

**Medical Hub of Asia**  
**Thailand: Medical Hub of Asia**  
*March 2012*

Thailand is the medical hub of Asia and one of the world's leading destinations for such services. With a first-rate health care technology infrastructure, the Thai medical services industry provides quality on par with developed countries yet at a fraction of the cost.

Recognizing both the Kingdom's capacity to deliver world-class treatment and the substantial demand from abroad, the Thai government is focusing development on three major areas: medical services, health care such as spas and traditional massage, and herbal products.

This includes medical tourism, with projects concentrated in the high tourist areas: Bangkok, Chiang Mai, Phuket, Surat Thani, Pattaya and Hua Hin. The country is also renowned for alternative medicine such as meditation, yoga and Thai massage, with these services delivered by private providers and specialized medical centers.

Just as investment in high-tech care equipment continues to rise, opportunities are also expanding in the medical device and pharmaceutical sectors.

**Affordable First-Class Quality**

With over 1,000 public and 400 private hospitals operating at high standards and fully equipped with internationally trained physicians, Thai medical service provides excellent care at very competitive prices. The prevalence of physicians with overseas training and hospitals' multilingual staffs also means there are no communication barriers for foreign patients.

Each year the country attracts about 2 million medical tourists from abroad. The most prominent treatments requested by the foreign patients are general check-ups, dental care, hip replacements, laser eye surgery, kidney transplants and heart surgery. In comparison, some surgeries conducted in Thailand are as much as 90% less expensive than in the United States.

Thailand is also gaining recognition as a research and development center for clinical trials of advanced medicine and stem cell treatment.

**Booming Medical Devices Sector**

As many countries in Asia face the graying of their societies and greater medical device and service needs, Thailand is well positioned to take advantage of this demand surge. Although Thailand has a substantial number of medical device manufacturers, two-thirds of such items in the Kingdom are imported: There is ample opportunity for new investment in local medical device manufacturing, and Thailand is an excellent cost-effective production site.



*Source: Thai Medical Device Technology Industry Association*

Major international medical device technology manufacturers already located in Thailand include 3M, Bausch & Lomb, Baxter, Boston Scientific, Carl Zeiss, Diethelm, GE Medical, Guidant, Johnson & Johnson, Medtronic, Philips, Roche Diagnostics, Siemens and Tyco.

*"We have a very robust medical equipment and supplies market, so this is a great location for investors, whether they want to sell domestically or export throughout Asia and the world. Thailand's imports and exports of medical equipment and supplies have been rising significantly since 2001."*

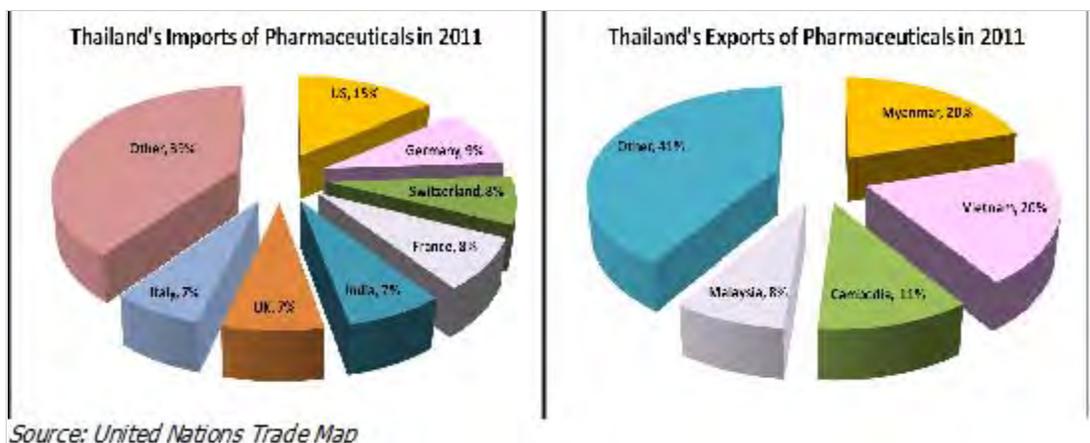
- Mr. Preecha Bhandtvej, President of the Thai Medical Device Technology Industry Association -

### Pharmaceuticals

The Thai market value for pharmaceuticals has also seen significant growth. The Ministry of Public Health has passed a bill which mandates that pharmaceutical manufacturers in Thailand comply with the Pharmaceutical Inspection Co-operation Scheme (PIC/S), thus ensuring that products within the Kingdom meet international standards.

