with webshop for hair- and beauty-care.
- NaturaBuy is a webshop with a range of instruments and appliances dedicated to outdoor sports, including a range of beauty-care products.
- SST-Lescaias is a webshop run in French language, but of unknown origin.
- LaCombiere-Auvergne is a webshop run in French language, but of unknown origin. Two categories are relevant: one for hair-care and another one for nail-care.
- ToutPourLesOngles is a French online webshop for nail-care.
- PandaBeauty is a webshop for low-priced beauty-care accessories.
- BaslerBeauty is a webshop of beauty-care products with a large range of instruments like scissors with the claim "made in Solingen".
- CiseauxDeCoiffure online hair-care shop with instruments from Tondeo, Takai , Matzuzaki, Kasho, Panasonic, Parlux, Vélecta Paramount), and they have also developed their own brand for scissors made of Japanese steel: HPC.
- MaterialCoiffurePro is an online webshop for hair-care and also a small range of beauty-care instruments.
- ProfiCoiffeur is a webshop for professional hair-care. Mistercanne is a brand with a range of accessories for men, including a small range of beauty-care.
- BaByliss is a brand of beauty-care instruments.
- ChezLeGrossiste (At The Wholesaler) is the official store of the Youtube channel "ChezLeGrossiste". They offer a range of accessories, among which is a manicure / pedicure tool kit.

Some webshops focus on scissors for hairdressers, like LesCiseaux and Ciseaux-Coiffure-CFM.

Affiliate marketing

- MesPetitsOngles (my little nails) is a blog site and also an affiliate marketing site - webshop for instrument sets (redirecting to Amazon).
- SoinsDesOngles is an affiliate site for nail care, instruments of the German brand "3 swords" sold through Amazon.
- DLYLHDoutlet is an affiliate marketing site with a large range of accessories categories.
- Produits-Cosmetiques – affiliate marketing site.
- NosToutPetits is an affiliate marketing site that redirects buyers to AliExpress.
- NailArtByLaeti is a blog with articles on techniques, products (affiliate marketing), etc.
- TousLesPrix is an affiliate marketing site that redirects buyers to Amazon.

5.7.3 Keywords for online search

Some keywords that will help to find potential buyers by searching the internet (internet TLD for France is .fr), are the following:

English name	French name
Instrument	Instrument
Surgical	Chirurgical
Surgery	Chirurgie
Medical	Médical
Dental	Dentaire
Dental instruments	Instruments dentaires
Beauty-care	Soins de beauté
Manicure / pedicure set	Kits d'outils de manucure et pédicure
Hair care	Soin des cheveux
Hairdressing	Coiffure
Veterinary	Vétérinaire
Animal	Animal
Forceps	Forceps
Scissor	Ciseaux
Single-use	Usage unique

5.8 Trade promotion

French distributors and producers attend the world's leading trade fairs for dental care and beauty-care:

- IDS trade fair for the international dental industry, every uneven year in March in Cologne.
- Cosmoprof trade fair for the international beauty-care industry, Italy, Bologna, held in March, every year.

Visits to (or exhibit at) these trade fairs might offer you the opportunity to also meet buyers from other countries in and outside Europe. If you want to focus for 100% on the French market, consider to visit/exhibit at the relevant events in France:

- ADF (Congrès de l'ADF, the Annual Dental Meeting of the French Dental Association, Association Dentaire Francaise) Congress for French dentists is held every year in Paris, November/December.
- BeauteSelection twice a year in different cities, dedicated to beauty-care professionals. The exhibitor lists (one of them is here) give good descriptions of the companies.

These French fairs primarily attract French visitors, but are also important for the sector in neighbouring countries. Many of the French manufacturers that exhibit at these trade shows also import products and could be as such an opportunity for Pakistani exporters too.

There are a few relevant trade magazines and/or news portals, such as Medisite that offers health sector related news.

5.9 More information

- French Dentists Association (ADF)
- Avise Strategic Information on Sectors – hairdressing in France
- Infodent International – Focus on France

5.10 Appendix – French surgical instruments import statistics

5.10.1 Imports of surgical instruments

The table below shows that the category "other" (code 90189084) experienced a peak in 2015 and declined every year since then. On average, imports declined by 2.8%.

Table – French imports of HS 901890, Instruments and appliances used in medical, surgical, or veterinary sciences, category "other", values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'90189084	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	1,526	1,554	1,458	1,410	1,363		-2.8%
'90189020	Endoscopes used in medical, surgical or veterinary sciences	146	149	127	131	140		-1.1%
'90189050	Transfusion and infusion apparatus used in medical sciences	105	85	60	60	80		-6.6%
'90189060	Anaesthetic apparatus and instruments	73	57	49	64	78		1.7%
'90189030	Renal dialysis equipment "artificial kidneys, kidney machines and dialysers"	88	71	55	59	71		-5.2%
'90189040	Diathermic apparatus (excl. ultraviolet or infra-red apparatus)	93	76	41	47	48		-15.3%
'90189075	Apparatus for nerve stimulation	12	15	17	13	27		23.1%
'90189010	Instruments and apparatus for measuring blood-pressure	27	27	31	31	27		0.1%

5.10.2 Main suppliers of surgical instruments HS 90189084

Pakistan takes the 19th position in the list of leading suppliers with a share of 1% in 2017. Pakistani exports peaked in 2014 and dropped every year since then.

The leading suppliers USA-Mexico, Germany, and Switzerland in total represent 58% of French imports. The French market relies on the established brands to a very large extent.

Chinese supply represents 4.2% of French imports and increased by 18% on average. Vietnam and Dominican Republic also experienced strong growth with +10% and +36% per year respectively. The growth of in particular China is proof that the French market has seen an increase in demand for instruments directly from low-cost countries.

Table – Leading suppliers of HS 90189084 to France, surgical instruments, category "other - other", values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**1,525.5**	**1,554.1**	**1,457.7**	**1,410.4**	**1,363.0**			**-2.8%**
19	***Pakistan***	***15.1***	***14.2***	***14.1***	***14.6***	***13.9***		1.0%	-2.1%
1	United States of America	379.9	439.6	473.5	428.4	383.1		28%	0.2%
2	Germany	185.0	187.9	167.0	165.0	170.8		13%	-2.0%
3	Switzerland	147.0	128.9	117.3	124.2	141.0		10%	-1.0%
4	Mexico	63.0	71.1	141.8	124.2	101.5		7.4%	12.6%
5	Netherlands	36.2	36.8	43.1	42.6	62.4		4.6%	14.6%
6	China	29.1	39.3	35.6	47.3	56.8		4.2%	18.2%
7	Belgium	203.0	135.1	38.5	38.8	38.4		2.8%	-34.1%
8	Italy	46.4	47.1	40.5	38.4	33.0		2.4%	-8.2%
9	United Kingdom	44.1	51.0	41.6	36.4	30.0		2.2%	-9.2%
10	Japan	34.0	34.5	30.6	25.9	29.9		2.2%	-3.1%
11	Ireland	23.7	26.9	31.6	29.7	28.7		2.1%	4.9%
12	Poland	35.8	33.4	28.8	26.9	24.9		1.8%	-8.6%
13	Finland	39.5	35.8	25.3	24.3	24.6		1.8%	-11.1%
14	Hungary	1.7	1.4	1.8	8.8	21.3		1.6%	88.3%
15	Tunisia	31.6	19.5	11.7	14.0	18.7		1.4%	-12.2%
16	Lithuania	16.1	19.0	15.5	16.1	16.6		1.2%	0.8%
17	Dominican Republic	4.3	11.8	17.9	17.3	15.0		1.1%	36.3%
18	Costa Rica	11.9	15.5	10.2	15.8	14.9		1.1%	5.8%
19	Pakistan	15.1	14.2	14.1	14.6	13.9		1.0%	-2.1%
20	Israel	13.2	15.0	17.5	15.9	13.1		1.0%	-0.2%
21	Area Nes	7.6	13.5	13.3	36.2	13.0		1.0%	14.4%
22	Spain	11.0	9.4	8.2	10.3	10.7		0.8%	-0.7%
23	Viet Nam	7.1	9.1	10.1	10.2	10.5		0.8%	10.2%

6. Chinese market for instruments – surgical and veterinarian

6.1 Map of China

6.2 Imports

Table – Chinese imports of HS 9018, Instruments and appliances used in medical, surgical, dental or veterinary sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
Total		**5,555**	**6,052**	**6,066**	**6,779**	**7,417**		**7.5%**
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	1,607	1,907	2,117	2,367	2,463		11.3%
'901839	Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary ...	939	1,062	1,121	1,318	1,468		11.8%
'901812	Ultrasonic scanning apparatus	1,042	1,116	927	1,012	1,069		0.6%
'901813	Magnetic resonance imaging apparatus	791	769	652	636	684		-3.6%
'901850	Ophthalmic instruments and appliances, n.e.s.	283	353	375	438	530		16.9%
'901819	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for ...	313	325	306	351	351		2.9%
'901832	Tubular metal needles and needles for sutures, used in medical, surgical, dental or veterinary ...	94	123	135	206	314		35.1%
'901831	Syringes, with or without needles, used in medical, surgical, dental or veterinary sciences	167	190	175	168	196		4.0%
'901849	Instruments and appliances used in dental sciences, n.e.s.	97	115	135	144	159		13.1%
'901814	Scintigraphic apparatus	97	49	78	84	82		-4.2%
'901841	Dental drill engines, whether or not combined on a single base with other dental equipment	93	12	12	17	68		-7.6%
'901811	Electro-cardiographs	19	19	24	26	24		5.9%
'901820	Ultraviolet or infra-red ray apparatus used in medical, surgical, dental or veterinary sciences	13	11	10	11	10		-4.6%

Chinese imports of 9018 reached USD 7.4 billion in 2017, after 7.5% average annual growth in the period 2013-2017. Imports of 901890 showed continuous growth, on average 11.3% per year. More details for two codes follow below:

- 901890 – surgical and veterinary instruments. It shows that the category "other" (code 90189090) increased every year, resulting in 13.4% average annual growth.
- 901849 – dental instruments. The category of instruments showed on-going growth, while imports of chairs declined in 2017.

