

SECTOR:
LIFE SCIENCES & HEALTHCARE

SECTOR OVERVIEW:
JUNE 2012

CONTACTS:
Life Sciences & Healthcare

INTRODUCTION

Welcome to the UKIBC quarterly report on Lifesciences & Healthcare. This report provides an update of happenings in UKIBC, as well as a snap shot of some of the interesting market happenings in the sector with business opportunities.

UKIBC Update

Since the last report, we hosted the COO of the Aravind Eye Care System, Mr Thulasi Raj Ravilla. Founded in 1976, the Aravind Eye Care System is today the largest and most productive eye care facility in the world as well as the single largest eye cataract surgery provider. Aravind is known for its fresh approach to management. Mr Ravilla spoke about some the relevant healthcare lessons from some of their best practices which the audience found very insightful ([Read more: May sector view](#)).

The Joint Economic Trade Committee (JETCO) meetings between the British and Indian governments this year were held in April. JETCO is an on-going process during the year with meetings for the JETCO group of companies to work together towards a project of common interest which would benefit from support from both Governments. There are multiple working groups (WG) to discuss a variety of industries that are of key importance in the UK-India trade. One of the WG is focused on Innovation, Investment & Technology. This WG was set up last year and there was based on feedback from the industry on the need to have interesting projects to focus on.

The Innovation, Investment & Technology WG incorporated learnings from 2011 by focusing on a single theme – The Role of Innovative Technology in Healthcare Solutions. The WG looked at the commercialisation of healthcare technology for India, UK and/or 3rd country markets as one of its agenda items. ([Read more: May sector View](#))



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Upcoming Event

On the 4th of July, we are partnering with the Association of British Healthcare Industries (ABHI) to provide an insight into the Indian healthcare industry. Our Chair, Rt Honourable Patricia Hewitt will be providing the key note address and we look forward to seeing you at the event.

UK Business Perceptions of Asia – Survey

UK Trade & Investment (UKTI) is running a short survey to understand how UK companies perceive Asian markets and the benefits and challenges of doing business there. We want to know the concerns or issues you have when doing business in, or considering business in Asia. Your feedback will help us understand what more can be done to help UK companies succeed in Asia. The findings will be presented to Ministers and senior business people at the Asia Task Force meeting on 11 July 2012.

The survey will take around 3 minutes to complete.

To take part in our survey, please click on the link below.

<http://www.surveymonkey.com/s/NL7HMGR>

A summary of these results will be published on the Asia Task Force pages at <http://www.ukti.gov.uk/export/countries/asiapacific/fareast/china/asiataskforce.html> and on UKTI social media channels in July.

MARKET OPPORTUNITY

India

Collaboration between India's Healthcare providers and Technology Providers

(Refer http://www.thehindubusinessline.com/features/eworld/article3468385.ece?ref=wl_features)

Indian hospitals are moving from the mindset of attempting to build their own IT systems to seeking the assistance of technology providers. This collaboration has begun because hospitals have realised that they don't have the expertise to create the right IT systems and also because they would like to reduce costs. One such interesting collaboration is between HCG, a chain that provides cancer care and Siemens. One of the major reasons for specialist hospitals in India being very expensive is because they have had to send their physicians for training abroad, and these costs were being passed to the patient. "The earlier trend used to be of clinicians travelling overseas for training and research and development. Now they will be trained in India at HCG. The collaboration with Siemens is a step in this direction," said Dr B.S. Ajaikumar, Chairman, HCG.

This collaboration between hospitals and technology providers is resulting in a set of opportunities opening up in the market

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(See section on Opportunities below for specific details)

Stem cell segment in India

(Refer <http://economictimes.indiatimes.com/news/news-by-industry/healthcare/biotech/biotech/stem-cell-segment-in-india-to-touch-8-billion-mark-by-2015-report/articleshow/12438096.cms>)

According to Yes Bank, the stem cell therapy sector is expected to reach \$8 Billion by 2015. There have been many deterrents that have prevented the growth of this sector in the past. There are very few companies in India in this sector and those that are around are still in nascent stages. This therefore gives rise to opportunities for global players to enter the market through acquisitions.

Biocon

(Refer <http://economictimes.indiatimes.com/news/news-by-industry/healthcare/biotech/biotech/biocon-opens-integrated-rd-centre-in-bangalore/articleshow/12545707.cms>)

Biocon, one of India's premier biopharmaceutical companies, has opened an integrated R&D centre which will be home to over 300 scientists to engage in research on biologics for unmet medical needs. This state of the art centre, spanning 200,000 square feet is equipped with multi-disciplinary capabilities in molecular biology, biologics process sciences, formulation research and preclinical and clinical development. The centre was inaugurated by Nobel Laureate Kurt Wuthrich, who has said that the capabilities of this centre were on par with international standards.

