

# Business Opportunities in Cambodia: The Healthcare Sector



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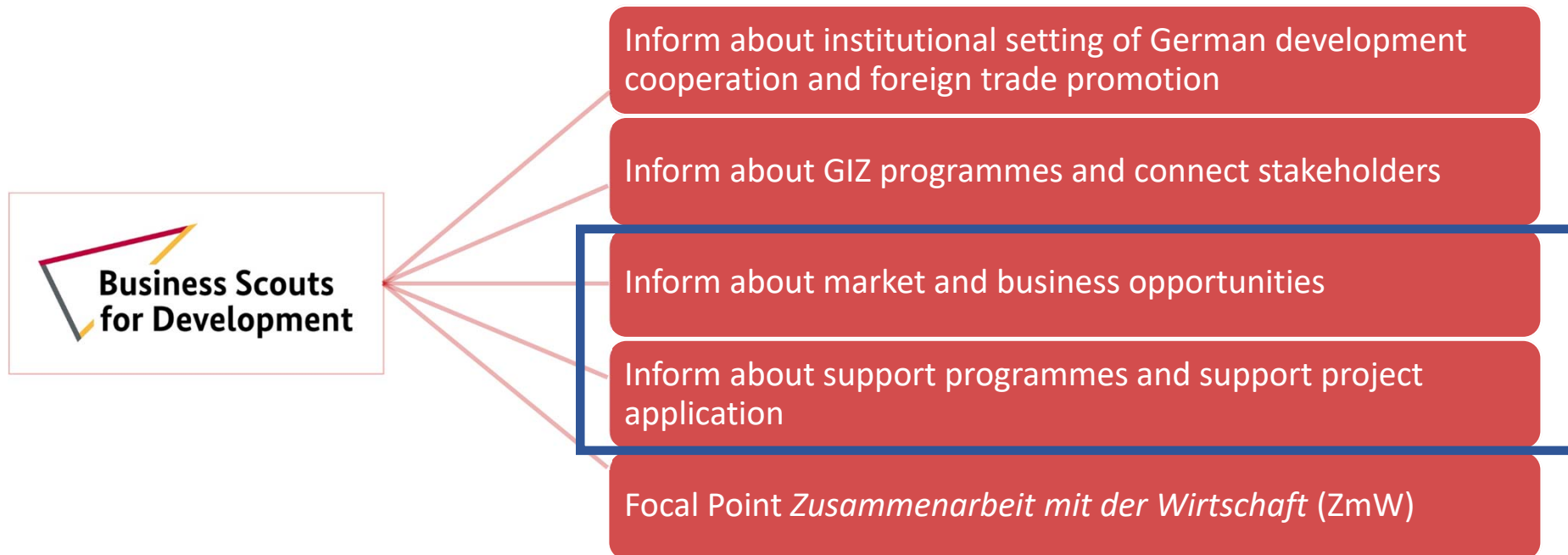
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## Orientation, information, networking, project development



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# Outline

- 1) Introduction of the publication "Sector Brief on Healthcare in Cambodia"**
- 2) Introduction of Support Programs offered by Development Cooperation**



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## Inform about market and business opportunities