Table – Chinese imports of HS 901890, Instruments and appliances used in surgical, or veterinary sciences, category "other", values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'90189090	Medical/veterinary instruments & appliances, nes	875	1,088	1,241	1,341	1,448		13.4%
'90189030	Endoscopes	391	494	514	612	628		12.6%
'90189040	Artificial kidney (dialysis) apparatus	209	191	219	243	217		1.0%
'90189070	Anaesthetic apparatus and instrument	79	79	79	74	76		-1.0%
'90189020	Sphygmomanometers	25	26	23	22	45		15.6%
'90189060	Blood transfusion apparatus	8	9	17	19	25		33.6%
'90189050	Diathermy apparatus	21	23	23	31	23		2.2%
'90189010	Stethoscopes	0	1	0	1	1		41.5%
'90189080	Intrauterine contraceptive device	0	0	0	0	0		-15.9%

Table – Chinese imports of HS 901849, Instruments and appliances used in dental sciences, values in USD million, 2013-2017

Code	Description	2013	2014	2015	2016	2017	Trend '13-'17	CAGR '13-'17
'90184990	Dental instruments & appliances, nes	83	97	115	118	135		13.0%
'90184910	Dentists' chairs with dental equipment	15	17	20	25	22		11.2%

6.3 Main suppliers

6.3.1 Surgical instruments HS 90189090

Pakistan takes the 17th position in the list of leading suppliers with a share of 0.5% in 2017. Pakistani exports grew considerably since 2013 and growth was more than 30% per year on average (compared with 13.4% average growth of Chinese imports).

The leading suppliers USA-Mexico (51%) and Germany (11%), in total represent more than 60% of Chinese imports. The Chinese market relies on the established brands to a considerable extent.

Pakistan experienced a strong growth, but less strong then several other countries: India (+207%), Singapore (+106%), Vietnam (+60.9%), and Mexico (+57.1%) registered a higher growth. This shows that Pakistani exporters could much better exploit Chinese market opportunities than they have done until now.

Table – Leading suppliers of HS 90189090 to China, surgical instruments used in human and veterinary healthcare, category "other - other", values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**875.0**	**1,088.1**	**1,240.6**	**1,340.9**	**1,448.5**			**13.4%**
17	***Pakistan***	***2.6***	***3.6***	***3.8***	***5.0***	***7.7***		0.5%	30.6%
1	United States of America	501.9	556.9	547.1	511.7	509.9		35%	0.4%
2	Mexico	38.2	91.3	178.8	212.8	232.5		16%	57.1%
3	Germany	113.2	137.8	147.7	162.8	160.7		11%	9.2%
4	Japan	62.1	84.9	80.6	88.7	102.5		7%	13.3%
5	Israel	38.5	48.7	64.9	70.2	90.3		6%	23.7%
6	Viet Nam	8.8	10.1	11.0	45.2	59.0		4%	60.9%
7	Costa Rica	17.0	17.0	33.2	31.7	53.5		4%	33.3%
8	Ireland	9.4	11.0	29.7	49.1	40.1		3%	43.9%
9	Switzerland	20.1	25.7	28.5	27.4	29.5		2%	10.0%
10	France	8.8	16.9	16.3	16.7	25.7		2%	30.6%
11	China	6.7	7.5	8.6	13.7	18.6		1%	29.1%
12	Korea, Republic of	6.1	10.0	10.7	12.7	16.7		1%	28.5%
13	United Kingdom	6.6	8.4	7.5	7.6	15.0		1%	22.6%
14	Italy	10.7	13.7	12.4	14.3	13.7		1%	6.4%
15	Singapore	0.6	1.3	4.0	9.3	11.1		1%	105.8%
16	Taipei, Chinese	2.9	4.8	6.1	7.0	9.1		1%	32.7%
17	Pakistan	2.6	3.6	3.8	5.0	7.7		1%	30.6%
18	Sweden	2.7	4.2	6.2	9.9	7.2		0%	27.7%
19	Slovenia	2.0	3.7	3.2	4.9	6.7		0%	36.0%
20	Dominican Republic	1.4	2.1	4.0	5.2	5.5		0%	40.7%
21	Canada	3.4	8.2	15.0	7.5	5.2		0%	11.5%
22	Turkey	0.5	6.1	4.2	3.0	4.2		0%	71.6%
23	Malaysia	0.3	0.9	1.5	3.2	3.6		0%	82.7%
24	Netherlands	0.8	1.8	1.5	2.4	2.6		0%	35.4%
25	Australia	1.3	4.4	3.6	3.0	2.6		0%	19.2%
26	India	0.0	0.2	1.2	2.7	2.2		0%	207.0%

6.3.2 Dental instruments HS 901849

Pakistan is the #17 supplier to the Chinese dental instruments market with 0.5% of Chinese imports. Growth was below average Chinese import growth (10.2% versus 13.0%).

The leading supplier of HS 901849 to China is Germany, while Switzerland is very close. Other important suppliers are USA, Korea and Japan. Together, the top 5 is good for 68% of the Chinese market. These figures show that the Chinese market seems to rely on the established brands to a very large extent. Most striking is that Vietnamese exports to China started slowly in 2015 and increased quickly afterwards.

Table – Leading suppliers of HS 901849, dental instruments to China, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**82.9**	**97.0**	**114.9**	**118.2**	**135.1**			**13.0%**
17	***Pakistan***	***0.46***	***0.29***	***0.39***	***0.39***	***0.67***		0.50%	10.2%
1	Germany	28.1	23.9	26.5	26.8	26.6		20%	-1.4%
2	Switzerland	18.6	24.6	26.4	21.8	25.4		19%	8.0%
3	United States of America	11.1	9.8	13.6	12.8	17.2		13%	11.6%
4	Korea, Republic of	3.9	4.5	6.6	9.3	11.0		8%	29.1%
5	Japan	7.6	13.5	13.0	9.5	10.7		8%	8.8%
6	Viet Nam	0.0	0.0	0.3	9.1	9.7		7%	
7	Austria	2.5	5.1	6.0	6.1	6.9		5%	28.9%
8	France	4.1	4.9	4.9	5.1	6.7		5%	12.9%
9	Italy	1.4	2.9	3.2	2.4	4.4		3%	33.5%
10	Israel	1.8	1.7	1.1	2.6	3.3		2%	16.8%
11	Finland	0.0	0.4	3.5	3.5	2.9		2%	204.5%
12	Poland	0.0	0.0	0.1	0.0	2.4		2%	
13	Sweden	1.4	3.4	5.0	4.2	2.3		2%	12.5%
14	Mexico	0.7	1.1	1.8	1.9	1.9		1%	26.9%
15	Taipei, Chinese	0.4	0.4	0.9	1.2	1.2		1%	28.6%
16	Denmark	0.2	0.2	0.8	0.7	0.8		1%	42.2%
17	Pakistan	0.5	0.3	0.4	0.4	0.7		0%	10.2%
18	United Kingdom	0.2	0.1	0.2	0.2	0.6		0%	39.8%
19	China	0.1	0.1	0.0	0.1	0.3		0%	47.6%
20	Malaysia	0.0	0.0	0.0	0.1	0.1		0%	134.0%

6.3.3 Ophthalmic instruments HS 901850

Pakistan plays a tiny role as supplier to the Chinese ophthalmic instruments market. The best year was 2017, when Pakistani exports reached USD 94,000. More details are in the table below.

The leading suppliers of ophthalmic instruments to China are Germany and the USA, while Japan, Switzerland, and Korea make up the top 5 of the list. The Chinese market seems to rely on the established brands to a very large extent. Vietnam has shown quite a good performance with a supply growing from USD 0.4 million in 2014 to USD 2.2 million in 2017.

Table – Leading suppliers of HS 901850, ophthalmic instruments and appliances, values in USD million, 2013-2017

#	Top Suppliers	2013	2014	2015	2016	2017	Trend '13-'17	Share	CAGR '13-'17
	World	**283.4**	**352.9**	**375.4**	**437.9**	**530.2**			**17.0%**
26	***Pakistan***	***0.02***	***0.00***	***0.01***	***0.00***	***0.09***		0.02%	55.7%
1	Germany	93.0	121.0	125.8	168.1	220.0		41%	24.0%
2	United States of America	99.3	125.7	137.4	139.9	146.9		28%	10.3%
3	Japan	40.2	46.9	52.1	59.6	61.4		12%	11.2%
4	Switzerland	26.4	30.3	28.8	31.6	31.0		6%	4.1%
5	Korea, Republic of	2.9	2.7	2.9	3.5	14.1		3%	48.7%
6	Singapore	0.3	0.2	0.2	0.3	11.1		2%	155.3%
7	France	9.6	7.6	5.2	7.4	9.2		2%	-1.1%
8	United Kingdom	1.7	2.4	4.7	4.4	8.0		2%	48.5%
9	Italy	2.1	3.3	2.6	5.3	5.2		1%	25.2%
10	Netherlands	1.1	1.6	0.9	0.8	4.2		1%	41.1%
11	Canada	0.0	0.9	2.3	1.4	3.7		1%	364.7%
12	Spain	0.6	0.6	1.2	0.0	2.6		0%	41.1%
13	Taipei, Chinese	0.7	1.1	1.5	2.4	2.5		0%	37.1%
14	Australia	1.8	2.7	2.2	3.8	2.2		0%	4.8%
15	Viet Nam	0.0	0.7	1.3	1.6	2.2		0%	
16	Israel	1.3	1.7	1.5	1.4	1.3		0%	0.0%
17	China	0.4	0.9	1.4	1.0	0.9		0%	20.7%
18	Ireland	0.1	0.2	0.1	0.8	0.8		0%	98.4%
19	Denmark	0.6	0.9	1.1	0.8	0.7		0%	0.9%
20	Mexico	0.0	0.0	0.0	0.0	0.5		0%	
21	Finland	0.6	0.8	1.5	2.5	0.4		0%	-6.0%
22	Austria	0.1	0.2	0.1	0.4	0.3		0%	34.5%
23	Slovenia	0.0	0.3	0.1	0.3	0.3		0%	53.8%
24	Russian Federation	0.1	0.1	0.1	0.2	0.2		0%	17.3%
25	Poland	0.2	0.1	0.1	0.3	0.2		0%	-1.3%

6.4 Market characteristics and trends in healthcare

China has become one of the most attractive medical devices and instruments markets in the world in the past decade. While the country relies on imports of instruments to a considerable extent, the local production has also increased and seen a movement from low-end to middle-to-high end devices.