In addition, the government's 2012-2016 strategic plan for the industry aims to strengthen the pharmaceutical sector through enhanced R&D and the continued modernization of manufacturing practices. To step up their R&D, Thailand's pharmaceutical organizations collaborate with domestic and foreign research groups. For example, the BIOTECH-Novartis International Pharmaceutical Drug Discovery Partnership is identifying the potential use of microorganisms and natural compounds as sources of innovative medicine.

While Thailand currently produces 25 active ingredients, including sodium chloride, camphor and menthol, local pharmaceutical companies currently allocate less than 1% of their total costs to R&D. As most ingredients are still imported, this leaves sizable room for new pharmaceutical investors. In 2011, the country's pharmaceutical imports topped US\$1.7 billion while exports were only US\$350 million.



### Medical Food

Medical food, which refers to food formulated to be consumed or administered under the supervision of a physician and for treatment of a disease, is an emerging sector in Thailand. This market is growing every year with the government issuing several policies to encourage investment in the sector. Mead Johnson and Abbott and Novartis are two of the major suppliers of medical food with operations here. The Mead Johnson facility in Chonburi Province is the company's largest plant outside of the United States and it serves as the hub for Asia-Pacific operations.

*"We have always been able to attract workers with the appropriate skills to support our operations in Thailand. As a science-based business that utilizes cutting-edge technology in our laboratories and production operations, we encourage the government to continue building capabilities in science and engineering. When providing nourishment for precious infants, you always have a need for chemists, microbiologists, nutritional scientists and quality experts."*

*"We also see Thailand as an excellent place for conducting research and development, especially because of the deep local talent pool. In fact, most of the scientists at our Bangkok and Chonburi facilities are Thai. Their breakthrough discoveries are helping to support the health and wellbeing of moms-to-be, moms, infants and children in Thailand and across Asia."*

- Mr. Stephen W. Golsby, President and CEO of Mead Johnson Nutrition -

### **Safety of Services**

Thailand's hospitals have achieved international standards for quality and performance. Bumrungrad Hospital in Bangkok is Southeast Asia's largest and the first hospital in Asia to be certified ISO-9001. It is also the first in Asia to be granted the prestigious Joint Commission International Accreditation (JCIA).

As strong testimony to Thai hospitals' quality of care, the following facilities are all JCIA-accredited:

- Bangkok Hospital
- Bangkok Heart Hospital
- Wattanosoth Hospital
- Bangkok Hospital Pattaya
- Bangkok Hospital Phuket
- Bangkok International Clinic
- BNH Hospital
- Samitivej Hospital Srinakarin
- Samitivej Hospital Sukhumvit
- Samitivej Hospital Sriracha
- Vejthani Hospital
- Bumrungrad Hospital
- Chiangmai Ram Hospital
- Synphaet Hospital
- Ramkhamhaeng Hospital
- Praram 9 Hospital
- Yanhee Hospital
- Nonthavej Hospital

### **Excellent Infrastructure**

The country is also home to many institutions and research centers that support medical technology breakthroughs:

- Thailand Science Park, established as a one-stop service center to assist companies engaged in scientific and technological research
- National Center for Genetic Engineering and Biotechnology (BIOTEC)
- National Science and Technology Development Agency
- Food and Drug Administration
- Ministry of Public Health
- Ministry of Science and Technology
- National Innovation Agency
- Health Systems Research Institute
- Thailand Center of Excellence for Life Sciences

### **BOI Investment Incentives**

The Thailand Board of Investment (BOI) offers a wide range of fiscal and non-tax incentives for investments. Tax-based incentives include exemption or reduction of import duties on machinery and raw materials, and corporate income tax exemptions and reductions. Non-tax incentives include permission to bring in foreign workers, own land and take or remit foreign currency abroad.

Example promoted projects include the manufacture of pharmaceuticals, active ingredients, medical food, medical equipment and parts for medical electronics. The BOI also promotes care centers, retirement homes, and dedicated health centers that provide medical or psychotherapeutic treatment through advanced technological equipment.

### **For further information:**

The Thailand Board of Investment: <http://www.boi.go.th>

The Food and Drug Administration: <http://www.fda.moph.go.th/eng/index.stm>

Thai Medical Device Technology Industry Association [www.thaimed.co.th/eng](http://www.thaimed.co.th/eng)