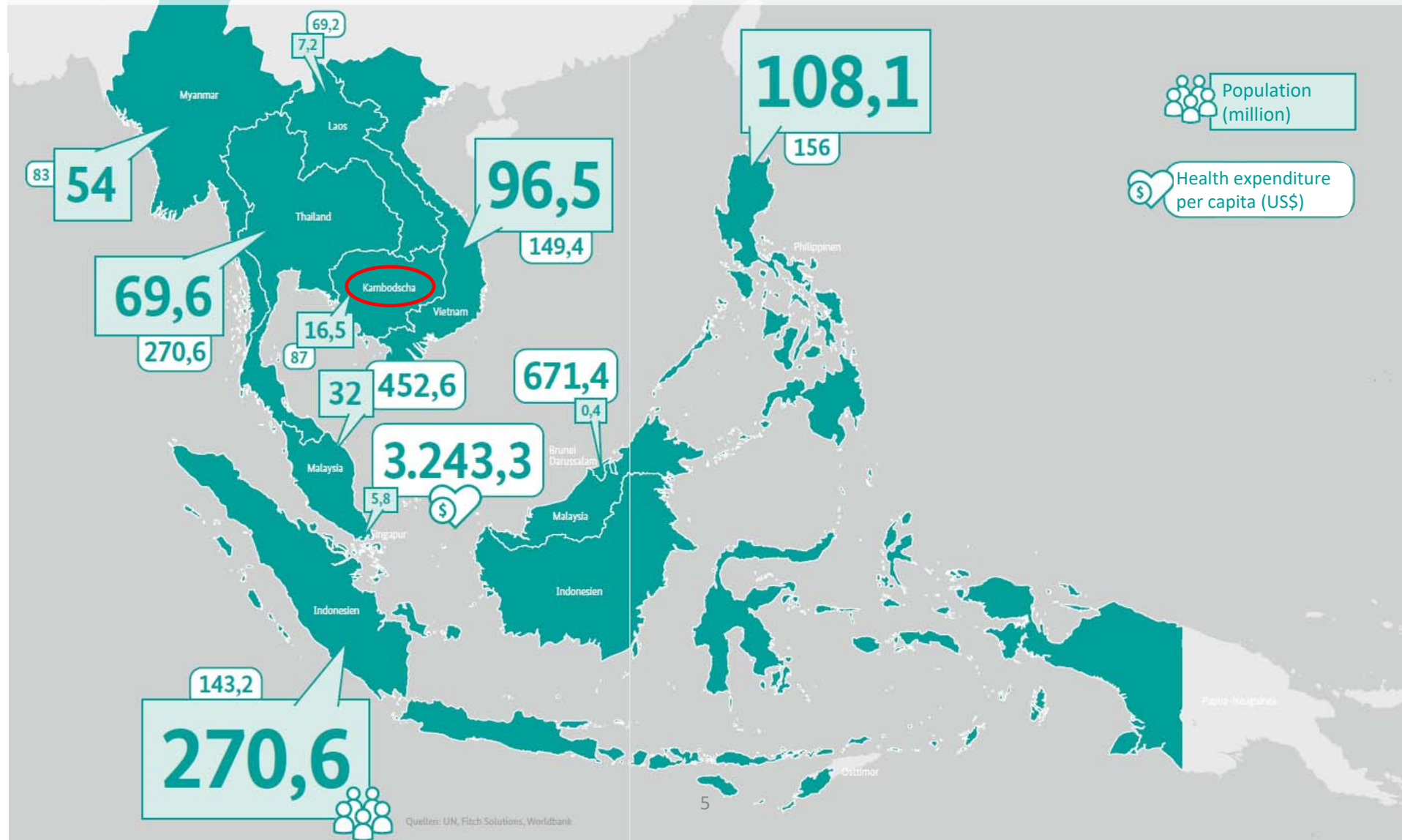
- **Sector brief "Health Care"**
- **Sector brief "Agriculture and food-processing in Cambodia"**
- **Sector brief "Water supply and wastewater treatment"**
- **Sector brief "Waste management"**
- **Sector brief "Construction"**
- **Sector brief "Solar energy"**
- **Sector brief "Sustainable mobility"**
- **Coming up: "Organic products"**

Available at:

<http://adw-cambodia.org/resources/market-information/>



# Population and Health Care Expenditure in the ASEAN Region



# Sector Brief Overview

## The Cambodian health care system (I)

- Public and private hospitals with both non-profit and for-profit business models
  - Public sector: most preventive services and inpatient (*stationär*) care
  - Private sector: provides mostly outpatient (*ambulant*) curative consultations, accounts for 67-78 % of primary care consultations in urban areas
  - Private facilities are the first point of contact for most Cambodians
  - Trust issues: preferred treatment abroad (Vietnam, Thailand, Singapore)



# Sector Brief Overview

## The Cambodian health care system (II)

- Foreign investors have begun to set up hospitals & medical centers with foreign staff
- Drugs / medical equipment supplied by European, American or Japanese companies
- Smaller private health providers across the country (in 2015: ca. 8,500)
- Ca. 200 NGOs active in the sector as direct service providers & local staff trainers