Main drivers of the medical sector growth have been the strong growth of the elderly population; booming demand from the middle class, and China health reform. Initiated in 2009, 95% of the population is covered by health insurance nowadays, either through national health insurance or a rural co-operative medical insurance system.

6.4.1 Quick facts and segmentation

- The Chinese market for medical technology is huge. It is the world's most populous country with 1.4 billion people.
- China has an increasing disease burden. Cardiovascular events alone are expected to increase by 50% between 2010-2030 due to the country's aging population.
- Chinese expenditure on medical technology increased by between 22-30% per year between 2008 and 2015. Between 2015 and 2020, this growth is expected to be somewhat lower (between 12-20%). Market growth is mainly driven by the replacement of out-dated medical equipment and expanding coverage of advanced medical equipment in rural areas (in class 1 and 2 hospitals in county level cities).
- Illustrative for the huge growth is the following: during the past twenty years, the number of urban medical and health organizations in China increased from less than 200,000 to about 340,000 in 2015. This included:
    - 25,000 hospitals,
    - 75,000 community health service and health centers
    - 200,000 clinics and other healthcare institutes.

- The number of private hospitals has doubled in in the period 2011-2017 and reached 17,000 in 2018. With an additional 13,000 public hospitals, the total number of hospitals was 30,000 in 2018. It must be noted that private hospitals tend to be much smaller (# of beds is 280 on average) and therefore they only generate less than 10% of total hospital turnover in China.
- Hospitals are divided into three classes: Class 1, 2 and 3. Class 3 hospitals have more 500 beds and represent 6% of the

hospitals in China. This group also includes the "super hospitals" that can have up to 5,000 beds and 20,000 outpatients per day. For Class 2 the numbers are 100-500 and 25%, for Class 1 34% and below 100 (35% of hospitals are unclassified). While Class 3 hospitals use virtually only imported equipment, for Class 2 hospitals the share of imported equipment is only between 60-70%, and for Class 1 even only 40%.

- China's central and local governments play an important role in the medical industry as the majority of hospitals and medical institutes are state owned or affiliated.
- In 2014, the State Council released guidelines and a timetable to reform public hospitals. An important part of these guidelines are the central government plans to increase expenditure on clinics, insurance, medical equipment, drugs, etc. in rural areas.
- Although absolute numbers of healthcare are impressive, the ratios per capita are still low; for example the number of hospital beds was 4.55 per 1,000 inhabitants in 2013, while in that year there were slightly more than 2 licensed doctors per 1,000 people.

6.5 Market characteristics and trends in veterinary care

- The animal healthcare industry in China has grown strongly in the past decade. This went hand in hand with an improved medical infrastructure in the country, caused by 1) the rise in the personal disposable income and 2) more awareness amongst pet and livestock owners related to zoonotic disease, and 3) an increase in domestic livestock production and rising concerns over animal diseases like foot-and-mouth disease, avian influenza, blue ear disease and mad cow disease.
- China is home to an incredibly large number of more than 471 million pigs and over 300 million sheep and goats. Further, China counts 82 million cattle, 24 million buffaloes, 6 million horses, 6 million asses, and 2 million mules. While the cattle population is concentrated in the Southeast and East of China, Western China hosts most of the sheep and goats. Pig population is concentrated in the central Sichuan region, but can be also found elsewhere.
- A considerable and growing share of the Chinese eat meat, dairy and poultry products. This has supported growth of veterinary services, along with growing disposable incomes, increased pet humanization and an overall change in peoples' attitude towards animals. More specifically, China has recently witnessed an increasing consumer concern for where and how their food is produced; this has led to a tougher scrutiny of feeding and rearing practices of farm animals.
- The risk from zoonotic diseases is an important driver of the market for veterinary healthcare. Inter-governmental organizations and food producers are making reforms to ensure health by the process of surveillance and vaccination, investing in R&D, and transfer with respect to veterinary health.
- China is home to more than 27 million dogs and 11 million cats and these numbers are growing every year.
- There are about 11,000 veterinary clinics in China, but 3 out of 4 are very small, while the balance are well developed and equipped.

6.6 Market access requirements

Medical devices are organised into three classes in China – Classes I, II and III – based on the risk level of the device (determined by the purpose, structural features, whether it comes into direct contact with the body, methods and status of use) from low to high. Most surgical instruments belong to Class I - medical devices that have low risk, for which safety and effectiveness can be ensured through routine administration.

According to the Regulations for the Supervision and Administration of Medical Devices (March 2014), Class I medical devices can be only distributed in China by a Chinese agent, while they also need product-filing management with the CFDA (China Food and Drug Administration) before distribution starts (see the next

paragraph on “Class I filing dossier). The agent can be a distributor or any third-party company located in China. Registration fees only need to be paid for Class II and Class III products.

Pakistani exporters should dedicate their attention to a distributor that already has an existing sales structure to hospitals and other channels, or a successful tender network.

Note that:

- There is no centralized procurement system for medical equipment; medical equipment is usually purchased based on the needs of local medical and healthcare institutes and local government budget.
- The public hospitals follow the government’s policy of buying local products if the quality is similar.
- The tendering and procurement process for medical equipment is not the same everywhere in China. However, it usually involves the medical and healthcare institute (supported by the local government), tender agents, tendering companies, and experts evaluating the bidders.
- All these requirements do only apply to human healthcare, and not to instruments used in animal healthcare.

6.6.1 Class I filing dossier

The specifications for a Class I filing dossier are defined in the CFDA Announcement Number 2014-26: “CFDA notice on the Matters related to Filing of Class I Medical Devices”. These requirements mention that the filing content must include:

- Form for Class I medical device filing;
- Risk analysis report;
- Product technical requirements;
- Product self-testing report (in accordance with the above specifications);
- Clinical evaluation report;
- Instruction for Use (IFU) and labels (Imported devices should submit original and translated IFU and labels for its country of origin);
- Manufacturing process and manufacturing site(s);
- Business registration license at Country of Origin (COO), supporting documents of marketing authorization at COO, and Free Sales Certificates from country of origin;
- Business registration certificate from the Chinese representative;
- Declaration of conformities (to Chinese regulation and standards).

China Medical Device Registration Certificate
中华人民共和国医疗器械注册证
No.: National MD Imported 2014224xxxx
注册证编号： 国械注进20142[redacted]

Registrant Name	注册人名称	德国[redacted]有限公司，[redacted] GmbH
Registrant Address	注册人住所	[redacted] Deutschland
Manufacuture Address	生产地址	[redacted] Germany
Agent Name	代理人名称	[redacted]有限公司
Agent Address	代理人住所	[redacted]
Product Name	产品名称	医用激光[redacted] Medical Laser [redacted]
Model	型号、规格	见附页
Structure and Components	结构及组成	产品由激光装置[redacted] [redacted]组成。
Intended Use	适用范围	该产品配合[redacted]疗仪使用，起到传导激光能量的作用。
Attachment	附件	注册产品标准
Others	其他内容	/
Remarks	备注	

审批部门： 国家食品药品监督管理总局
Approved by: CFDA
批准日期： 二〇一四年十一月十三日
有效期至： 二〇一九年十一月十二日
Issue Date:
Expiring Date:

As soon as CFDA verifies the format and completeness of the regulatory dossier, the Class I Medical Device Filing Certificate will be issued with an official filing number. This should be captured on the Chinese labels

and IFUs. No renewal is required for Class I filing. In case any filing item that is reflected in the filing content is changed, the applicant should apply for amendment filing with the original filing regulatory authority.

6.6.2 Import duties

Chinese import duties on medical equipment can be as high as 30%, while a VAT of 10% applies to all medical equipment. The normal (MFN) import duties for surgical and dental instruments are 17%, while a few countries and country groups benefit from lower rates, refer to the table below.

Tariff regime	Applied tariff	Total ad valorem equivalent tariff
Most Favored Nation (MFN) duties	17%	17%
Preferential tariff for EU / USA / Mexico / Turkey / Taiwan / Japan / Israel / Canada	3.22%	3.22%
Preferential tariff for India	2.43%	2.43%
Preferential tariff for EFTA	0.67%	0.67%
Preferential tariff for the republic of Korea	0.32%	0.32%
Preferential tariff for ASEAN / AANZFTA / Costa Rica	0%	0%

ASEAN includes the countries: Indonesia, Thailand, Malaysia, Singapore, Philippines, Vietnam, Cambodia, Myanmar, Brunei and Laos.
AANZFTA includes the ASEAN countries and Australia plus New Zealand.

6.7 Trade structure and potential trade partners

The best method to access the Chinese market is through distributors/importers. Such distributors have either an established distribution network or know how to develop such a network. The exporter can supply the product under the own brand or as private label product; this depends on the requirements of the customer. The healthcare industry (also most of the distributors/importers) is concentrated in the Western and Southwestern part of China (Pearl River Delta, Yangtze River Delta, and Bohai Bay), most notably the cities of Beijing, Shangha Jiangsu, and Guangdong, and the coastal areas.