UK

Care for the aged

(Refer <http://www.innovateuk.org/content/news/37m-programme-to-improve-quality-of-life-for-older.ashx>)

A £37 Million programme, DALLAS (delivering assisted living lifestyles at scale) has been launched in the UK to improve the quality of care for 170,000 older people. This programme will explore ways of using innovative products, systems and services to create more independent lifestyles and it is hoped that this will be able to transform the quality of life for the aged.

UK & India part of team in cracking tomato gene

(Refer http://www.telegraphindia.com/1120531/jsp/nation/story_15552734.jsp#.T8eUWtXXEpk)

UK and Indian scientists have been part of a team that has cracked the tomato gene. The tomato genome consortium began its work nearly eight years ago and involved scientists from Argentina, Belgium, China, France, Germany, India, Israel, Italy, Japan, the Netherlands, South Korea, Spain, the UK, and the US, among other countries. Researchers say the tomato shares genes and biochemical pathways with several fruits such as apples, bananas, melons and strawberries and gene information could be used to improve ripening or other traits of such plants.

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Future of Medicine?

The Economist article (<http://www.economist.com/node/21556227>) had an interesting point of view that states that the role of the doctor as has been known for the past 150 years is changing. Driven primarily by factors such as the demand for healthcare far exceeds the supply of doctors, healthcare providers are beginning to find alternate solutions. For instance, in Britain and many other countries, nurses provide many of the primary health care services. In India, the Aravind Eye Care system utilises six “eye-care technicians” for every surgeon, which enable surgeons to increase their productivity. (Aravind Eye Care System offers surgery to about 350,000 patients a year). These young women recruited and trained by Aravind perform a variety of tasks in the operating room that do not require a surgeon’s training.

OPPORTUNITIES AND INVESTMENT UPDATE

Electronic Healthcare Records, Picture Archiving System opportunities in India

From about \$191 Million a year, the IT spend of Indian hospitals is expected to reach \$1.5Billion in the next decade as they begin to invest more significantly in technology. The Confederation of Indian Industry (CII) estimated that the medical technology market in India is at \$2.75 billion in 2008 and pegged it at \$5 billion by the end of 2012. Electronic Healthcare Records (EHRs) and Picture Archiving and Communication System (PACs) are likely to be the biggest opportunities in the market. Patient administration systems will also see high interest.

Synthetic Biology Investment in Britain

Synthetic biology has a broad range of potential applications across a variety of industrial sectors, from medicine to energy generation. The British government is investing £6.5Million in an attempt to boost innovation and stimulate growth in the synthetic biology space.

CASE STUDY - SMITHS MEDICAL

Smiths Medical is a part of Smiths Group which is one of the top 100 companies listed on the London Stock Exchange. The Smiths Group is a 160 year-old company and Smiths Medical, is a circa 50 year-old organization. Smiths Medical is a leading supplier of specialized medical devices and equipment focusing on medication delivery, vital care and safety devices, focusing on the global market.

Smiths Medical provides medical devices and equipment to a wide variety of fields of medicine that includes anaesthesia, critical care, cardiac care, oncology, pain management and respiratory care. Smiths Medical sells to over 120 markets worldwide with the US being the single biggest market contributing approximately 50% of sales. Smiths Medical also has a direct presence in 20 countries with distribution agreements in several others. Their manufacturing is concentrated in Mexico, USA, UK, Italy, Germany and China.

India has been an important market for Smiths Medical for almost 30 years. In recent years, they have been watching the explosive growth in India, as well as watching the government’s intent to significantly invest in healthcare services across the country. All of this resulted in Smiths Medical establishing a legal entity in India in January 2011.

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From initially having a distributor network, Smiths Medical today operates on a local level – putting local leadership in place, hiring local market talent and ensuring that systems and processes are in line with the Indian market, the Indian business community and Indian economy.

UKIBC interviewed Mr Yash Kaul, Director, Sales and Marketing for Smiths Medical India. When UKIBC asked him what Smiths Medical felt about their investment in India, he said “We have been reasonably happy with our investment over the last three decades through our distributors, but we knew that we needed to make a more substantial investment and commitment in India if we were going to be able to realize the potential of this market. It is a bit early to comment on the results of our new legal entity, but we can surely say that the early indicators are highly encouraging and we will continue to invest in India.”

To the question on what advice he had to give to other companies looking at India, Mr Kaul said “India is a land of opportunities but be prepared to face its own set of challenges and surprises. At the end of the day, it’s very rewarding.”