


Exporting to the Middle East

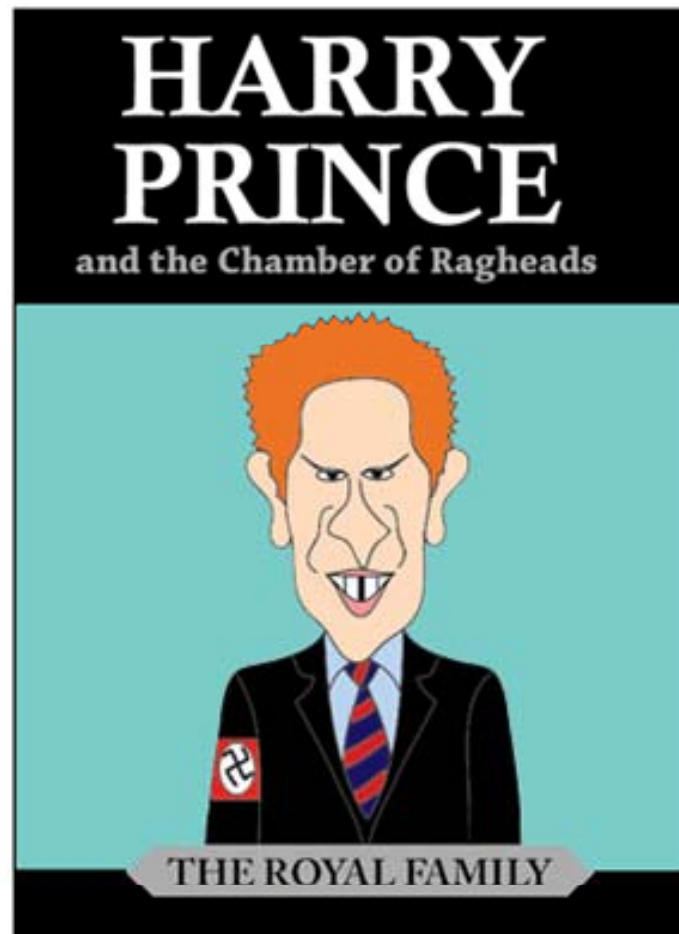
An opportunity in challenging times

Kevin Grundy
(IBD) Pty Ltd

29 year track record in developing global
export markets in the medical industry




Popular Misconceptions



01-12-08

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“The global financial crisis that
might now be called
"the great recession.”

Dominique Strauss – Kahn Managing Director IMF
March 2009 – IMF Anti Crisis Meeting – Tanzania

Adapt for Difficult Times

- Manufacturers can no longer rely on their domestic markets or traditional trading partners
- Prospecting new markets is imperative.
- Weaker AUD has made Australian products more competitive
- Many Middle East currencies are linked directly to the US dollar
- Strike while the iron's hot

Why the Middle East?

- Global downturn has seen established markets such as the US, Europe and the Pacific Rim slowdown in demand
- US traditionally represented between 40-50% of world demand in the medical sector
- US market is diminishing, US manufacturers are being forced into the international export markets to seek new business
- The Middle East has remained strong during the global financial crisis
- Latest figures show the Middle East health care market continues to grow at an annual rate of 16%
- Robust banking system

Why the Middle East?

- Arab Health press release issued in December 08 confirmed that the Middle East was "bucking the global financial crisis trend" offering significant growth opportunities

Why the Middle East?

- Middle East is open to new technology
- High overall skill base
- Most surgeons/doctors are partially trained in developed countries such as US, UK, France and of course Australia
- High awareness and understanding of new technology and techniques

Why the Middle East?