A few examples of companies that might be interesting prospects are:

- SunnyScience - http://www.sunnyscience.cn/html_info/About-Us(Home).html - distributor of veterinary healthcare products, including instruments.
- Hill-Rom - https://www.hill-rom.cn/usa/Products/Category/Surgical-Equipment/ - distributor of healthcare products, including surgical equipment.
- Kangmeiyi Medical Technology is a general distributor for healthcare supplies.
- Shanghai Vistaar Medical Devices distributor.
- M&L International Corporation distributor.
- Brightway Medical InstruCo distributor of ophthalmic instruments.
- Kanger Medical - https://www.kangermedical.com/about-us - producer of endoscopic surgical instruments.
- Hygeia is a producer of disposables.
- SinoPharm – one of China's largest online healthcare distributors.
- Chinese Veterinary Medical Association - http://www.cnvc.org.cn/syxh/index.html

CM-Instrumente from Germany is a distribution company for which China is an important market.

6.8 Trade promotion

Visits to (or exhibit at) these trade fairs might offer you the opportunity to also meet buyers from other countries in and outside Europe. Consider to visit/exhibit at the biggest events in China:

- China International Medical Equipment Fair (CMEF), May every ear in Shanghai.
- C-Medical Fair, July every year, Shanghai.
- Beijing International Medical Devices Exhibition, September every year in Beijing.
- China International Animal Husbandry Expo, May every year, different cities.
- Pet Fair Asia - Shanghai, every year in August. 65% of visitors come from East China, and 16% come from North China.
- VIV FromFeedtoFoodforChina, September in Nanjing, every year. The exhibitor list lists several Chinese companies in the subsector of animal health.

These Chinese fairs primarily attract Chinese visitors, but are also very important for international companies with activities in China.

Chinese manufacturers that exhibit at these trade shows also import products and could be as such an opportunity for Pakistani exporters too. All these fairs have an exhibitor database, however there are no company descriptions available. This makes it difficult to prepare a route for the visit.

6.9 More information

- Italian Trade Agency: China Medical Industry Report
- Gabelli - ANIMAL HEALTH Animal Medicines and Vaccines
- ChinaDaily - Pet boom raises demand for veterinarians
- DaxueConsulting – Pet Lovers Spending Billions in China
- Corresponsibility – Chinese Healthcare Trends
- EMERGO: New CFDA Medical Device Classification Catalog May Require New Registrations in China
- GlobalHealthi: China's Medical Device Market – Big, but Thorny

7. APPENDICES

7.1 MARKET SELECTION

This chapter reveals two things. In the first place it includes a basic analysis of worldwide supply of and demand for surgical, veterinary, dental and beauty care instrument. It does not focus on absolute values, but more on shares (or relative values). Secondly, based on that analysis, a selection of focus markets will be made. For these focus markets, the following chapters give more detailed information that can be used in the company's Export (Marketing) Plans.

7.1.1 Surgical and veterinarian instruments

This analysis is based on trade statistics for HS code 90189090. This code includes both surgical and veterinarian instruments. Basically, the analysis of trade for this code is used to gauge potential for surgical instruments. For veterinarian instruments, the analysis of trade for this code is coupled with livestock and GDP data to select a few focus markets.

7.1.1.1 Main suppliers per continent for HS 90189090

An analysis of shares of supplying countries per continent gives interesting insights. The Table below gives the details for the world's 41 largest exporters for 2017.

The following three explanations help to understand the values in the Table.

1. Pakistan takes the 31st position in the list of leading global suppliers and is good for 1% of total African imports. The share for the Asian continent is the lowest at 0.3%, while Oceania (0.4%), Europe (0.5%) are also relatively low. The share to the American continent is 0.8%.
2. The yellow highlighted values refer to supply by countries from the same continent. For example, in the first column one can see that Africa has only one important supplier from the African continent: South Africa.
3. Bold values indicate a particular strength for a supplying country in the particular region. For example, France, which is the 6th largest global supplier, has a particular high share on the African continent.

Figure MS1: Main suppliers per continent for HS 90189090, 2017, by share*.

		Destination region				
		Africa	America	Asia	Europe	Oceania
	Import value USD million '17 ->	**1,161**	**14,511**	**12,059**	**22,322**	**1,552**
	Supplying country	**Africa**	**America**	**Asia**	**Europe**	**Oceania**
1	United States of America	**15.2%**	16.3%	**30.3%**	**23.3%**	**43.1%**
2	Germany	**18.4%**	10.6%	**15.1%**	**14.3%**	6.5%
3	Mexico	2.4%	**25.6%**	**10.1%**	2.5%	**8.8%**
4	China	**10.4%**	**6.1%**	**6.0%**	**4.3%**	4.0%
5	Japan	3.7%	3.0%	**9.0%**	5.3%	4.0%
6	France	**8.2%**	1.3%	2.1%	3.2%	2.1%
7	Switzerland	1.9%	**3.9%**	2.3%	3.1%	3.3%
8	Ireland	1.2%	**5.7%**	1.4%	3.2%	2.9%

		Destination region				
		Africa	America	Asia	Europe	Oceania
	Import value USD million '17 ->	**1,161**	**14,511**	**12,059**	**22,322**	**1,552**
	Supplying country	**Africa**	**America**	**Asia**	**Europe**	**Oceania**
9	Belgium	**2.9%**		0.9%	**6.6%**	0.4%
10	Netherlands	**2.3%**	0.4%	0.9%	**6.6%**	0.5%
11	Costa Rica	0.6%	**5.5%**	1.4%	1.1%	**2.0%**
12	United Kingdom	**2.6%**	1.3%	1.6%	**2.8%**	1.8%
13	Italy	**2.5%**	1.4%	1.6%	**2.8%**	1.0%
14	Dominican Republic		**5.1%**	0.8%		**1.8%**
15	South Africa	**6.5%**				
16	Malaysia		1.1%	0.9%	0.9%	**2.7%**
17	Singapore		0.7%	**2.3%**	0.7%	1.7%
18	Israel		**2.6%**	1.7%		0.8%
19	Korea, Republic of	**1.5%**	0.4%	**1.8%**		0.7%
20	Luxembourg				**3.7%**	
21	Australia					**3.5%**
22	India	**2.7%**		0.5%		
23	Viet Nam		0.7%	**1.5%**	0.9%	
24	Poland	0.6%	0.6%		**1.2%**	0.6%
25	Taipei, Chinese	0.7%	**1.1%**	0.6%		0.4%
26	Sweden	**1.2%**		0.8%	0.8%	
27	Austria	**1.8%**			0.9%	
28	Spain	**1.0%**	0.4%		0.7%	
29	Finland				0.9%	1.0%
30	Thailand		0.9%	0.9%		
31	**Pakistan**	**1.0%**	**0.8%**	**0.6%****	**0.5%**	**0.4%**
32	Denmark	**1.0%**				0.5%
33	Turkey	0.7%			0.7%	
34	Canada		1.0%			
35	Bosnia and Herzegovina					**0.9%**
36	Portugal	**0.9%**				
37	Czech Republic				0.9%	
38	Hungary				0.7%	
39	Indonesia		0.3%	0.4%		
40	New Zealand					0.7%
41	United Arab Emirates			0.5%		

*Shares are based on export values of supplying countries (meaning that the shares are calculated with "mirror data").

**0.6% is the percentage based on direct data. With mirror data this share is 0.3%.

The basic use of this table is to have a general understanding of competition per continent. In a later stage, this competitive analysis of the continent can be used in the country brief as well for an indication of competitors' strengths, and potential competitors.

In addition, a very simple conclusion based on Table MS1 would be that Pakistan should focus on Oceania, Asia and Europe, as the shares for Pakistani instruments are the lowest, meaning that there is much to gain on these continents.

However, one should not underestimate or neglect the effect on transit-trade; instruments made in Asian countries ("country A", e.g. Pakistan) being shipped to countries outside the continent ("country B", e.g. Germany or USA), and then redirected to Asian markets branded as "made in country B". This effect probably has quite an effect on the share of Pakistan as supplier to the Asian continent. This is because Asians appreciate quality instruments made in Germany and the USA, and they are willing to pay better prices for such instruments. This is less the case on the African continent, for the simple reason that African countries have much lower budgets for healthcare spending.

7.1.1.2 Europe – HS 90189090 – potential markets

While Germany is the largest market for Pakistani instruments exports in absolute terms, the market with the largest share of surgical instruments coming from Pakistan is – not surprisingly – the UK. The UK is a relatively 'easily' accessible market for Pakistani exporters because of the historical connection and the large Pakistani diaspora in the UK. Pakistani companies also use the UK as hub for exports to other European countries, and probably also to some extent for exports to Africa.

Another market with a relatively strong performance is Portugal. Portuguese imports from Pakistan represent 0.9% of Portugal's total imports. This is a huge difference with Spain; Spanish imports in 2017 reached USD1 billion, while only USD 1.9 million came from Pakistan. For this reason, Spain is selected for a market brief.

Figure MS2: Markets in Europe for HS 90189090, 2017, by share of Pakistani supply.