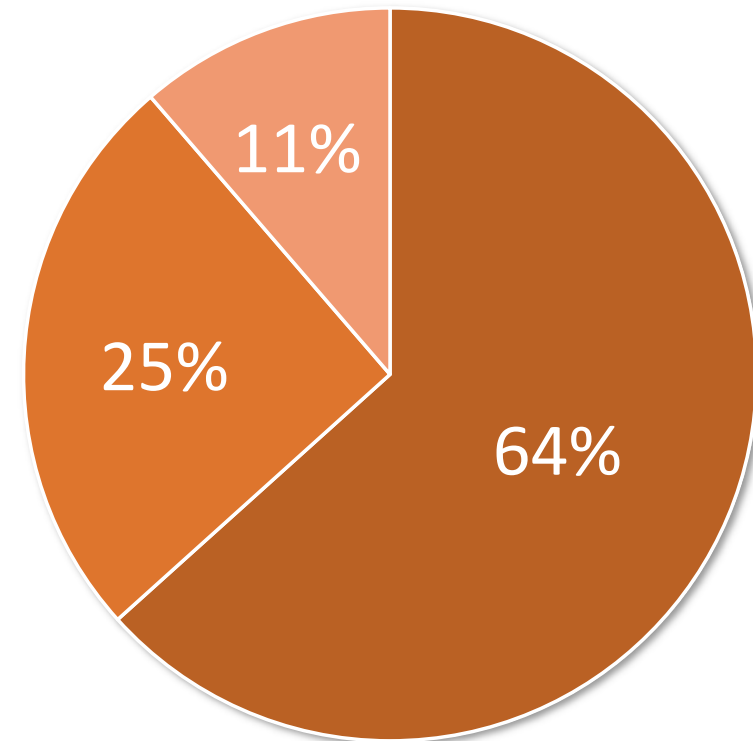
*Launching Type 1 Diabetes Clinic at Cambodia Korea Diabetes Center, Preah Kossamak Hospital*

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# Sector Brief Overview

## Total Health Care Expenditure (THE)

- Out-of-pocket payments: > 60 % of THE
- Lowest government share amongst CLMV
- COVID-19: Overall government budget cut
- Goal: universal health coverage by 2025
- Reliance on foreign donors
- Health Equity Fund (selected free services)
- National Social Security Fund (NSSF)
- Health Strategic Plan 2021–2030 TBP




■ Patients ■ Government ■ Development Cooperation

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# Sector Brief Overview

## Laws and Regulations

- Department of Drugs and Food (DDF) under Ministry of Health  **CamPORS**
  - Selling / importing drugs requires company license via CamPORS from Ministry of Health. New drug registration: 12-month process
  - Medical equipment: harmonized medical device regulations with ASEAN
- Operational framework for medical product distributors and manufacturers
  - 1) Set up a local company (can be 100 % foreign-owned) with MoC, obtain pharmaceutical import company license from the MoH
  - 2) Work with local company with pharmaceutical import company license
- Ownership and licensing of a private health facility

# Sector Brief Overview

## Challenges

- Lack of universal health coverage, financial risks for patients
- Public health care quality: often underfunded, understaffed, undersupplied
- Technology barrier: Medical devices & ICT
- Maternal and child mortality, neonatal mortality
- Strong urban / rural divide, malnutrition in rural areas
- Increase in cardiovascular diseases, diabetes, cancer and respiratory diseases
- Counterfeit and unlicensed products, esp. pharmaceuticals
- Pollution-based deaths and illnesses
- Overuse of antibiotics, multidrug resistance



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# Sector Brief Overview

## Business opportunities (I) – Pharmaceuticals / Health supplements

### Pharmaceuticals

- Rising demand (e.g. in Insulin) due to increasing non-communicable diseases (diabetes, cancer, cardiovascular disease)
- Increasing wealth and lower poverty levels, expanded customer base

### Health supplements / Nutritional products

- Growing consumer health awareness, increasing demand
  - Supplements sold by pharmacies, supermarkets, gyms and minimarts
  - Additional 1,400 health supplements were registered 2008-2018
- High trust in German/EU pharmaceuticals & supplements, prioritized by private and public hospitals and consumers



