

Japan's Growing Health Care Industry- Opportunities for Indian Companies

According to Japan Ministry of Health, Japanese medical equipment market size was 2.6 trillion yen in 2012, since 2004 the market has increased about 5 %. Medical expenses was 38.6 trillion yen in the 2011 fiscal year. The medical costs in Japan have seen upsurge and there is an increased demand for New Medical equipment and Healthcare related services, The market provides huge opportunity for Foreign Manufacturers of Pharmaceuticals and Medical Devices to cater to Japan Market.

Japans medical market boasts to be the 2nd largest market in the world after U.S. The prime factor being growth of aging population and medical care associated with it. Approximately 40% of Japanese population will be over the age of 65years by the year 2050. It is more evident in Tokyo as the percentage of 65-plus population is 25% in the year 2020, 30% in 2035 of the overall population.

The aging population has become the prime factor in expansion of medical market. Coupled with the rise of health consciousness among the masses, medical market in Japan is expected to expand in future. There is constant demand for new products, newer technologies and services in this sector seeking high quality and equally higher requirements.

Ministry of Health, Labor and Welfare and PMDA (Pharmaceuticals and Medical Devices Agency) are the governing bodies for Medical industries, nearly 30% of pharma and medical equipment companies are located in Tokyo, and large number of health care and welfare facilities are based not only Tokyo also scattered throughout Japan.

There are 20 plus National Medical Universities and 30 plus National Medical University Hospitals and numerous Private entities engaged in professional medical institutions Specializing in medical and pharmacy research. Japan dominates in investing towards Medical R&D environment, and human resources for medical sector, patents that are outpacing than any other sector and other Private investments are surging in services associated in this sector.

The Japanese Medical Equipment market is currently an open market for foreign countries, foreign companies market share accounted for a 44% of the overall medical equipment market, thus making it an active place for foreign countries. Foreign products have a particularly stronger hold on treatment equipment, and can be expected to grow further and the companies can be accounted for an overwhelming share. Japanese companies and consumer consider a product only if it is attractive with a high quality, resulting in to a competitive market, making it very difficult to put a general product in this market.

Until 1990`s Japanese pharmaceutical market was dominated by domestic only companies and consumers had also preferred domestic companies products However, since many regulations changes enabling an increase in the presence of foreign firms has improved the international competitiveness of Japan`s pharmaceutical market. Coupled with a number of mergers, among Tier 1 companies and well-known multinationals.

To overcome high rising costs of branded medicines, Generic medicines market was seen as solution, however it comes with several challenges for generic medicines manufacturing companies. One of the main challenges is the people`s outlook towards generic medicines. Consumers in Japan select quality over price and the mindset remains ingrained among all people, especially who buy medicines with health consciousness.

Although the Japanese pharma market is large and offers huge potential for generic medicines, Japanese consumers only trusted the brands they know and are skeptical to buy generic medicines since the efficacy and safety of drugs is not well known.

There are many Indian pharmaceuticals companies selling generic medicines and or APIs to Japan market despite challenges.

Currently the trend is there is number of medical institution facilities which demands of medical care and reduction of medical cost using IT, need for improved access to health care is rising. By taking advantage of electronic medical reports

by using network and diagnostic information management the medical institutions and services seeking ways to provide healthcare at patients home itself.

Also the increase in lifestyle-related diseases has resulted into a growing demand for health management using PC and mobile based applications along with high security. Telemedicine systems with equally high-speed database management systems are on demand.

The Medical IT services are presenting tremendous market opportunities to overseas technology along with severe challenges. To get a traditional receipt and medical reports on computer, it is necessary to incorporate many of Japan's unique systems such as accounts and insurance system, where the domestic companies dominate.

Foreign companies have a scope for remote services; Japanese manufacturers seek overseas companies to outsource the production of biopharmaceuticals and other IT related remote services. Though there are no regulations for outsourcing companies in Medical IT directly involved, but an approval by regulatory authorities is required with respect to drug application developed using any technology or remote services. Companies who are engaged in providing Medical IT services can try expanding their services to Japan Market.

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