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
Europe	***22,322***	***139.3***	***0.6%***		
United Kingdom	1,816	34.2	1.9%	41%	2Africa and Europe
Serbia	22	0.3	1.6%	980%	
Bulgaria	62	0.9	1.4%	46%	
Germany	3,837	49.4	1.3%	15%	Definitely
Estonia	44	0.5	1.1%	338%	
Portugal	203	1.9	0.9%	194%	a little bit to Africa
Denmark	264	2.3	0.9%	31%	a little bit to Africa
Hungary	109	0.9	0.8%	29%	
Romania	112	0.9	0.8%	44%	
Ukraine	104	0.7	0.7%	144%	
France	1,835	12.3	0.7%	10%	2Africa in particular
Italy	1,570	10.3	0.7%	51%	2Africa and Europe
Poland	392	2.6	0.7%	88%	
Czech Republic	257	1.4	0.6%	-36%	
Russian Federation	901	4.3	0.5%	30%	
Switzerland	1,055	2.3	0.2%	103%	

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
Austria	463	1.0	0.2%	-50%	2Africa
Slovakia	60	0.1	0.2%	188%	
Spain	1,000	1.9	0.2%	25%	2Africa
Latvia	26	0.1	0.2%	-64%	
Croatia	52	0.1	0.2%	45%	
Netherlands	3,008	4.6	0.2%	-42%	2Europe
Belgium	3,121	4.7	0.1%	-23%	2Europe
Finland	189	0.2	0.1%	-88%	
Ireland	613	0.7	0.1%	-4%	2Europe
Greece	182	0.2	0.1%	-14%	
Luxembourg	37	0.0	0.1%		
Sweden	422	0.4	0.1%	-8%	2Africa
Belarus	79	0.1	0.1%		
Lithuania	99	0.1	0.1%	-56%	
Cyprus	20	0.0	0.0%	-100%	
Slovenia	60	0.0	0.0%		
Norway	237	0.1	0.0%		

*Only countries with more than USD15 million imports per year are included in the list.

7.1.1.3 Asia – HS 901890 – potential markets

Although Asia's total imports reach only about half of European imports of HS90189090, it is an interesting continent in terms of opportunities. In the first place, markets are relatively close in terms of geographical and often also in terms of cultural distance. Considering the fact that Pakistan's supply only accounts for 0.6% of total Asian imports (note that this is an apparent value and not taking into account re-exports), there is enough room to gain market share.

Large and medium-sized markets with relatively good shares for Pakistani instruments are Philippines, Turkey and Thailand. India is also importing a considerable volume of instruments from Pakistan, but India is also an important supplier to the African market, and re-exporting Pakistani instruments. For that reason, it is difficult to measure the real attractiveness of the Indian market as such.

There are many underperforming markets in terms of Pakistani share. The largest of these markets are identified with red colour: China, Saudi Arabia, Japan, Malaysia, Indonesia, Taiwan, Kazakhstan and Kuwait. Each of these markets should be worth focusing on for Pakistani exporters. Indonesia, Japan and China will be further discussed in a market brief.

Figure MS3: Markets in Asia for HS 90189090, 2017, by share of Pakistani supply.

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
Asia	***12,059***	***77.4***	***0.6%***		
UAE	273	10.9	4.0%	93%	2Asia
Bangladesh	38	0.9	2.5%	-52%	
Philippines	122	2.6	2.2%	54%	
India	613	11.7	1.9%	96%	2Africa
Nepal	36	0.6	1.6%	-7%	
Turkey	380	5.6	1.5%	120%	
Bahrain	22	0.3	1.3%	414%	
Thailand	244	2.7	1.1%	-20%	2Asia and America
Georgia	19	0.2	1.1%	168%	
Sri Lanka	44	0.4	0.9%	-51%	
Viet Nam	237	1.9	0.8%	-21%	2Asia
Lebanon	42	0.3	0.7%	65%	
Korea	799	5.3	0.7%	51%	2Asia and Africa
China	2,463	16.0	0.6%	174%	Definitely
Iran	121	0.8	0.6%	-85%	
Uzbekistan	19	0.1	0.6%	11%	
Myanmar	16	0.1	0.4%	-95%	
Saudi Arabia	381	1.5	0.4%	-48%	
Jordan	64	0.3	0.4%	-23%	
Japan	2,170	8.1	0.4%	-1%	Definitely
Iraq	57	0.2	0.4%		
Malaysia	287	1.0	0.4%	77%	2Oceania in particular
Oman	17	0.1	0.3%	-36%	
Azerbaijan	17	0.0	0.3%	46%	
Hong Kong	486	1.2	0.2%	-7%	
Indonesia	294	0.7	0.2%	-46%	2Asia and America
Singapore	1,330	2.5	0.2%	-60%	2Asia
Qatar	62	0.1	0.2%	32%	
Taiwan	681	1.1	0.2%	-32%	
Kazakhstan	113	0.1	0.1%	-64%	
Kuwait	137	0.1	0.0%	-100%	
Israel	229	-	-		
Pakistan	116	-	-		

*Only countries with more than USD15 million imports per year are included in the list.

7.1.1.4 Oceania – HS 901890 – potential markets

The only 2 relevant markets in Oceania are Australia and New Zealand. Australia is the bigger market of the two countries. Both Australia and New Zealand can be interesting "all-round" instruments markets to focus on. The share of Pakistani supply is only 0.6%, and both countries have relatively high GDP and a considerable livestock, meaning that there should also be a good market for veterinarian and beauty-care instruments.

Figure MS4: Markets in Oceania* for HS 90189090, 2017, by share of Pakistani supply.

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
Oceania	***1,552***	***8.9***	***0.4%***		
Australia	1,290	7.5	0.6%	30%	
New Zealand	221	1.4	0.6%	100%	

*Only countries with more than USD15 million imports per year are included in the list.

7.1.1.5 Africa – HS 901890 – potential markets

The largest market in Africa in terms of total imports and also for Pakistani exports is South Africa. The Pakistani share is 2.0%, which is the highest of all +USD300 million markets. The best performing countries Nigeria, Ghana, Kenya and Algeria clearly show the untapped potential in other African countries, most notably in the larger markets Egypt, Ethiopia and Tunisia.

Figure MS5: Markets in Africa* for HS 90189090, 2017, by share of Pakistani supply.

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
Africa	***1,161***	***14.0***	***1.0-1.2%****		
Nigeria	17	0.6	3.6%	19%	
Ghana	15	0.5	3.4%	337%	
Kenya	33	0.7	2.2%	17%	
Algeria	44	1.0	2.2%	4%	
South Africa	339	6.7	2.0%	323%	2Africa
Egypt	156	2.1	1.3%	14%	
Tanzania	44	0.6	1.3%	1%	
Uganda	37	0.4	1.1%	-33%	
Morocco	46	0.5	1.1%	-31%	
Libya	30	0.2	0.6%		
Ethiopia	51	0.3	0.5%	109%	
Tunisia	68	0.3	0.5%	-32%	
Senegal	33	0.1	0.4%	-51%	
Sierra Leone	15	0.0	0.1%		
Namibia	29	0.0	0.0%		
Maldives	18	0.0	0.0%	-100%	
Sudan	26	0.0	0.0%		

*Only countries with more than USD15 million imports per year are included in the list.
**This share depends on calculating with direct or mirror data. Mirror data result in 1.0%, direct data result in 1.2%.

7.1.1.6 America – HS 901890 – potential markets

The 6 American markets with a Pakistani share of more than 1% are relatively small markets. Only Brazil's imports are substantial with USD414 million in 2017. The USA is the largest market for Pakistani exports in absolute terms (USD 95.6 million), and with a share of 0.9% for Pakistani instruments, Pakistan's performance in this market is much better than neighbouring country Canada. If any Pakistani exporter would focus on North America, it should definitely take Canada into account.

Figure MS6: Markets in America for HS 901890, 2017, by share of Pakistani supply.

Market	Total imports	Imports from Pakistan	Pakistan share in market	Pakistan share development '10-17	Hub function
America	***14,418***	***120.8***	***0.8%***	***-19%***	
Uruguay	17	0.4	2.6%	38%	
Brazil	414	9.1	2.2%	-2%	
Bolivia	19	0.4	1.8%	-61%	
Guatemala	22	0.4	1.8%	-3%	
Cuba	24	0.4	1.5%	90%	
Ecuador	83	0.9	1.1%	27%	
Argentina	137	1.4	1.0%	-52%	
Peru	68	0.7	1.0%	-50%	
Chile	185	1.8	1.0%	-37%	
USA	10,278	95.6	0.9%	16%	Definitely
Dominican Republic	56	0.4	0.7%	117%	2America
Colombia	180	1.0	0.6%	8%	
El Salvador	17	0.1	0.5%	-15%	
Mexico	1,529	5.6	0.4%	-3%	Definitely
Panama	68	0.2	0.2%	-8%	
Canada	1,212	2.3	0.2%	20%	
Venezuela	24	0.0	0.2%	-48%	
Costa Rica	83	0.1	0.1%	-84%	2America

7.1.1.7 Veterinarian instruments market potential based on livestock data

Livestock statistics, coupled with GDP statistics, also give an indication of markets with good potential for veterinarian instruments. Per continent, these countries are thought to be interesting markets for Pakistani instruments:

- Europe: UK, Italy, Germany, Switzerland, Sweden, Russia, France, Ireland, Netherlands, Poland, and Spain. The UK, Germany and Italy are the top three markets in Europe. These countries, but also Russia, France, Netherlands, Poland, Spain and Ireland have a considerable livestock population. Switzerland and Sweden's livestock populations are considerably smaller, but these countries have a relatively high per animal expenditure.
- Asia except Middle East: Japan, Malaysia, South Korea, China, Thailand, Indonesia, Turkey, India, the Philippines, and Taiwan. Japan and South Korea dominate this region, but China's livestock population is so huge that the country is also an important market.
- Asia - Middle East: United Arab Emirates, Saudi Arabia, Oman, Israel, Iran and Turkey. Relatively small livestock populations but high GDP per capita characterize these countries.
- Oceania: New Zealand and Australia. Both the livestock population and GDP per capita are high.
- Africa: South Africa, Algeria, and Egypt. On the African continent, these countries seem to offer the best opportunities.
- America: USA, Canada, Brazil, Argentina, and Mexico. The USA is the largest market by a long way.