# Sector Brief Overview

## Business opportunities (II) – Medical equipment

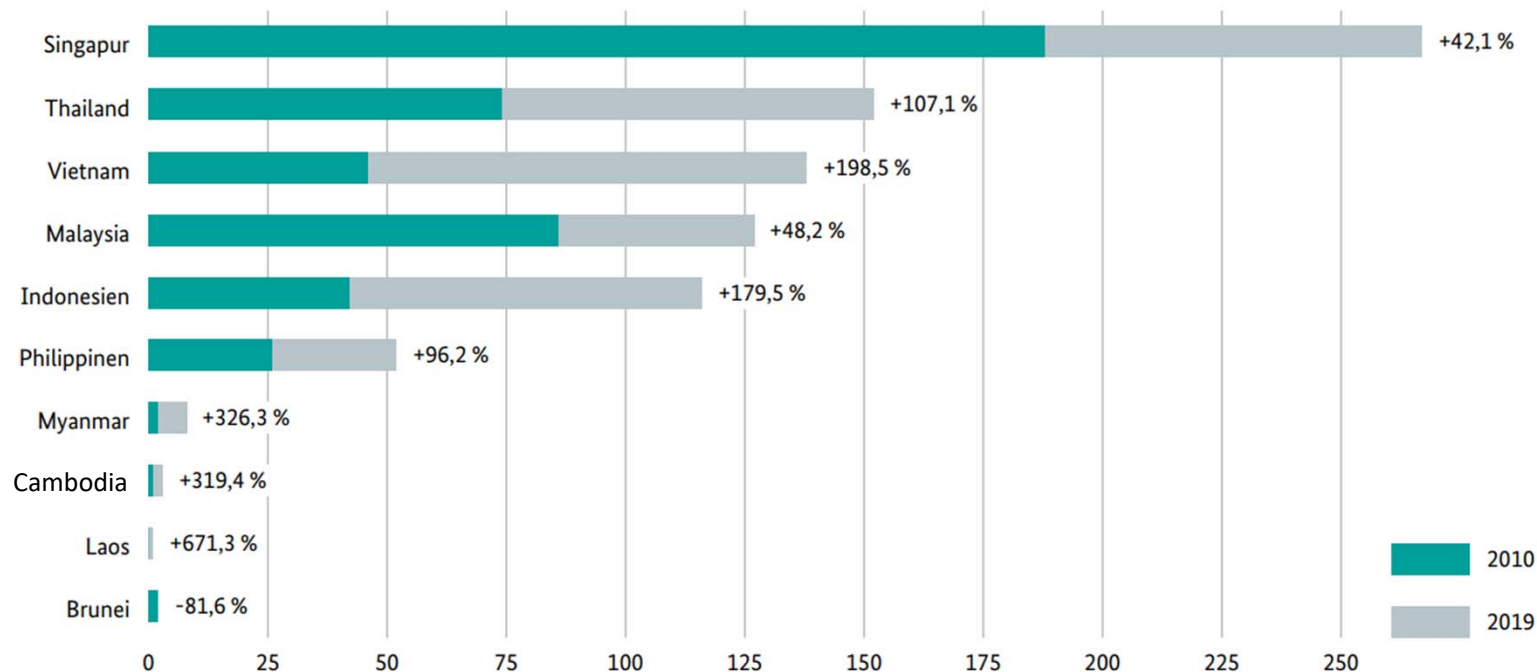
### Growing market:

- Medical device imports have doubled between 2015 and 2020 alone
- Between 2008-2018, imports of medical X-ray machines increased by 162 %
- Newly established private hospitals boost demand for quality equipment
- Government funds to purchase medical devices for public hospitals
- Government's strategy: reduce the gap between the public/private sector
- Result: Several recent public tenders focusing on in-vitro diagnostic devices and medical imaging devices

# Sector Brief Overview

## Business opportunities (II) – Medical equipment

German medical technology exports in 2010 and 2019 (in US\$ million)



Source: GTAI, Medizintechnik in der ASEAN-Region (2020)

