



The newsletter brings you with the most updated and originally-reported China MedTech industry dynamics.

G-MedTech Newsletter – China Market

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Industry dynamics in this newsletter happened or officially released in March 2018.

1. Regulations

1.1 Nation Health Commission Established in China

China's Nation Health Commission was established in March to replace National Health and Family Planning Commission of China (NHFPC). The commission also covers the State Council's Leading Group Office of deepening healthcare reform.

The adjustment reflects China's pushing healthy China strategy which is focusing on health instead of treatments. By 2017 there was 241 million people older than 60 which accounted for 17.3% of the total population. Facing with elder population problems China will focus more on prevention and treatments of chronic diseases.

1.2 Statistics of Medical Device Registration Released

China Food and Drug Administration (CFDA) released the official statistics of medical device registration in 2017. 8,923 medical device registrations were approved in 2017 including 3,178 for IVD products, with annual growth rate of 3.1%.

The top five countries of medical device registration in 2017 in China were USA (1,469), Germany (827), Japan (404), UK (237), and South Korea (195).

Meanwhile CFDA also released the annual report of medical device administration, indicating that there were total 16,000 medical device manufacturers and more than

410,000 distributors of class III and class II medical device products.

1.3 CMEF to be Held in Shanghai

The 79th China Medical Equipment Fair (CMEF) will be held April 11-14 in Shanghai. As the largest medical equipment show in China, the four-day event will attract more than 4,000 exhibitors around the world to show their latest medical device products and technologies. Meanwhile more than 60 meetings will be held.

2. Deals

2.1 Mindray Plans IPO in China

Mindray is to raise RMB 6,340 million for construction projects of Shenzhen facilities, Nanjing facilities, innovative R&D platform, and domestic marketing and service system, according to the prospectus disclosed by China Securities Regulatory Commission (CSRC).

It is Mindray's another effort to go public in China after the termination of IPO investigation in February. Mindray's products cover more than 110,000 healthcare institutions in China and in 2017 its sales reached RMB 11.2 billion, with net profits of RMB 2.6 billion. Mindray is also actively expanding global business and exhibited new upgrade premium Resona 7 ultrasound system at the annual American Institute of Ultrasound in Medicine (AIUM) conference held March 24-28, 2018 in New York.

2.2 Venus Medical Acquires Victor Medical for RMB 395 Million

With this deal Venus Medical will acquire 100% shares of Victor Medical which is medical device manufacturer of surgical products such as staplers and endoscopic related products. It is reported that Victor Medical's annual sales could reach RMB 100 million.

Founded in 2001 Venus Medical is one of the leading medical device distributors in China, covering Medtronic's ventilators, Sonosite's ultrasound systems, Mindray's life supporting products, as well as Olympus' surgical products. Headquartered in Changzhou city in Jiangsu province, it has offices in Shanghai, Hangzhou, Beijing, Hefei, Shenyang, and Xuzhou.

3. Company & Hospital

3.1 Neusoft Medical Partners with Hisense Medical

Hisense' products cover medical displays, compute-assisted surgical systems, smart hospital solutions, and color ultrasound equipment. With this partnership, Hisense's products will be integrated into Neusoft product lines which will help export overseas.

The two sides will also co-develop new products and explore business opportunities in independent medical imaging centers and private hospital projects.

Founded in 1998, Neusoft Medical is a leading provider of medical equipment in China covering CT, MRI, X-ray, ultrasound, PET/CT, and linear accelerator. It has established overseas offices in USA, UAE, Peru, Russia, Brazil, and Vietnam.

3.2 Shanghai United Imaging Partners with China Health Group

Focusing on medical imaging area, the two sides will establish long-term strategic partnerships.

Based in Shanghai, United Imaging is one of leading medical imaging manufacturers in China covering CT, DR, MRI, and Mammography.

Based in Hong Kong, China Health Group Limited is a hospital investment management company covering merge & acquisitions, hospital trusteeship, and regional medical informationization.

