

Singapore Healthcare Market Offers Opportunity for U.S. Firms *Country offers favorable business environment, vibrant biomedical sciences ecosystem*

By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service

As U.S. government agencies work to promote more U.S. trade and investment across Asia under the Indo-Pacific initiative, new export opportunities continue to emerge in Singapore's healthcare market. World-renowned for its outstanding healthcare and medical infrastructure, Singapore attracts some 350,000 international patients annually as an international hub for medical travel. Moreover, the country's emphasis on universal healthcare is spurring greater demand for innovative technologies and preventive healthcare solutions.

In the below Q&A, Luanne Theseira, Commercial Specialist, U.S. Embassy, Singapore, discusses trends and opportunities for U.S. exporters. Her office is part of the U.S. Commercial Service of the Department of Commerce's International Trade Administration and its worldwide export assistance network. This network includes 100+ offices across the United States and in more than 75 countries which help American companies export.

Q: Why should U.S. healthcare firms consider doing business in Singapore if they aren't already?

Theseira: A 2016 [Lancet Global Health Journal](#) report places Singapore in the top ranks for global healthcare, along with Iceland and Sweden. Several other studies, including an earlier [World Health Organization](#) report, have consistently ranked Singapore among the world's top-tier health systems. By 2030, over a quarter of Singapore's population will be 65 years and older. An aging population, rising chronic disease prevalence, and increasingly complex care needs are driving an increased demand for healthcare. Singapore currently has the world's longest life expectancy at 84.8 years, according to [The Burden of Disease in Singapore 1990-2017](#).

Singapore is committed to addressing the healthcare needs of its rapidly aging population. Among its peers in the Association of Southeast Asian Nations (ASEAN), Singapore spends the most annually per capita on healthcare. Total Ministry of Health expenditures in 2019 are projected to be US\$8.68 billion—a 10.3 percent increase over 2018—and are expected to reach \$9.6 billion by 2020. Singapore spends slightly less than 5 percent of its GDP on healthcare; a figure that is forecast to grow. The country also plans to add more than 4,000 new public and community hospital beds by 2020.

For U.S. exporters, Singapore offers a favorable business environment, strong talent base, and vibrant biomedical sciences ecosystem. Singapore ranked second among 190 economies on ease of doing business according to the [World Bank's 2019 Doing Business report](#). According to the Census Bureau, in 2018, U.S. domestic exports of medical devices to Singapore totaled US\$1.2 billion, and account for a significant share of Singapore's medical device market.

U.S. firms should recognize that though small with a population of 5.6 million, Singapore is also a showcase market and gateway to the 10-member countries of the ASEAN. One of the world's largest markets, ASEAN has a GDP of US\$2.8 trillion and 600 million-plus consumers. The region is projected to average annual growth of 5.2 percent from 2019 to 2023, according to the Organization for Economic Cooperation and Development. Moreover, a [Frost and Sullivan](#) study shows the Asia-Pacific healthcare market growing by 7.2 percent in 2019, making it one of the fastest-growing regions for healthcare.

Q: How is the growth of an aging population affecting the direction of healthcare spending?

Theseira: In response, the Ministry of Health, emphasizing universal healthcare coverage, is supporting and enhancing the primary care sector; the bedrock of Singapore's healthcare system. With its emphasis on preventive patient-focused medicine, primary care is shifting healthcare beyond the walls of medical settings, and back into the community.

The adoption of holistic approaches, such as regular health screenings, lifestyle changes, and exercise, will create opportunities for outside suppliers of health and wellness products. In 2017, Singapore estimated that expanding community-based care would require some 9,000 healthcare workers by 2020, with new Health Ministry investments of between US\$16 million and \$24 million directed towards workforce education and training, connected care technology, preventive healthcare, and other areas; these investments are already under way.

Q: Along with the above trends, what are the major opportunities for U.S. healthcare technologies in Singapore's market?