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# Sector Brief Overview

## Business opportunities (III) – Trainings

- Shortage of skilled health care workers
- Demand for training services, including TVET, e.g. through:
- Partnering with local universities to train doctors and nurses
- Partnering with German development cooperation through support programs
- Establishing TVET institutes for medical and laboratory technicians & biomedical engineers, supplying workforce to
  - operate private diagnostic centers and laboratories
  - operate, maintain and repair imported medical machinery



*Coaching by GIZ on new-born care at a Baray Sontok Hospital*

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# Sector Brief Overview

## Business opportunities (IV) – Opening a modern hospital

- International hospitals are operating successfully in Cambodia
- Domestic medical treatment / consultation on non-communicable diseases
- Specific lifestyle treatments (e.g. anti-aging) for new middle class
- Trust in quality as key factor (origin of medical equipment and supplies)



*Royal Angkor International Hospital in Siem Reap*

# Sector Brief Overview

## Business opportunities (V) – Health Insurance

- Total value of insurance policies 2011: USD 30 million, 2019: USD 100 million
- Value of Cambodia's private health insurance premium market: from USD 6.8 million (2014) to USD 18.6 million (2019)
- Health insurance not negatively impacted by COVID-19
- Int'l corporations and organizations provide / contribute towards employee health insurance, local companies follow suit to attract skilled labor

# Sector Brief Overview

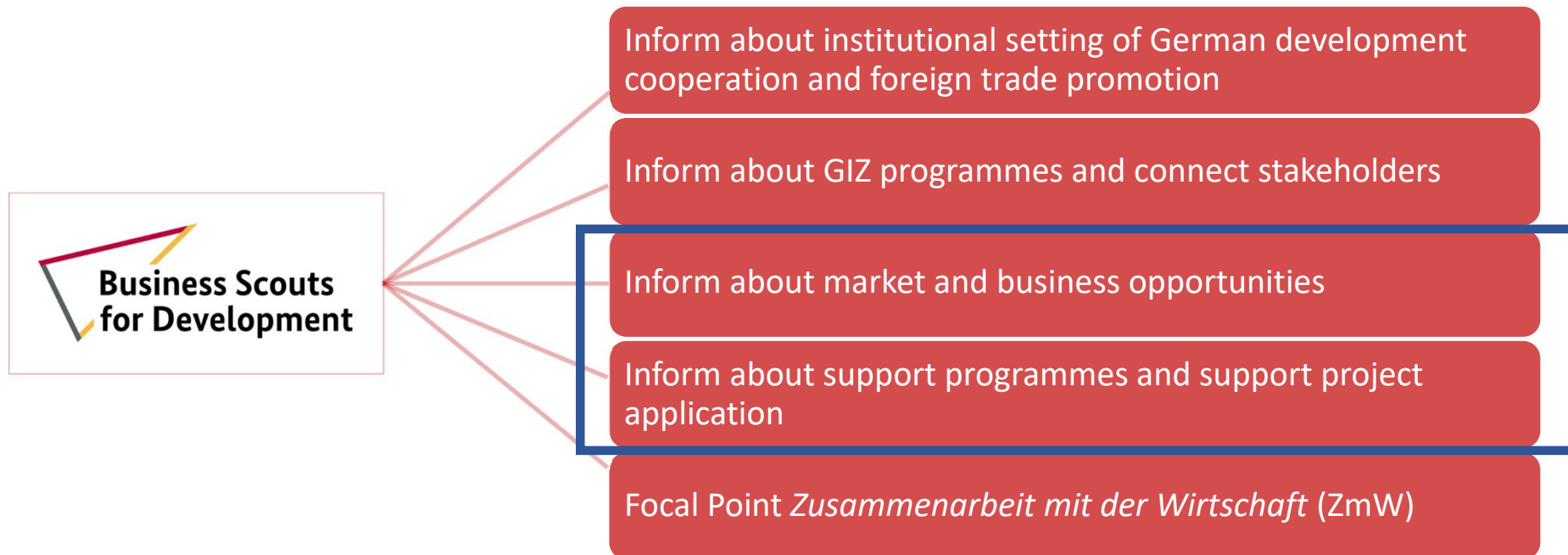
## Business opportunities (VI) – Further opportunities