Based on this list of countries and the foregoing analysis, the following three countries have been selected for a brief on the veterinary markets: Spain, Indonesia, Japan and China.

7.1.2 Dental instruments

This analysis is based on trade statistics for HS code 901849 for dental instruments. The following two tables give an overview of 1) the top 30 largest markets for Pakistani dental instruments (each with more than USD 300,000 of instruments imported from Pakistan), and 2) all other markets with a total import value of more than USD2 million in 2017.

Figure MS7: Leading markets for HS 901849 from Pakistan, 2017, by Pakistani export value.

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
World	**4,713.2**	**46.5**	**5.1%**	**7.5%**
United States of America	863.0	6.6	6.0%	10.7%
Germany	547.6	5.2	6.8%	8.2%
Mexico	55.9	3.9	6.2%	13.6%
Italy	156.2	3.9	0.3%	2.4%
Brazil	43.0	2.7	14.8%	9.9%
India	56.6	2.0	12.5%	22.9%
Turkey	53.7	1.9	7.6%	14.1%
Japan	187.7	1.5	2.4%	6.0%
United Kingdom	123.4	1.5	-0.4%	11.1%
Poland	52.4	1.3	5.1%	5.6%
Iran	29.1	1.3	12.8%	10.0%
Thailand	39.8	1.2	8.0%	11.0%

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
Korea, Republic of	72.3	1.0	7.2%	17.4%
France	219.7	0.9	2.2%	21.0%
Chile	23.9	0.7	6.5%	2.8%
Argentina	9.4	0.7	11.9%	9.3%
China	159.1	0.7	20.1%	61.0%
Canada	223.1	0.6	5.6%	1.9%
Colombia	13.3	0.6	4.7%	9.6%
New Zealand	19.4	0.6	1.6%	22.3%
Russian Federation	103.0	0.6	5.4%	-4.1%
Ecuador	7.1	0.5	6.1%	15.9%
Peru	9.3	0.5	2.9%	2.5%
Romania	29.2	0.4	14.0%	6.0%
Viet Nam	16.5	0.4	9.2%	5.5%
Australia	107.8	0.3	4.4%	3.1%
Philippines	4.8	0.3	6.9%	57.0%
Ukraine	7.7	0.3	-2.2%	10.1%
Spain	143.9	0.3	1.6%	5.7%
Egypt	11.6	0.3	0.7%	41.6%

Although several and probably even most of the countries might offer opportunities, France has been selected to focus on in a market brief. The French market is the 4th largest market in the world. Pakistani exports have been growing quickly in the period 2010-2017, but the share in French imports is still very low. Also Spain (#10 market globally) has been selected for a market brief, for the same reason.

Out of the other relatively large markets for dental instruments (displayed in MS8), the Netherlands also seems to be an interesting market. It is the 6th largest market for dental instruments globally and Pakistani exports have faced considerable pressure in the period 2010-2017.

Figure MS8: Other large markets for HS 901849 of more than USD 10 million of import value in 2017, by import value in 2017.

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
World	**4,713.2**	**46.5**	**5.1%**	**7.5%**
Netherlands	185.4	0.1	11.6%	-35.1%
Switzerland	182.2	0.1	7.4%	28.3%
Belgium	87.0	0.0	7.7%	7.6%
Austria	86.0	0.0	6.0%	-7.3%
Sweden	61.1	0.1	-0.3%	1.6%
Finland	53.4	0.0	7.3%	15.5%
Saudi Arabia	42.9	0.1	3.2%	20.7%
Portugal	38.9	0.2	-0.9%	30.4%
Hong Kong, China	38.8	0.1	-2.4%	12.3%

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
Denmark	38.4	0.1	0.4%	-21.5%
Israel	33.0	0.1	7.6%	48.9%
United Arab Emirates	32.6	0.0		
Taipei, Chinese	31.4	0.2	2.6%	1.5%
Norway	30.3	0.0	7.1%	1.4%
Czech Republic	28.1	0.1	6.0%	-4.3%
Singapore	22.8	0.1	3.4%	-0.2%
Slovakia	21.8	0.0	12.6%	4.2%
Greece	19.3	0.0	-7.1%	-7.0%
Kuwait	16.6	0.0	8.9%	3.5%
Malaysia	16.2	0.0	1.9%	-12.9%
Ireland	16.2	0.0	9.5%	17.0%
South Africa	14.7	0.0	2.3%	-4.7%
Croatia	11.3	0.1	11.8%	28.5%
Slovenia	10.3	0.0	6.6%	-16.4%

Instead of looking at the largest markets of Figure MS8, growth figures can be also interesting to look at. In several countries the attention for dental healthcare has been very low until recently. Examples of these countries in the Asian region are Indonesia and Myanmar. Of these 2 countries, Indonesia has been selected to focus on in a market brief.

Figure MS9: Other large markets for HS 901849 of more than USD 10 million of import value in 2017, by import growth in 2010-2017.

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
Botswana	4.1	0.0	47.5%	
Mozambique	0.7	0.0	35.9%	
Azerbaijan	1.5	0.0	27.9%	
Bahrain	2.0	0.0	27.5%	
Côte d'Ivoire	0.4	0.0	24.9%	
Indonesia	4.6	0.0	23.3%	21.9%
Myanmar	0.4	0.0	21.7%	
Nicaragua	2.1	0.1	19.3%	9.4%
Uganda	0.8	0.0	18.4%	
Latvia	5.1	0.0	16.5%	2.2%
Jamaica	0.8	0.0	16.2%	
Jordan	6.3	0.1	15.3%	14.1%
Palestine, State of	0.6	0.0	13.5%	
Honduras	1.5	0.1	12.7%	18.0%
Slovakia	21.8	0.0	12.6%	4.2%
Dominican Republic	1.5	0.1	12.5%	14.5%
Malawi	0.6	0.0	12.5%	

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
Sri Lanka	0.9	0.1	12.4%	1.5%
Moldova, Republic of	1.5	0.0	12.3%	7.1%
Algeria	8.8	0.2	11.9%	4.9%
Croatia	11.3	0.1	11.8%	28.5%
Netherlands	185.4	0.1	11.6%	-35.1%
Lithuania	9.5	0.0	11.0%	4.2%
Kazakhstan	4.7	0.1	10.8%	-2.5%
Bolivia, Plurinational State of	2.5	0.1	10.8%	6.8%
Libya, State of	1.7	0.0	10.5%	-100.0%

7.1.3 Beauty-care instruments

This analysis is based on trade statistics for HS code HS code 821420 for manicure or pedicure sets and instruments. The following two tables give an overview of 1) the top 25 largest markets for Pakistani beauty-care instruments (each with more than USD 300,000 of instruments imported from Pakistan), and 2) all other markets with a total import value of more than USD2 million in 2017.

Figure MS10: Leading markets for HS 821420 from Pakistan, 2017, by Pakistani export value.

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
World	**460.2**	**48.7**	**1.6%**	**-1.1%**
United States of America	94.3	12.1	2.1%	-2.5%
Germany	35.0	6.0	-0.9%	2.8%
United Kingdom	15.9	4.6	-4.8%	13.0%
Italy	15.2	3.2	-0.3%	-6.9%
Brazil	6.1	2.4	0.7%	-14.0%
France	23.7	1.9	3.5%	-0.5%
Russian Federation	8.8	1.7	-2.8%	0.2%
Australia	5.0	1.7	-1.1%	9.2%
Mexico	21.9	1.5	14.6%	5.5%
Spain	9.1	1.5	-5.5%	6.3%
South Korea	8.4	1.1	10.4%	-0.9%
Finland	0.9	1.0	-9.0%	-9.5%
Poland	10.4	0.7	5.1%	5.2%
Argentina	4.0	0.7	10.9%	11.4%
Canada	13.9	0.6	2.5%	4.6%
Japan	10.3	0.5	-0.3%	5.6%
Netherlands	12.8	0.5	5.2%	-10.7%
Greece	2.8	0.5	2.3%	5.2%
Turkey	3.5	0.5	9.0%	12.3%

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
India	5.1	0.4	4.9%	32.6%
United Arab Emirates	7.8	0.4	n.a.	5.1%
China	7.8	0.4	9.9%	15.8%
Ukraine	1.5	0.3	-7.9%	4.2%
Latvia	1.1	0.3	11.5%	-11.2%
Hong Kong, China	4.9	0.3	-7.9%	-11.9%

Although several and probably even all countries might offer opportunities, France has been selected to focus on in a market brief. The French market is the 3rd largest market in the world. Pakistani exports have been under pressure in the period 2010-2017, while total imports showed an upward trend.

Out of the other relatively large markets for beauty-care instruments (displayed in Figure MS11), in the Asian region the country Thailand seems to be an interesting market too. It is one of the largest markets for beauty-care instruments in Asia. Contrary to its' average strong growth in '10-'17, imports from Pakistan declined by 2.6% per year.

Figure MS11: Other large markets for HS 821420 of more than USD 2 million of import value in 2017, by Pakistani export value.