3.3 Lepu Medical Launches AI-ECG Platform

AI-ECG Platform is Lepu Medical's first medical artificially intelligence project achieving industrialization.

The diagnostic accuracy of AI-ECG Platform for a variety of heart diseases is over 95 percent, a similar level to ECG medical experts and it is capable of outperforming specialists for the diagnosis of some complex cases, according to Lepu Medical.

Established in 1999, Lepu Medical is a leading company in the fields of cardiovascular interventions, structural heart diseases, cardiac rhythm management, anesthesia and critical care.

3.4 Pulse Medical Imaging and Shanghai Jiaotong University Co-establish Joint Lab

The joint lab will focus on research and development of cardiovascular diseases equipment, as well as provide trains and educations. The international standards of accurate evaluation cardiovascular diseases will also be established, and a series of related equipment that is suitable to China's conditions will also be developed.

Pulse Medical Imaging is dedicated to offer advanced medical imaging equipment and evaluation strategy for patients with coronary heart disease. As the world's first online fractional flow reserve (FFR) evaluation system, quantitative flow ratio (QFR) is expected to become a common diagnostic tool that can obtain accurate diagnostic evidence for patients with coronary heart disease.

3.5 GE Healthcare Launches Digital Health Solutions at CHINC 2018

At China Hospital Information Network Conference (CHINC 2018) held March 22-25 in Hangzhou city in Zhejiang province, GE Healthcare launched its new digital health solutions Centricity®.

With China's deepening healthcare reform, medical consortium is encouraged to be established to provide hierarchical medical services. Centricity® is the right solutions for hospitals in the same medical consortium. Based on cloud-based medical imaging, tele-health, smart diagnosis, and artificial intelligence, GE Healthcare is supporting both public hospitals and private hospitals to provide high quality, efficient, and affordable medical services in China.

3.6 Medical Diagnostic Results to be Mutually Accepted in Chongqing City

Medical diagnostic results have been mutually accepted by hospitals in Chongqing city in Southwest China. Pushed by local health authorities, all tier 3 and tier 2 hospitals are covered now, accepting diagnostic results of clinical biochemical diagnostics, digital radiography, CT, MRI and ultrasound imaging.

3.7 Siemens Healthineers Launches A Series of New Products at China Med 2018

At the 30th International Medical Instruments and Equipment Exhibition (China Med 2018) held March 23-25 in Beijing, Siemens Healthineers launched a series of new products and services including Somatom Force CT, Mobilett Mira Max mobile X-ray system, and Acuson Oxana 2 ABVS ultrasound equipment.

Siemens Healthineers is actively expanding China business especially in the digital health area. In May 2017 it presented teamplay which is cloud-based network to access both the metrics from their own imaging fleet and from a shared pool of imaging data. In December 2017 it partnered with Tencent to expand artificial intelligence applications in medical imaging areas.

China hospitals are facing with the growth of patient numbers and medical costs, and how to help them increase management level as well as provide accurate medical services to the patients will be our key tasks, according to Elisabeth Staudinger, President Asia Pacific at Siemens Healthineers. We'll focus on accurate medicines, health management, patient experiences, and digital health in China, she added.

3.8 Abbott Launches Alinity ci in China

The Alinity ci-series is part of a unified family of personalized solutions that are engineered for flexibility and efficiency. In November 2017 Abbott got U.S. FDA 510(k) clearance for its Alinity™ ci-series instruments for clinical chemistry and immunoassay diagnostics.

Abbott opened its innovation center in Shanghai in last November, presenting a series of new solutions as well as providing education and online supporting services.

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The research unit, MDT Research, is dedicated to providing market research and consulting services with a focus on China markets.



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Customized newsletters will also be delivered, once a week or twice a month, to the paid users who are interested in certain medtech market segments.

Publications

1. China Medical Device Industry Yearbook – 2018
2. China Market for Medical Imaging Equipment (CT, MRI, DR, and Ultrasound)
3. The Private Healthcare Market in China
4. The Primary Healthcare Market in China
5. Regulations & Plans in China MedTech Industry

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