- **Public Tenders** by the Cambodian government (contributions by World Bank, ADB)
  - construction of health infrastructure
  - supply of pharmaceuticals, medical equipment and devices
  - improved water and sanitation, child health, education and training
- **Dentistry** in Cambodia has a good reputation
  - “dental tourism” to Cambodia (20-30 % cheaper treatment fees than Thailand)
  - specialized medical tourism agencies have opened
  - domestic dental patient market also increasing

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# Background

## Business Scouts for Development (I)

### 1 German development cooperation

- Integration of private sector activities to reach Sustainable Development Goals (SDGs)

### 2 Private sector

- Creates new jobs,
- Generates additional income,
- Promotes innovation

### 3



Federal Ministry  
for Economic Cooperation  
and Development



Federal Ministry  
for Economic Affairs  
and Energy

- BMZ and BMWi decided to establish closer links between foreign trade promotion , private sector activities, development cooperation
- Set up advisory network

# Background

## Business Scouts for Development (II)

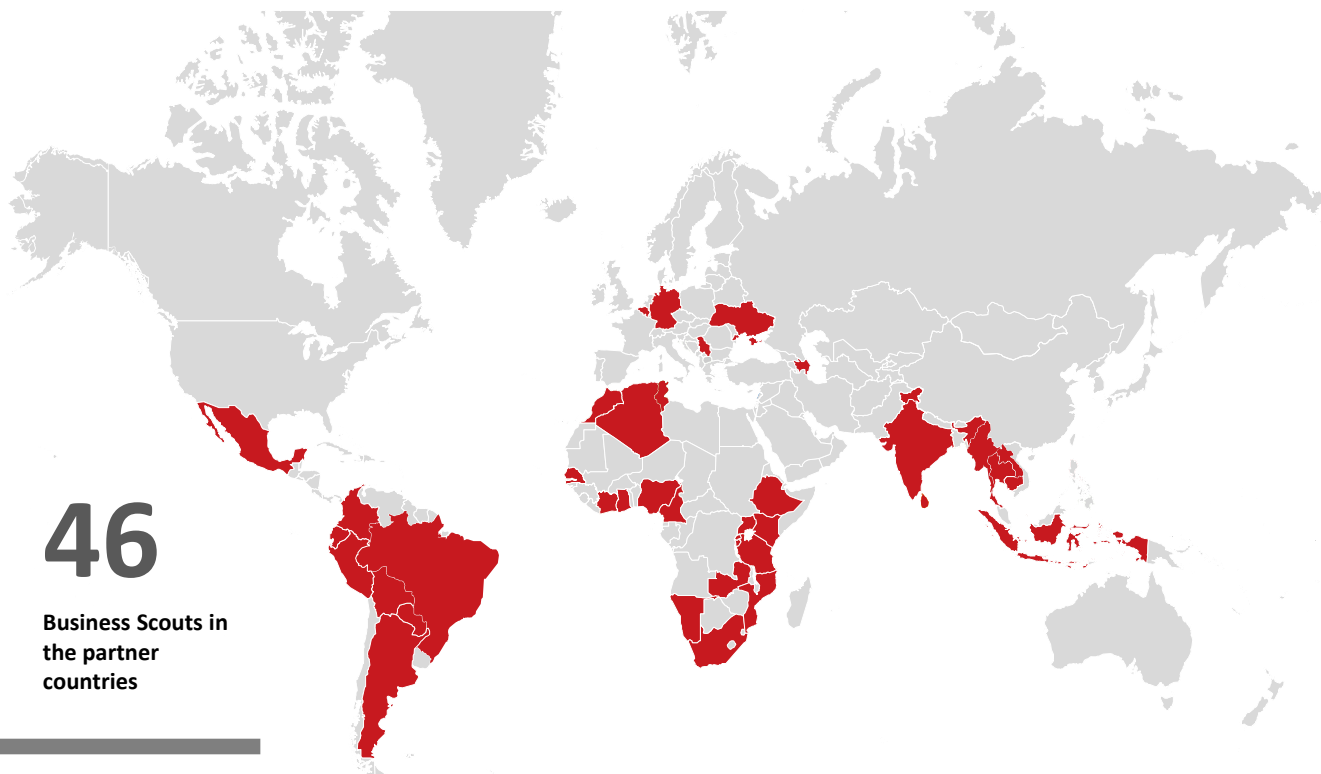
**36**

**Business Scouts in  
Germany and  
Belgium**



**46**

**Business Scouts in  
the partner  
countries**



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# Background



## Business Scout for Development Cambodia



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## Inform about institutional setting of German development cooperation