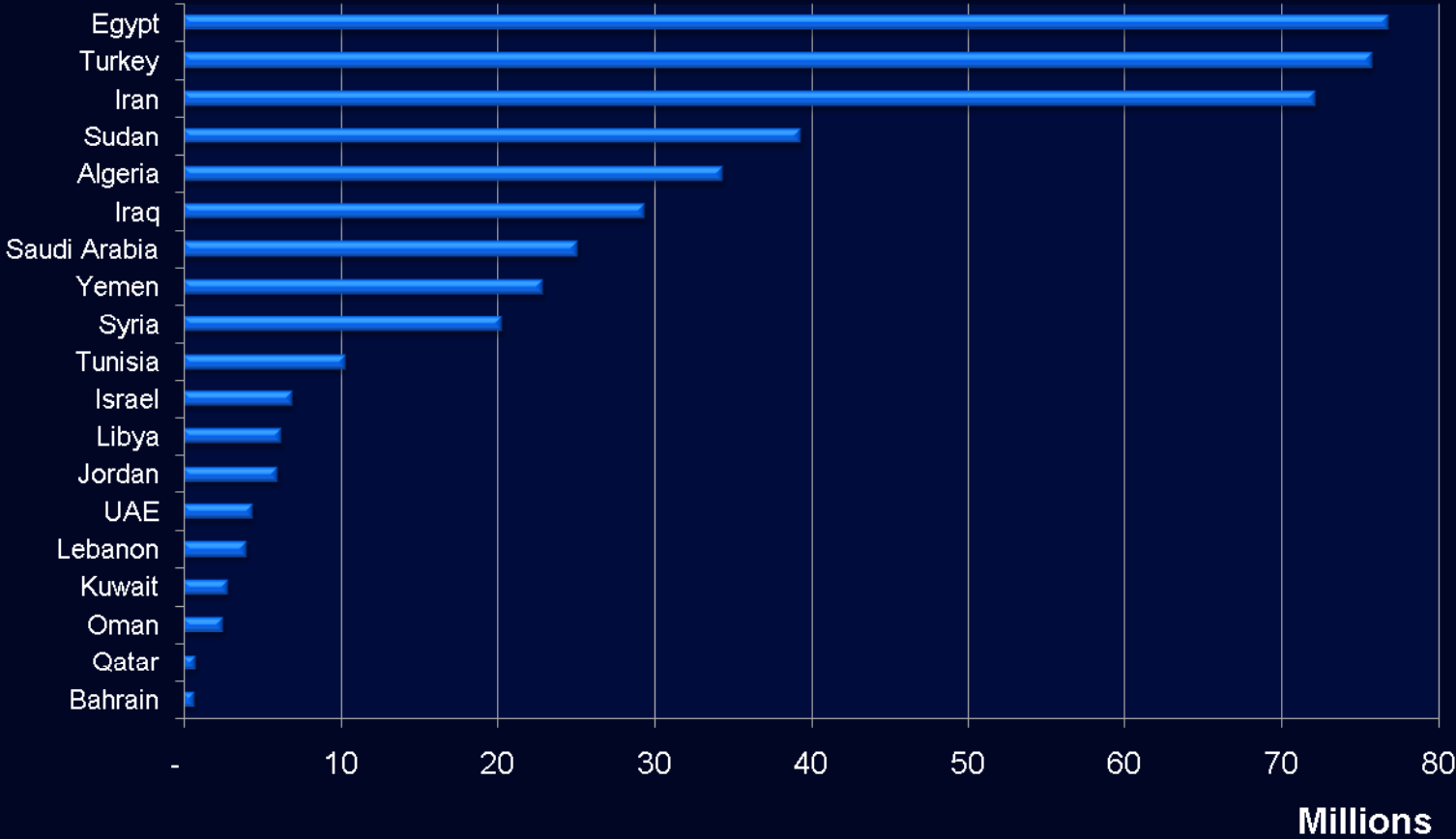
- Shuttle surgeons travel from Europe regularly to clinics in the Middle East to treat patients. Dubai, Abu Dhabi, Doha would be examples of this
- Territories such as the UAE, Qatar actively promote growing sector of healthcare travel (tourist) patients
- Significant investment in centres of excellence such as SQUH in Oman and forthcoming SIDRA Medical and Research Centre in Doha (opening 2012 at cost of US\$7.9 billion)

Sultan Qaboos University Hospital Oman



Demographics - Population – UN 2008 Figures

Population Of Middle Eastern Countries



Primary Middle East Markets

- Iran
- Saudi Arabia
- Egypt
- UAE
- Jordan
- Israel
- Syria

Emerging Markets

- Sudan
- Libya
- Yemen
- Iraq

Iraq

Iraqi healthcare budget (Kimadia MOH only)

- 2008 approximately US\$670 million
- 2009 US\$812 million
- Figures are exclusive of private sector and local health directorates i.e. Kurdistan
- Business in Iraq can be highly lucrative, but also complex

Business Development Considerations

- Volatile ever fluid political situation
- Travel safety concerns
- Cultural and religious considerations
- Regulatory requirements
- Traditional local inefficiencies

Important considerations

- Complete due diligence on each market
Questions, questions, questions – don't be afraid to ask!
- Minimise risk of securing unsuitable partner(s)
- Time consuming and expensive if you make the wrong decision
- Assess financial stability of potential partner(s)/most effective payment methods

Important considerations

- Wherever possible meet personally with potential partners
- Look at appropriate medical congresses such as specialised meetings based on product relevance or Arab Health (very large, very general, very expensive).
- Travel into region is important, possibly utilising trade missions or outsourcing specialist services

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- Thank You for Your Attention!
- www.kevingrundy.com.au