Country	Import value 2017	Value of Pakistani exports	Import growth '10-'17	Pakistani export growth '10-'17
World	**460.2**	**48.7**	**1.6%**	**-1.1%**
Austria	7.0	0.2	0.8%	14.9%
Belgium	8.1	0.2	-4.7%	-7.2%
Czech Republic	4.2	0.2	10.5%	-7.1%
Romania	3.6	0.2	10.2%	9.5%
Hungary	3.9	0.2	11.5%	10.9%
Colombia	3.9	0.1	2.2%	8.1%
Sweden	2.0	0.1	-5.7%	-17.7%
Singapore	3.1	0.1	-2.7%	-12.3%
Switzerland	5.3	0.1	-1.6%	-10.1%
Saudi Arabia	4.2	0.1	17.9%	-3.9%
Thailand	6.9	0.1	12.3%	-2.6%
Portugal	3.0	0.1	-1.7%	-4.5%
Chile	5.8	0.1	7.8%	0.4%
South Africa	2.8	0.0	-7.4%	-9.0%
Ireland	2.7	0.0	-7.0%	1.7%
Taiwan	2.3	0.0	1.8%	-12.7%
Denmark	3.3	0.0	6.3%	3.7%

7.1.4 Conclusion

There are many markets that are worth focusing on by Pakistani instruments exporters. For a few selected countries, the foregoing chapters offer more details (through so-called market briefs):

- Surgical instruments: Spain, Indonesia, Japan, and China.
- Veterinary instruments: Spain, Indonesia, Japan, and China.
- Dental instruments: France, Spain and Indonesia.
- Beauty-care instruments: France.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Cluster Development Initiative – A Way Forward for Economic Cooperation

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ADVICE TO COMPANIES BASED ON EXPORT MARKETING PLAN SUBMITTED

Please also review the original workbook sent with this for guidance and the Market Intelligence Report to improve your market selectio.

IMPROVING YOUR EXPORT MARKETING PLAN

INTRODUCTION

Based on your last EMP draft, these guidance notes have been prepared for you to once again revisit your Export Marketing Plan (EMP) and make additions and changes to improve its usefulness to you and your company's export growth. The EMP exercise should be a learning opportunity for you and therefore the completion of this plan, to a high standard and carried out by yourself and your key people, will give you the foundation to update it frequently and produce a totally new annual marketing plan each year. Your plan also serves as a framework for your total annual business plan. You will see below that the action plan for the EMP must be far more comprehensive and be kept 'alive' through weekly / monthly reviews with key members of the company or it will have no value.

It is critical that If you do not fully understand the structure and essential inputs for your plan and complete this exercise yourself with your key people then effectively you do not take ownership of the plan and the commitment it needs for its success of failure.

The notes are written based on many aspects of your EMP that have either been misunderstood during our WhatsApp discussion or where there is insufficient detail you have included to make it a comprehensive tool for you. This additional guidance is produced to help you and not criticise your hard work so far.

1. YOUR VISION STATEMENT

Remember, the Vision is your shared 'dream' for the future of you business. It is something that is shared with all of your stakeholders (employees, suppliers, service providers and most importantly your key customers who need to know you are going to commit to them for the future). It is therefore in the 'Public Domain' for all to see and for you to be proud of. It contains no numbers, no measurements, no country / market names. It has to be an inspiring and short message with 'punch' that everyone believes in forever! It must not limit the company from diversification and opportunities that fulfil the Vision. **It is a statement forever!**

2. YOUR MISSION STATEMENT

The Mission adds to the Vision and it should make sense to anyone reading these two statements that one is inseparable from the other. It 'feeds' into your vision! And remember, the mission statement **should consist of only 3 to 5 essential components and not more**. It is not an essay and you need to consider the key points that need to be achieved to live your dream (vision). It could be some of these but need not be:

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ADVICE TO COMPANIES BASED ON EXPORT MARKETING PLAN SUBMITTED

Please also review the original workbook sent with this for guidance and the Market Intelligence Report to improve your market selectio.

- Key market/s – where are your key markets / segments, who is your target client or clients your ideal customer? (generalise if needed)
- Contribution – what product or service do you / will you provide to that client?
- Distinction – what makes your product or service unique, so that the client would choose you? (This is your USP - Unique Selling Proposition - see below also). Your USP makes you stand out from every other business. What is special about your company, its products or people? If you are not different, why would I buy from you?

This is where you need to really think about these 3 to 5 'headline strategies' and **you need to consider these when you are completing your SWOT analysis** so that you can record your current strengths and the new opportunities and how to positively exploit these, your weaknesses that you need to overcome and then record detailed actions to achieve these 'components'. If you do not start with these well thought-out components, then the rest of the EMP makes no sense and has little value. **It takes much thinking to do these statements well!**

3. ESTABLISHING YOUR UNIQUE SELLING PROPOSITION (USP) - THE MAIN IMPORTANCE FOR SIALKOT COMPANIES!

Stating that you have competitive prices, fantastic quality, super-fast delivery, skilled people and years and years of experience does not in any way differentiate you from the competition. **As a buyer will say' 'So what! Tell me something that I don't already expect from all my suppliers. I want you to show me the WOW FACTOR!' What is your Wow Factor?**

Generally businesses in the surgical / dental / veterinary, beauty instrument sectors from Sialkot operate through distributors who will intelligently 'manage' the Sialkot supplier / manufacturer by dictating what price they will pay the supplier, what quality they expect, payment terms the supplier needs to tolerate and, most importantly, the distributor will dominate the critical relationship with the actual customers / users. Distributors will always want to keep the Sialkot companies at 'arms length' from the reality **of the actual customers** which keeps the distributor 'in the power seat' **and the Sialkot companies 'in the dark'.**

Few people actually know about Sialkot and even less that it is the home of wonderful instruments. This is the fault of Sialkot as a cluster and a city and the 'hidden nature' of the way business is conducted through the manipulation middlemen. **This has been the case for decades! It's up to you to do things differently!**

'Accidental sales' through Alibaba and other online platforms give even more anonymity to the Sialkot instrument supplier and Sialkot- (but definitely have a place with some novelty or commodity type products. **Special products need special marketing and sales skills.**

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Based on the above, the branding and packaging of products, (and of the cluster of companies that have presented good export marketing plans - and more importantly started to implement these), needs significant attention if respect and recognition is the aim of each company and the cluster. Picking a brand which has international 'neutrality' will benefit Pakistan / Sialkot companies. Avoiding a brand (and also a company) name/s which does not enhance the imagery of the origin of the product, but rather are associated with negative international perceptions and coming from an 'exotic' location, is an important consideration.

It is understandably a very sensitive subject! China was known for producing poor quality but with brands such a Lenovo and Hisense and excellent quality they have taken on the world. **What is your company's brand value? You need to create your brand value! Everyone else is using your products and developing their brand value. Whose fault is that?**

Note: Even the recycled brown paper used to manufacture the corrugated cartons and the poor quality printing of most of these cartons seen in Sialkot to export products is more associated with low value like items like vegetables and not life saving and life-transforming precision and beauty instruments. Even changing this outer packaging brings more credibility and visibility to the product and perceived product quality.

4. IDENTIFYING MARKET TRENDS FOR YOUR LONG-TERM BUSINESS PLANNING

Many companies that have submitted their Export Marketing Plans do not understand the subject of 'market trends'. Most Sialkot companies observe market trends from trade shows and then copy the latest trend and do not actually innovate through research and development or set the trend with a well-researched and marketable idea. This is why the majority of Sialkot companies manufacture 'me too' products that become 'commoditised' and driven by price only. Worst of all, price competition from other Sialkot companies, and not foreign competition, is a recipe for continued decline**. It really is a situation where companies must 'be different or be dead' which goes back to your need for USP's.**

If you know your market and the market trends, you can develop your marketing plan and marketing messages (promotional plan). You will also understand how you develop and position your products in terms of the competitive landscape, how you plan the future business model that you need to adopt and what skills you need for the future.

Keeping pace with market trends is never easy, day-to-day you have got a business to run and this can be viewed incorrectly as 'wasting time'. As a small or medium-sized AND mostly under-resourced business, consideration should be given to employing a young energetic market researcher part or full-time to trawl all trends and developments in online media and this individual can quickly give a return on a small investment providing the business owner knows how to brief

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the researcher with the critical elements to look for. This means that the business owner needs to be aware of the critical success factors that will take the business forward!

It is important to acknowledge that the industry and the sector in which you operate is ever-changing and in order to stay ahead of the curve, and avoid competitors passing you by, you need to be able to move with the times for the benefit of long-term planning. **Business is a 'dynamic sport'. He who hesitates is lost'!**

However, and more importantly, meeting the real customers / users (not distributors - but could be with distributors if you create the correct distributor relationship!) is the most powerful means of gaining the critical market intelligence to steer the future direction of the business and build customer loyalty away from the competition both from local and other international companies**.**

Remember - 'People buy people first - but if you or your export sales person is not right for this sales role then employ a professional to do this critical job and pay well and incentivise them too. **It's important to recognise that you might not be the right person for the marketing and sales job!**

Market trend analysis need not be as difficult as it sounds. It is simply the comparison of industry / sector data or behaviour over a set time period, designed to recognise any consistent trends or results that could be used to map your business/export strategy aligning it with the general direction of your particular industry or sector.

Market trends tend to be heavily influenced by user's habits and behaviours and especially for instruments. By carrying out the following types of industry trend analysis you will be able to determine the moves that could have a direct impact on your overall business performance:

- **KEEP TRACK OF INDUSTRY INFLUENCERS AND PUBLICATIONS**

As a busy entrepreneur, being pressed for time is by no means a rarity! You do not always have the time or concentration to be able to read through every interesting thought leadership article within our respective industries, so how can you keep track of industry developments? Social media is a powerful tool to keep track of industry influencers, their points of view and ensure you remain 'part of the conversation'.

- **ABSORB UP-TO-DATE INDUSTRY RESEARCH AND TRENDS REPORTS 'LIKE A SPONGE'**

To get a real picture of your industry landscape and determine the direction it is heading in, you really need to read-up on the plethora of industry reports readily accessible to you online. You need to make the most of digital tools and analytics to assess industry behaviour. This is where a research student or part-time marketing graduate can play a major part.

