

# Growth Opportunities in the APAC Medical Devices Industry

Asia Health  
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# Growth Opportunities in the Asia Pacific Medical Devices Industry

## Disruptive Technology Adoption and Transformative Mega Trends Pave the Way for Innovations

Frost & Sullivan anticipates 2023 to be a challenging year for the Asia Pacific (APAC) medtech industry due to the uncertainties arising from the expected market slowdown. Although Asia continues to record phenomenal growth, the slowdown in Europe and the United States affects the financial environment and situation. The Russia-Ukraine War, the cost-of-living crisis, and the economic downturn in China are 3 major growth restraints leading to the global economic slowdown. Bank failures in the United States also create ripple effects in the APAC market, with Credit Suisse being the latest in the international banking crisis.

APAC is transitioning from conventional approaches to innovative ones involving an extensive coalition of healthcare stakeholders. This transition will enable exploring new methods that combine diagnostics, devices, digital tools, emerging technologies, and medication to deliver improved patient outcomes.

In 2023, we foresee opportunities to arise in these areas:

### ROBOTIC SURGERY

- Currently, hospital operating rooms in APAC cannot handle existing surgery volumes. Efficiency improvement solutions are necessary to manage the elective

surgery backlog in the post-pandemic scenario.

- Technological advancements are taking place as surgeons increasingly prefer robotic surgeries for enhanced precision, flexibility, repeatability, and better control.

- Companies and governments in Asia are investing significantly in developing medical robots.

- APAC needs advanced robotic surgical solutions to cater to its aging population and normalize the pandemic-induced surgical backlogs.

### Key Implications and Growth Opportunities

- Robotic solution OEMs should increasingly use soft biocompatible materials, 3D-printed soft plastics, and super-elastic materials for better safety and adjustable stiffness, flexibility, detectability, and controllability.

- Surgical robotic solution providers should target digitalized hospitals in developing markets, especially in cities with high COVID-19 cases, as the backlog of elective surgeries will be higher in these geographies

- Robotic solution providers can partner

with large medtech companies for developing markets to push their robotic surgical solutions through these large companies' channels. This will mutually benefit startups and medtech firms.

- Robotic solution providers should keep the systems open and interoperable and provide adequate system training to the hospital staff.

### TRANSITION OF CARE TO OUTSIDE THE HOSPITAL

- Triggered by the pandemic, APAC healthcare delivery is witnessing rapid reinvention and technology advancements. Increasing healthcare costs are prompting payors and providers to seek alternate healthcare delivery solutions.

- Hospital-at-home (HaH) is making inroads in the region due to advanced remote monitoring devices, tracking wearables, and telecommunication technologies.

- The HaH model attracts healthcare providers because it offers patients hospital-level diagnostic and treatment services while addressing critical pain points.

### Key Implications and Growth Opportunities

- Medtech OEMs developing home-care ventilators can partner with academic medical centers and institutions to build automated systems that can integrate with home-care ventilators to identify ventilator-associated pneumonia.

- Companies developing at-home infusion devices can explore integrating remote monitoring technology to improve platform functionality.

- Stakeholders can also explore incorporating artificial intelligence (AI) in infusion systems, where algorithms identify technical and therapy-related issues.

Platforms can then adjust automatically to perform uninterrupted infusion of therapies without manual intervention.

### SCREENING SOLUTIONS FOR CERVICAL AND OVARIAN CANCERS

- Over 58 % of cervical cancer cases are in Asia, with India accounting for the highest share at 21 %, followed by China with 18 %.

- Cervical cancer is preventable through regular health screening and vaccination. China, Japan, Thailand, India, Indonesia, and Korea extensively offer government-led national cancer screening programs (NCSPs) for cervical cancer.

- While cytology is the primary screening method in all countries, Indian and Indonesian NCSPs still carry out the traditional visual cervix inspection with acetic acid. The participation of women in the screening is very low in low-and-middle-income countries.

### Key Implications and Growth Opportunities

- To improve the uptake of cervical cancer screening in Asian countries, governments and NGOs should continue to promote NCSPs to women using different approaches.
- NGOs, leading medtech players, and government bodies should implement promotional activities to create awareness regarding this issue.
- Femtech players can implement advanced technologies such as AI to develop AI-based imaging solutions. For example, Singapore-based startup FathomX has started researching FxMammo, an AI-based imaging solution for breast cancer diagnosis. Medtech players and startups should collaborate to develop such innovations.
- There is a shortage of genetic counselors and clinical geneticists and a lack of awareness among clinicians. Most parts of Asia lack adequate genetic testing. Governments should make genetic counseling mainstream to improve accessibility to BRCA genetic testing.

### INDIA AS A GLOBAL MANUFACTURING HUB FOR MEDICAL DEVICES

- Foreign multinationals' investment in

India is rising, accounting for more than 15 % of private sector R&D investment in 2022. India is home to over 800 medical device manufacturers producing over 6,000 types of devices, with an average investment of \$2.3 million–\$2.7 million and an annual turnover of \$6.2 million–\$7.1 million.

- As a global hub for vaccines and generic medicine and a leading ventilator manufacturer, India has the world's highest number of real-time digital payments, surpassing China and developed countries.
- The Indian government has implemented several initiatives to ensure an active medical device manufacturing ecosystem for domestic and international players.

### Key Implications and Growth Opportunities

- Indian states are enabling efficient domestic manufacturing of medical devices at lower costs, encouraging international players to partner with technology providers, startups, and service providers through effective collaboration models that allow faster access. Several contract and medical device manufacturers have set up operations in India during and after the pandemic. This is driving India's growth as a global manufacturing hub.
- Increased market penetration of insurance providers boosts current and future growth for Indian medical devices. Rising demand for advanced, specialized, and higher-quality healthcare facilities are advancing Indian hospitals, leading to the inclusion of the latest technologies and solutions.

### FERTILITY SERVICES TO REGISTER HUGE GROWTH

- Asia's population is about 60 % of the world's population. However, the fertility rates of China, India, Japan, and South Korea have dramatically declined in the last 5 years. For example, Japan has a staggeringly low fertility rate in 2023, with 1.367 births per woman.
- Similar to global trends, delayed marriages, late parenthood, and unhealthy lifestyle are some factors that make natural conception difficult, increasing infertility issues among couples in APAC.

- The demand for artificial reproductive technologies (ART), such as in-vitro fertilization (IVF), is growing rapidly. Even overseas fertility service providers and clinics respond to APAC needs by opening new facilities, hiring local language-speaking employees, and providing customized materials and services.

### Key Implications and Growth Opportunities

- The declining fertility rate in APAC indicates that more innovations and investments will occur in the ART space in 2023, increasing by 23.2 % over 2022, amounting to \$5.12 billion. Increased partnerships of fertility clinics with public, private, and non-governmental organizations (NGOs) would boost this space.
- Overseas fertility service providers should actively collaborate with APAC-based providers and medical tour operators to serve this vast market. Freezing eggs/sperm/embryos for later utilization through IVF is increasing, significantly boosting the IVF

services market.

- The number of couples, including heterosexual and same-sex couples and single parents, seeking fertility treatments through IVF and choosing surrogacy options is expected to increase substantially over the coming years. This will boost the growth of the fertility services market and spur innovations and investments.

To learn more about these and more growth opportunities for the healthcare & life sciences industry, please visit us [here](#).

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