

## **SECTOR REPORT**

### **LIFE SCIENCES**

### **INDONESIA**

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## OVERVIEW

Indonesia has more than 220 million populations and is South East Asia's largest economy. It has a substantial, affluent and increasingly aspirational middle class of over 20 million. It is worth noting that this is more than the population of Australia or Malaysia. These demographics indicated considerable potential for British companies.

A health development play an important part in increasing Indonesian human resources and social welfare and the Government has prioritises health programmes for future generations. During the global financial crisis in 2008, "medical tourism industry" has experienced a substantial decrease. The Indonesian Government has seen this opportunity and try to prevent locals obtaining medical treatment overseas. They encouraged the improvement of quality and capability in every aspect of the sector.

## OPPORTUNITIES

Recognising the funds transfer out of the country as a result of the elevating numbers of medical tourism, Indonesian Government has now set up a strong platform with a view to develop the country's healthcare sector. They have encouraged an implementation of high advanced technology system to build the sector's strengths and also developing the knowledge, quality and expertise of the medical practitioners.

The following opportunities are available to explore:

- § Innovative/ specialised/ niche medical and laboratories equipment
- § Training and specialised medical education for healthcare practitioners e.g. nursing, paramedics and management programme
- § Healthcare IT system
- § Treatments for Fertilisations
- § Contract manufacturing for pharmaceutical products

To take advantage of the opportunities available, it is crucial that companies have active marketing strategies such as:

- § Appointing the right business partner (after undertaking due diligence work)
- § Visiting the market on a regular basis as face-to-face business is crucial
- § Preparing comprehensive information packs profiling your company, product specifications, pricing and terms of payments
- § Participating in major trade exhibitions to showcase products/ services to relevant audience/ buyers

UK Trade & Investment publishes international [business opportunities](#) gathered by our network of British Embassies, High Commissions and Consulates worldwide. These opportunities appear in the Opportunities portal on the relevant sector and country pages on the UK Trade & Investment website. By setting up a profile you can be alerted by email when relevant new opportunities are published. New or updated **alert profiles** can be set in My Account on the website.

## CHARACTERISTICS OF MARKET

Technology, cultural changes and economies of scale are some of the globalisation drivers that have influenced the country's healthcare and pharmaceutical sector.

Healthcare and pharmaceutical sector in Indonesia is considered to be more consumers driven industry. Most patients have an in-depth understanding on various available treatments including the implementation of high advance technology systems. Therefore, the hospitals and

laboratories as well as healthcare practitioners must be able to provide the best medical solutions. This is also to get the better of Singapore, Malaysia and Australia, knowing they are the top three “medical tourism” destinations for most Indonesian.

## KEY METHODS OF DOING BUSINESS

All healthcare and pharmaceutical supplies to the country must be registered and only the local distributor can complete the registration process and distribute locally.

The Government has developed a certain regulations that have a negative impact on the pharmaceutical sector. The regulation have limited foreign pharmaceuticals with only 75% of shares and close the pharmaceutical wholesale and requires that foreign manufacturers that are currently imported the medicinal products to transfer the technology and establish manufacturing in Indonesia within 5 years time. The only way to penetrate the market is either to set up a manufacturing plant locally or to develop a contract manufacturing with the local manufacturer.

Other background information on doing business in **Indonesia** can be found on UK Trade & Investment’s website. Simply go to [www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk) where you will find information on:

- § Economic background and geography
- § Customs & regulations
- § Selling & communications
- § Contacts & setting up
- § Visiting and social hints and tips

## MORE DETAILED SECTOR REPORTS

Research is critical when considering new markets. UK Trade & Investment provides [market research](#) services which can help UK companies doing business overseas including:

- § **Overseas Market Introduction Service (OMIS)**. Bespoke research into potential markets, contacts and support during your visits overseas.
- § **Export Marketing Research Scheme**. Advice on market research and help to contact subsidised market research administered by the British Chambers of Commerce on behalf of UK Trade & Investment.

Contact your local [International Trade Advisor](#) if you are interested in accessing these services or for general advice in developing your export strategy.

When considering doing business in Indonesia, it is essential to obtain legal, financial and taxation advice. A contact list of lawyers and other relevant professional bodies as well as further information is available on the Embassy’s website [www.ukinindonesia.fco.gov.uk](http://www.ukinindonesia.fco.gov.uk) and from the Embassy’s Trade & Investment Section. For further details, please contact:

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## PUBLICATIONS

UK Trade & Investment team in Jakarta have developed a wide-ranging “Healthcare and Pharmaceutical Directory” focusing on the essential information of the country’s healthcare and pharmaceutical sector. For more information on the Directory, please contact [UK Trade & Investment team](#) in Jakarta.

## EVENTS

Events in **Indonesia** can be found on the Embassy’s website [www.ukinindonesia.fco.gov.uk](http://www.ukinindonesia.fco.gov.uk)

UK Trade & Investment’s [Tradeshaw Access Programme](#) (TAP) can help eligible UK businesses take part in overseas exhibitions. Attendance at TAP events offers significant benefits:

- § possibilities for business opportunities both at the show and in the future
- § a chance to assess new markets and develop useful contacts
- § grants are available if you meet the criteria
- § UKTI staff overseas will be available to assist delegates

Find out if you are eligible to apply to attend this event, and more about the support UK Trade & Investment can offer, on the UK Trade & Investment [Market Entry](#) web page.

Details of TAP events can be found in the **Events** portlet on the Indonesia’s page.

Other **Market Visit Support** may be available via your local International Trade Advisor.

## CONTACT LISTS

UK Trade & Investment’s **International Trade Advisers** can provide you with essential and impartial advice on all aspects of international trade. Every UK region also has dedicated sector specialists who can provide advice tailored to your industry. You can trace your nearest advisor by entering your postcode into the [Local Office Database](#) on the homepage of our website.

For new and inexperienced exporters, our [Passport to Export](#) process will take you through the mechanics of exporting. An International Trade Adviser will provide professional advice on a range of services, including financial subsidies, export documentation, contacts in overseas markets, overseas visits, translating marketing material, e-commerce, subsidised export training and market research.

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