Theseira: Broadly speaking, opportunities exist in personal health management, screening, disease management, preventive care products, access to homecare resources and support, health IT solutions, data sharing, and advanced technologies. In short, the major opportunities focus on integrated, innovative solutions that offer relative value to both healthcare consumers and providers. Singapore is also innovative in mobile health and telemedicine services. The U.S. Commercial Service is available to counsel U.S. firms and provide realistic feedback on the market potential of their products and services.

Q: Are there major healthcare infrastructure projects of potential interest to U.S. suppliers?

Theseira: Singapore has allocated billions of dollars for infrastructure projects, to include construction of hospitals, clinics, and nursing homes. Interested U.S. or foreign companies usually need in-country operations to effectively supply Singapore infrastructure projects, and many U.S. firms have a good track record of doing so. Three key infrastructure projects—Outram Campus & Community Hospital, Woodlands General Hospital, and Tan Tock Seng Hospital—are currently being planned and built. These projects, scheduled to come online between 2020 and 2036, present opportunities for U.S. firms.

Q: Do U.S. firms hold any competitive advantage in Singapore over the foreign competition?

Theseira: Singapore's medical technology industry is dominated largely by U.S. companies such as Johnson & Johnson, Medtronic, General Electric, Baxter, and pharmaceutical giants Pfizer and Merck, to name several examples. Moreover, U.S. medical technologies are highly regarded by healthcare practitioners and Singapore distributors looking for innovative U.S. solutions and advancements. This good reputation also applies to small and medium-sized medtech firms as well. The competitive advantages of U.S. firms include innovation, creativity and patient-centrality.

Q: What are some challenges for U.S. exporters in the healthcare sector?

Theseira: U.S. exporters may face competition from companies and solutions from the European Union, Japan, Australia, Korea and to some extent, China. While the U.S. is still in the lead among Singaporean customers, other competitors are making inroads. Competitive pricing from alternative sources sometimes influences healthcare solution choices. To this end, U.S. companies' value-for-money proposition will be a selling point.

Q: What should U.S. companies know about standards issues and registration for U.S. medical devices entering Singapore?

Theseira: Singapore's regulatory authority, the Health Sciences Authority (HSA), adheres closely to Global Harmonization Task Force, and International Medical Device Regulators Forum guidance documents. Singapore's system closely parallels regulatory regimes of the U.S. (FDA), Canada (MDB), Australia (TGA), Europe (CE Mark) and Japan (MLHW). Class A medical devices are exempted from registration with HSA prior to placement on the Singapore market. Product registration requirement is only applicable to Class B, C and D medical devices. All medical

devices must be manufactured, imported and be available for wholesale by HSA licensed dealers. For more information on medical device regulations, visit the [HSA website](#).

Q: How can the U.S. Commercial Service assist companies looking to enter or expand their presence in Singapore or other markets?

Theresia: If your U.S. company is new to exporting medical technologies, the first stop should be your local U.S. Commercial Service office or our office in Singapore. The U.S. Commercial Service has a global network of 100+ offices across the United States and in U.S. embassies and consulates in more than 75 countries. Our trade professionals assist thousands of businesses each year through export counseling, business matchmaking, advocacy, trade show support, due diligence on prospective foreign partners, and much more.

To get started, visit [export.gov](#), the U.S. federal government's export assistance portal. On the site, you can locate your nearest domestic [U.S. Commercial Service office](#), or our office in [Singapore](#). You can also view our [Country Commercial Guides](#), [Export Basics video series](#), and other resources.

Tips from a Trade expert:

Commercial Specialist Luanne Theseira offers insights for doing business in Singapore:

- **Find a local trusted business partner.** Many U.S. exporters use agents or distributors as their first market entry strategy. If the U.S. product, technology or service is sought after, there will be no shortage of interested distributors. U.S. companies can identify partners through the U.S. Commercial Service fee-based programs or by exhibiting at trade shows serving the Asian region, such as Arab Health, held in Dubai, UAE, and Asia Health and Medical Fair Asia in Singapore. Other market entry options include establishing an in-country office or entering into a joint venture.
- **Be aware of differences in business cultures.** Because Singapore is cosmopolitan and generally considered more Western than other Asian markets, many U.S. firms mistakenly assume that business is conducted in the same way as in the United States. There are also subtle differences between the business culture of Singapore and that of other ASEAN countries.
- **Relationship-building is important.** Singaporean firms generally prefer face-to-face meetings versus e-mail or Skype discussions. Do not underestimate the benefits of a warm handshake and sharing a meal. When U.S. firms take the trouble to fly to Singapore to meet in-person, Singapore firms in turn feel that the U.S. company values their business.
- **Do not immediately start discussing sales figures, minimum orders, and sales projections.** The same goes for demanding marketing plans. Before you do, make sure the Singaporean firm understands the product (medical technologies are often complex and marketing them requires an understanding of the market), completes requisite training, and gives a firm written commitment to assume the distributorship.
- **Stay open to suggestions from prospective distributors or partners.** Carefully considering any suggestions they may have regarding how to best introduce the U.S. product or service can be key to success. Hopefully, this will be in-line with the U.S. firm's expectations. Both public and private healthcare stakeholders will carefully evaluate solutions and take a very measured approach to decision-making.

Web Resources

Trade Shows

Vitafoods Asia 2019

September 25-26, 2019

Asia Pacific Medtech Forum 2019

October 8-10, 2019

Asia Derma 2019

October 31 – November 2, 2019

Edercare Exhibition & Conference Asia 2019 (Eldex Asia)

November 8-10, 2019

Asia Health 2020

March 24-26, 2020

MEDLAB Asia Pacific 2020

March 24-26, 2020

International Dental Exhibition and Meeting 2020 (IDEM)

April 24-26, 2020

Singapore Government Offices

[Singapore Ministry of Health \(MOH\)](#)

[MOH Holdings \(MOHH\)](#)

[Integrated Health Information System \(IHIS\)](#)

[Health Sciences Authority \(HSA\)](#)

[Health Promotion Board \(HPB\)](#)

[Agency for Integrated Care \(AIC\)](#)

[Singapore Economic Development Board \(SEDB\)](#)

U.S. Commercial Service, Singapore Contact

Ms. Luanne Theseira, Commercial Specialist

Email: Luanne.Theseira@trade.gov

Nebraska Biosciences Exporter Sees New Horizons in Singapore ***U.S. Commercial Service Lends Export Assistance***

Based in Lincoln, Nebraska, LI-COR Biosciences is a global leader in developing innovative instrument systems and research tools for biological and environmental sciences. LI-COR's near-infrared imaging technology helps researchers develop innovative approaches in drug discovery, protein research, imaging diagnostics, and image-guided surgery.

Beginning in early 2018, the company faced a major challenge: finding a new, reputable distributor in Singapore. LI-COR began by leveraging its ongoing relationship with the U.S. Commercial Service (CS) in Nebraska, which collaborated with colleagues at the U.S. Embassy in Singapore to hone a customized export strategy. Later, in Singapore, the company participated in the CS Gold Key business matchmaking service which arranges pre-screened meetings with potential foreign partners abroad.

Says Ichie Abbey, Ph.D., LI-COR's associate director of international distribution: "During the Gold Key meetings at the U.S. Embassy, the CS provided valuable insight on Singapore's biotechnology industry, and introduced us to several vetted and highly-qualified potential partners. One of them is now representing our firm in Singapore, Malaysia, Thailand, and Vietnam. Without U.S. Commercial Service help, we likely would have not found a reliable distributor on our own, or would have faced an overly burdensome process, assuming a great amount of time, risk, and expense."

Abbey says Singapore is "ahead of the curve" in biotechnology, making it an ideal market for her company. Singapore is also at the center of LI-COR's business efforts in Southeast Asia, as it targets universities, clinics, and other research facilities.

"Exporting has been great for the bottom line, and Singapore's future looks bright and represents a stable and predictable market," Abbey says. "Thanks to the export assistance and our new partner, we just completed major new sales to Singapore, and are moving forward with great confidence in Southeast Asia."