

## Taiwan gets on IT-bioscience growth curve

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The high tech manufacturing specialist industry in Taiwan is integrating its expertise in information technology with bioscience and healthcare.

Just eight years ago, 86 percent of composite medical devices manufactured in Taiwan were class I devices, which by definition are simple medical devices such as a basic blood pressure or blood sugar measuring device. Today, in 2012, 46.8 percent of medical devices manufactured in Taiwan are class II devices. There is a shift in market focus. "Taiwan Food and Drug Administration (TFDA), defines class II devices as advanced devices and class III devices as hi-tech invasive devices," informs Mr Michael Kuo, chairman of Taiwan Medical and Biotech Industry Association. He has been a witness to this manufacturing shift in Taiwan.

Mr Kuo's company Comdek Industrial Corp, established in 1985 was one of the early movers that established its biomedical R&D in 1992, and in 1996, Comdek launched the first "made-in-Taiwan" oximeter MD-600P. Since then, the innovation culture at the company continues.

According to Mr Kuo, it won't be long before Taiwan industry moves into high gear manufacturing for class III devices as well. "The push for the new manufacturing environment with a focus on the full supply chain is coming from the government," he elaborates. With tax benefits and funding support, the shift is likely to register as significant in as few as three years. Today, in Taiwan, a number of OEMs are diversifying by launching their own brands and not just in the domestic market of Taiwan and China but beyond as well - in the highly regulated and complex markets of Europe.

For instance, Apex Medical, a well-established OEM of medical equipment, plans to take on the likes of Phillips and ResMed with its Continuous Positive Airway Pressure (CPAP) System for treating obstructive sleep apnea. Branded as iCH series, these are lightweight, compact, well designed pieces that can sit at patient's bedside. The company already has 25 percent of CPAP devices market share in Taiwan and is gunning for 30 percent market share in China in the next five years. "Besides, it has been launched in Spain and we are looking at a launch in Germany by December 2012," shares Mr Sean Chang, director of product marketing, Asia Pacific at Apex Medical.

Another trend in Taiwan industry is the focus on the elderly-care market. The birth rate in Taiwan for 2011 was less than one percent. The country is hurtling towards joining the list of ageing countries. However, again it is not just the domestic market that the industry is looking at. Estimates by a Taiwan government agency state that 60 percent of the population globally will be over 65 years of age by 2050 and this is the big opportunity that Taiwanese industry is aiming to leverage on. Companies like Karma Medical are all set to cash on with a line-up of wheelchairs to fit the symptoms, lifestyle and even the upcoming reimbursement policies in Taiwan, to be made public in July 2012. This is in addition to being a well-established exporter of wheelchairs.

Taiwan's well-developed healthcare system is also looking at leveraging its capabilities to serve the medical needs of Taiwan, China and Japan market. Most recent example is the newly inaugurated Cathay Healthcare Management Center. It is an independent state-of-the-art out patient examination center, attached to Cathay Hospital offering half-day and full-day patient examination spanning from endoscopy, ECG to gastroenterology among others in a relaxed environment, enabling patient comfort and privacy. The facility boasts of equipment worth NT \$160 million and is considering adding more, according to Mr Robert Fuh, president of Cathay Healthcare Management. Closing market gaps is what the Taiwan industry is looking at.

*Taiwan External Trade Development Council hosted the author in Taipei*