



THE DEVELOPMENT OF MEDICAL EQUIPMENT PROJECTS IN CHINA

AN EXPERIENCE REPORT

SHENZHEN SEPT. 2009





- IT-Projects in health care
- Delivery of medical equipment (packages) for Hospitals
- Consulting



AME IN CHINA



- Medical equipment packages
- Consulting
- Investments (AME Group)
- Representations
- Sales Channel: Joint Venture (since 1995)

GENERAL CHARACTERISTICS OF THE CHINESE MARKET FOR AME

- Enormous distances
- Regional differences
- Personal relationships („Guanxi 关系“)
- Very time consuming
- Extremely competitive
- Chinese way of negotiation



MEDICAL EQUIPMENT PROJECTS IN CHINA



- Market size/demand
- Competition in the field of project financing
- Type of equipment

INFLUENCING FACTORS CONCERNING MED-PROJECTS



- Decision makers (on central or local level)
- Replacement projects
- New Hospital projects
- Enlargement projects
- Budget (2 – 5 Mio. €), recently even higher
- Financing (Soft-Loans)/OeKB
- No soft loan for county level hospitals

ACQUISITION STAGE

- Duration (up to 6 years)
- Time consuming (e-mails not sufficient)
- Regularity
- Trust
- Chinese approval process
- Cost
- Competition



TENDER STAGE

- Import & Export Co. („Window Company“)
- Agents (jockey – horse)
- Protests
- Pricing
- Contract
- Coming into force



IMPLEMENTATION STAGE

- Cultural Differences
- Contract „is alive“
- Consideration of other influencing factors (currently VAT)
- Customs related factors (existing SDA?)
- Training
- After sales service



SUMMARY

- Performance
- „Word of Mouth“
- Guanxi (关系)
- Long term thinking
- Austrian Trade Commission!!!





SHOW CASE: HUIXIAN PEOPLE'S HOSPITAL

辉县市人民医院

- Start of acquisition: 2003
- Tender issue: Dez. 2005
- Contract signing: Apr. 2006
- Coming into force: Jan. 2008
- End of Implementation (FAC): Nov. 2008

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