

FAQs: CMEF IVD

“We are at the early stages of one of the greatest industrial revolutions in world history. Capitalism in China is only 10 years old.”

CLSA Economist James Walker, Fortune 10/04USA

1. What are the telling statistics that support this statement?

- 8-9% average GDP growth since 1978 – Strong 2006; Strong 2007
- \$53 B in direct foreign investment in 2003, \$60 B through Oct 2005; 2007 won't slow
- Surpassed US in 2002 as world's leading country for foreign investment
- Joined WTO in 2002
- #1 market for mobile phones
- #2 market for personal computers
- World's largest consumer of copper, aluminum, cement
- World's largest producer and consumer of steel
- Second largest importer of oil
- According to General Motors, China will be the second largest automotive market by 2010

2. What about technology leadership?

- China is one of 3 nations to succeed with manned space flight
- China leads the world in several facets of proteomics
- The next Silicon Valley is being developed in Shanghai

3. How about the IVD industry?

The IVD market grew 25%-30%¹ in 2007 reaching a total of \$1.5 billion (US).

¹ Source: Whitney Research, Beijing, China and Littleton, MA USA
eMail: nat@whitneyresearch.com

The China IVD market has risen to one of the largest markets. Below are the top 10 IVD Markets by country²

<u>Country</u>	<u>Market Size (\$ Billions)</u>
USA	18.5
Japan	4.6
Germany	2.5
Italy	2.0
France	1.9
<u>China</u>	<u>1.5</u>
Spain	1.1
UK	0.9
Brazil	0.34

Fueling future growth is the recently announced funding projects by the China Ministry of Health (MOH). They are Drug Discovery and Infectious Disease Preventions (China Epidemics Research Initiative, CERI 2008). The portion dedicated to infectious disease is \$440 million. One of the stated government objectives of the initiative is to establish a competent medical emergency system. **Out of 25 subjects listed, six are targeting the diagnosis of these diseases.**

4. What is the China Medical Equipment Fair (CMEF)?

In its 60th year, CMEF showcases Asia's widest collection of international and local manufacturers of medical devices for hospitals and laboratories. There are two editions of CMEF each year which attract approximately 50,000 visitors. CMEF is organized through a joint venture between Reed Expositions (UK) and Sinopharm Exhibitions (China). The joint venture company is Reed Sinopharm.

Visitor demographics by job functions are:

- Distributors/Agents 53.8%
- Hospital Management /Staff 23.3%
- Equipment manufacturers 11.7%
- Medical/Research/Technicians 5.5%
- Procurement officers/Gov't officials 1.2%
- Other 4.5%

Additional details include:

- Non-Chinese visitors 3,354 from 105 countries/regions
- Total exhibitors 1,973
- Exhibit area 90,000 sqm

5. What kinds of products are exhibited at CMEF?

As with most large medical shows outside the US, products exhibited include imaging, patient monitoring, surgical, rehabilitation and *In Vitro* Diagnostics (IVD).

² Source: McEvoy & Farmer - China IVD Summit, 27 Oct 08
email: CarlMcE@aol.com

6. When are the shows each year?

There are two shows (editions) per year; spring and fall. The spring show is anchored for the next three years in Shenzhen which is 60 minutes by surface transportation from Hong Kong. The fall show travels to different healthcare technology locations throughout China. As business travel is limited to most Chinese, the fall show brings technology to these areas of excellence.

7. What is CMEF IVD?

CMEF IVD is an area on the exhibit floor reserved for IVD companies. It is located in high traffic halls and near to the international section

8. How many IVD companies exhibited at the most recent spring show?

At the most recent edition, there were over 66 companies exhibiting in the CMEF IVD area. (An additional 60+ companies exhibited in the China Provincial Pavilion area which is separate from CMEF IVD. Because the provincial pavilions are organized by Chinese provinces, the companies tend to be small, regional manufacturers.)

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9. What multinational IVD companies were present?

Abbott Diagnostics	Perlong
Adaltis	Rayto Life Science
Arkray	Roche Diagnostics
B-D	Shanghai Kehua
Beckman Coulter	Sinnowa
bioMerieux	Stago Diagnostics
Fosun Diagnostics	Diagnostica Stago
Hitachi	Standard Diagnostics
Horiba ABX	Sysmex
Mindray	Thermo Fisher Scientific
	Welch Allyn

10. What are the exhibiting options?

There are several options:

Note: Funds for exhibit space are paid in Chinese RMB. Exchange rates as of May 15, 2008 are:

\$1 = RMB 6.8

1€ = RMB 12.6

1£ = RMB 12.6

Option 1: Raw space (18m² minimum): RMB 2,464/m² = RMB 44,352/18m²

Option 2: Shell scheme* (9m² minimum): RMB 2,744/m² = RMB 24,696/9m²

*The shell scheme Includes back and side walls, company name on fascia board in English & Chinese, carpet, 1 reception counter, 2 chairs, 2 spot lights, 1 electric socket (220V) and 1 waste basket.

11. What is the cost of a translator?

If your company does not have a bilingual agent or employee present, a translator is a necessity. Depending on the level of competence needed, the cost per day is between \$60 for general business translation to \$100 for more technical translation.

12. What should be known about doing business in China?

As with any international business experience, it is important to know and observe the country's cultural habits. If your exhibit team has not previously traveled to China and you do not have access to formal training, it is highly recommended that books on Chinese business culture be reviewed. One of the better books is "Kiss, Bow or Shake Hands – Asian Edition" by Terri Morrison and Wayne Conway (Adams Media). Another excellent book is "Asian Business Customs and Manners" by Mary Murray Bosrock (Meadowbrook Press).