

Understanding Fast-Track China Entry into the Chinese Healthcare Market

By Noam David Stern, Co-founder & Partner of **Nordic Life Science Platform** (30 March 2023)



China's Healthcare Market

The development of the Chinese healthcare market is to a large extent driven by major **demographic changes** such as rising prosperity, increasing urbanization, rapidly aging population, and growing number of chronic diseases.

To satisfy the rising demand for high-quality healthcare services, China continues to invest massively in medical R&D, IT, AI, modern hospitals, new medical equipment, and treatment methods which is creating **many new business opportunities** for Nordic life science companies.

In 2020, China's healthcare spending totaled **RMB 7.2 trillion (~USD 1 trillion)** or **7.2% of GDP** which is expected to reach a total of **RMB 17 trillion by 2030**.

In 2020, the total healthcare spending was 9.2% in Finland, 10.6% in Denmark, 11.3% in Norway, 11.4% in Sweden, and 19.7% in the US.

Today, China's pharmaceutical market is the world's second largest with a **30% global share** which in 2020 generated a total revenue of **RMB 1.4 trillion (~USD 210 billion)** with an annual growth of 10%.

Moreover, China's medical device market is the world's second largest with a **20% global share** which in 2020 generated an estimated total revenue of **RMB 800 billion (~USD 120 billion)** and with annual growth rates of 20% since 2015.

Market Entry Barriers

Despite the great market potential, many Nordic life science companies often hold back from starting exports or own sales in China because of **lack of knowledge and perceived entry barriers**, and

therefore consider it too difficult and risky. Unfortunately, this cuts off Nordic life science companies from a huge market in high growth.

This uncertainty and doubt include among others language barriers, IPR protection, local competition, authorities, laws, rules and regulations, registration and approval procedures, procurement rules, decision-makers, distribution and sales channels.

Nordic Life Science Platform

The Nordic Life Science Platform ApS (NLSP) has been established to give Nordic life science companies a more safe, efficient, and easier access to the China’s healthcare market and to take advantage of the preferential policies and opportunities at HBL that can serve as a **gateway and stepping stone** to the mainland China market.

NLSP is a **one-stop service platform** that delivers a **Step-by-Step Market Entry Model** with supporting services that helps Nordic companies to explore and enter China’s healthcare market but also give them the option to stop or wait with the next step during the process.



NLSF **reduces the challenges and time to market** by offering companies offer expert advice supporting services such as project management, legal assistance, IPR protection, commercial match making, market research, partner search, venture capital contacts, company set up, medical registrations and approvals, and sales marketing.

Hainan Boao Lecheng International Medical Tourism Pilot Zone

Hainan Boao Lecheng (HBL) is a special medical zone in China that in September 2019 was granted preferential policies and incentives that aim to create a world-class international medical destination and cluster for advanced medical treatment, professional rehabilitation, medical R&D, and technological innovation in China.

Special Fast-track Approval Procedure

HBL offers a special fast-track approval procedure that makes it easier and quicker to register, import, and sell medical devices and medicines in urgent need for use in Hainan Boao Lecheng that are not yet registered in China but approved overseas with a CE mark, FDA license or PMDA approval.

Real-World Evidence Studies

HBL is also the only place in China that allows the collection of Real-World Data (RWD) from the use of medical devices and medicines imported under the fast-track approval procedure that can supplement the application for the NMPA registration which can accelerate the approval process for selling in the rest of mainland China.

Partnership

To explore the opportunities of the Chinese healthcare market closer, NLSP has established a Partnership with the Danish Life Science Cluster, Innovation Center Denmark in Shanghai, and The Trade Council China with the support of Medtech Denmark.

To learn more, please visit www.nlsp.dk and contact us.