- **LISTEN TO YOUR REAL CUSTOMERS (MUCH MORE THAN YOUR DISTRIBUTORS)!**

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As mentioned earlier, it pays to talk to your customers. After all, they are the real ones that help put food on the table at home! Do not be afraid to have a chat with them and learn more about their pressure points to discover what more your business can do to help them. Regular quantitative surveys of your existing customer base or your target market could provide valuable insight into possible changes in their behaviours and needs. Going to an annual trade show merely scratches the surface. **You need to budget for greater contact with the markets and customers.**

- **COMPETITOR OBSERVATION**

To be different, most successful businesses do not follow the crowd or become 'copycats'. They innovate and break new ground in order to stand out from the competition. However, observation of your competitors can often give you a good picture of their market positioning and whether they are reacting to what could be seen as an emerging trend. Competitor analysis does not have to cost the earth. By simply reviewing their website, customer reviews and social media channels it is possible to understand how you compare to your competitors. Again a researcher can conduct this and it must be done frequently! **So when completing the essential trend analysis in your EMP consider this and then turn it into actions!**

MARKET TRENDS COULD BE...
Product: What is developing in terms of products that you manufacture now, want to manufacture in future, want to stop manufacturing and put your resources to better use? When doing your SWOT analysis you need to record the strengths you have to meet or even lead the trend, where in the trends are there opportunities for your business to exploit and where are your weaknesses to overcome to stay with the trend and what threatens you from moving forward and most importantly -**what actions are you going to include in your action plan to achieve these!**
Price: What are the trends in pricing for your products or future products? **What is changing the pricing and price performance?** Again, when doing your SWOT analysis you need to record the strengths you have to meet or even lead the pricing trends, where in the trends are there opportunities for your business to exploit and where are your weaknesses to overcome to stay with the trend and what threatens you from moving forward and most importantly -**what actions are you going to include in your action plan to achieve these!**
Place: What are the trends in the markets you currently sell to / would like to enter? How are these markets influenced by their economy, their spending, their politics. And again... When doing your SWOT analysis you need to record the strengths you have to meet or even lead the trend, where in the trends are there opportunities for your business to exploit and where are your weaknesses to overcome to stay with the trend and what threatens you from moving forward and most importantly -**what actions are you going to include in your action plan to achieve these!**

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Promotion: How are the competition changing their marketing strategy and marketing messages? How does language and culture influence the promotional trends in your current or target markets. How does your promotional' ammunition' (collateral) compare to the competition and what do they do that makes them stand out? And yet again... When doing your SWOT analysis you need to record the strengths you have to meet or even lead the trend, where in the trends are there opportunities for your business to exploit and where are your weaknesses to overcome to stay with the trend and what threatens you from moving forward and most importantly -**what actions are you going to include in your action plan to achieve these!**
People: What is trending in terms of the major assets (your human resources) that you need to maintain or develop in your own business and what is influencing these trends in your country and internationally? How do others in your industry both locally and internationally develop the key people resources. Also, consider how the users and recipients of your products are changing and how these trends might need you to change also. And again... When doing your SWOT analysis you need to record the strengths you have to meet or even lead the trend, where in the trends are there opportunities for your business to exploit and where are your weaknesses to overcome to stay with the trend and what threatens you from moving forward and most importantly -**what actions are you going to include in your action plan to achieve these!**
Planet: The planet is 'in trouble'! What are you doing to follow or lead the trend for renewable energy, recycling and recycled material, repurposing materials, reducing waste, cleaning-up the immediate environment in your business and surroundings. And again... When doing your SWOT analysis you need to record the strengths you have to meet or even lead the trend, where in the trends are there opportunities for your business to exploit and where are your weaknesses to overcome to stay with the trend and what threatens you from moving forward and most importantly -**what actions are you going to include in your action plan to achieve these!**
Policies: What legislation or political influences are changing the way things operate in Pakistan that might have a positive or negative impact on your business? What international policies are trending that will assist or impede your future development? And again... When doing your SWOT analysis you need to record the strengths you have to meet or even lead the trend, where in the trends are there opportunities for your business to exploit and where are your weaknesses to overcome to stay with the trend and what threatens you from moving forward and most importantly -**what actions are you going to include in your action plan to achieve these!** ***YOU CANNOT FURTHER DEVELOP YOUR EXPORT MARKETING PLAN WITHOUT KNOWING THE MARKET AND ALL OF ITS COMPLEX FACETS!***

5. MARKET / COUNTRY SELECTION & FOCUS

When selecting a new market or markets to develop, it must be based on sound market research to give you the best market intelligence, (which includes the results of your trend analysis above). It is very costly to open new markets in terms of time, money and people resources. **Never pick more**

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then 2 markets at a time to develop! Your young researcher should be working constantly on this!

You need to visit your chosen new markets more frequently at the beginning of your development and 3 to 4 times a year is the least you need to visit each market - and visit your existing markets where you have strong distribution at least 1 to 2 times per year. Of course you need to factor in important trade fairs but do not expect great sales from participating in trade fairs**.** You need to build trust and show you are a serious 'player', just like you competitiors are doing! It is good if your choice of markets are close together to lower costs. **These activities must be included in your action plan and in your annual budget!**

We will be sharing a high level of detail on market oportunities for surgical, veterinary, dental and beauty instruments shortly. However, as the vast majority of Sialkot's export of instruments are sold through 'middlemen', who mostly rebrand / repackage / re-export (and sell on at premium prices!), Sialkot's share of these markets and potential opportunities is not transparent from the trade statistics. However, the analysis will show markets where opportunity and demand is very positive for all 4 sub-sectors for the instrument companies from Sialkot.

6. MARKET ENTRY STRATEGY

Now that you have filtered and selected the 1 or 2 markets, where you have researched the potential further, and after seeing the information we will provide, and importantly you have understood the trends, you need to consider how you are going to enter the market.

This market entry stage, and the decision to develop the opportunity further - and decide it is a 'go or no go' for the next stages - would normally be after you have visited the market at least twice to appreciate the barriers that you may experience when commencing you export drive. Barriers / challenges can include import tariffs, legal requirements, packaging and labelling standards, including language and cultural sensitivities, which sales channels are used by your competition (agent, distributor, direct to users such as hospital or clinics) and appreciate payment terms and contractual obligations.

7. PRODUCT STRATEGY

This stage is informed by you research **and exploratory market visit/s.** With the in-market knowledge you now have you need to decide which products have the best potential, how the products need to be adapted, do you have products for a gap in the market or a market in the gap, how products are packaged and protected and the overall quality you produce related to your competition in that market. **You cannot do this behind a desk in Sialkot or you will continue being 'owned' by your wealthy and highly manipulative distributors who prefer you to stay at home!**

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Based on your trend analysis and further research you can now consider the initial actions to include in your plan with regard to 'potential' market/product combinations.

8. PRICING STRATEGY

So, now you have defined the products that are selling in that market and where there is demand for your products, and you now have some ideas regarding the various product attributes you might have - which your competition do not have, you need to decide on your pricing strategy.

Most Sialkot companies do not take control of their pricing and price their products based on the distributor's 'instruction' (who will inevitably drive down price to improve their profit margin). Other Sialkot companies take a very simplistic decision to base their price on a 'cost plus' basis with no regard to what the market will actually pay. This leaves 'a lot of money on the table! Again, if you know the market and its trends, then you can decide on pricing to compete (at a slightly lower price than the established competitors) or if you have an innovative product then you set your own price based on the value the user places on it. (This could be the surgeon for instance). **Based on your trend analysis and further research you can now consider the initial actions to include in your plan with regard to 'potential' market/product and now price combinations.**

9. PROMOTIONAL STRATEGY

With the commencement of your market / product / price strategy it is just as critical to also consider how you promote your product or 'solution'.

You need a good 'story' to define what is unique about your product/s and your company which is mentioned earlier in this document. Again put yourself behind the buyer's desk: 'Why would I buy from you?'. Again, you have conducted your research, you have looked at your competition and how they package, promote and represent their company, how good is their website and do they have a welcome page for the counties they are targeting (which is a good tip!)? What hard copy and online tools do they use, how do they appreciate what users want to see and 'feel'? You cannot just use a 'one size fits all' promotional strategy. It will be a very different promotional campaign between Germany and Japan for instance. **Based on your trend analysis and further research you can now consider the initial actions to include in your plan with regard to 'potential' market/product/ price and now promotional combinations. You need to start with actions that include a review of your current promotional materials and even consider international brand name/s and even the name of your company to have an international appeal.**

Note: Due to stigmatisation and negative association related to the country of origin, and the 'unknown' city of Sialkot, it is worth considering having a different country of origin by selling through your own overseas offices (or setting an office up). This is in fact what your current

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distributors are doing with your product and they are dismissing that your are the manufacturer. This will definitely benefit branded products.

10. ACTION PLAN

In most cases you will now appreciate that your action plan needs considerable improvement to include all of these important export development factors. Please review your action plan using the above guidelines in preparation for your successful implementation of the plan as your daily 'road map'. Don't forget to be very detailed about the actions and ensure that they are delegated wherever possible with a star and end date that is doable and does not become a negative burden on one or two individuals. Make sure you prioritise them also into say maximum of 3 years and review weekly, monthly, annually.

What to Action	By Who	By When	Priority A/B/C
Detail of task to be carried out	***Responsible Individual - Not just the company owner! If an owner cannot delegate there is very little room for growth!***	***Start date / end date - Realistic and achievable timelines***	

11. BUDGET - 'MARKETING COSTS MONEY AND DEVELOPING EXPORTS IS NOT CHEAP'

Each action in your plan has an implication for 'costs', be it people (current or new / employed or outsourced), time required and expenditure needed. Try to estimate the next 12 months (at least) and consider the affordability of your plan.

12. THE ALTERNATIVE CHOICE? CONCLUDING COMMENTS - YOU CAN'T CARRY ON LIKE THIS!!!

You can blame the local business environment - the Sialkot continuation of the current 'street fighting' between businesses to capture orders from others at lower prices in this highly talented city of crafts and amazing people until everyone goes broke' - and in the meantime continue to make distributors and agents (the 'middlemen') richer and laugh all the way to the bank with the profits you should be achieving! This is the sad alternative!!!