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## Inform about GIZ programmes and connect stakeholders



### Health, Social Security

### GIZ Programmes

- Ministry of Health, Ministry of Finance
- Provincial and district health centers
- Private sector

- Healthy learning with Fit for School (Alexander Winkscha)
- Social health protection (Corinna Heineke)
- Multisectoral food and nutrition security in Cambodia (Farid Selmi)

### Further GIZ sectors in Cambodia:



### Administrative Reform



### Sustainable Infrastructure



### Rural Development



### Trade Promotion



### Environmental Technologies

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## Inform about support programmes and support project application

### Support to pilot projects



develoPPP.de

### Corporate finance



Co-financing of feasibility studies

Corporate finance – loans, equity finance, mezzanine finance

Business Support Services (BSS)

### Know-how from Germany



Centre for International  
Migration and Development  
a joint operation of GIZ and the  
German Federal Employment Agency



Senior Expert Service

Integrated Experts

Alumniportal Deutschland

Chamber and Vocational Training Partnerships

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# Support Programmes



## develoPPP

## Senior Experten Service

## DEG

### What develoPPP can do for you

- Financial or technical support, up to 2 million € funding, max. 50% public contribution for:
- Sustainable pilot investments when business interests match with development objectives
- German / European companies, companies in developing / emerging countries can apply four times a year
- Criteria: 800K EUR annual turnover, at least 8 employees, ≥ 2 operative business years

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# Support Programmes



develoPPP

Senior Experten Service

DEG

## Offer of the SES

- SES has more than 12,000 experts with expertise in more than 50 sectors of industry who provide advice and hands-on support nearly all around the world
- Their volunteer assignments usually last 3 - 6 weeks; max. duration: 6 months
- Assignment preparation, project handling costs, insurance paid by SES
- Local expenses & international travel to be paid for by applicants ([link](#))

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# Support Programmes



develoPPP

Senior Experten Service

DEG

## What does the DEG offer?

- Financing for corporates (Long-term loans, equity investments, mezzanine finance, bonds)
- Co-Financing of feasibility studies (max. 50% cost, max 200,000 €)
- Business Support Services (match with external experts providing advisory solutions, non-repayable co-financing)
- Up-Scaling Programme (financing of early-stage SMEs, scaling innovative business models)

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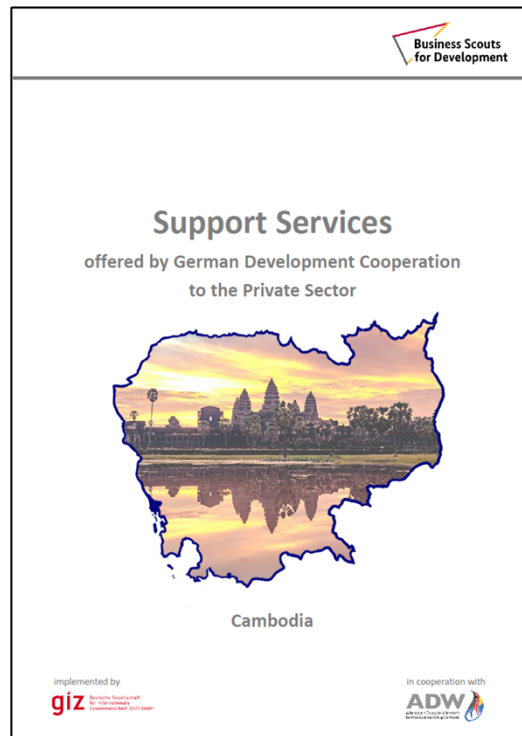
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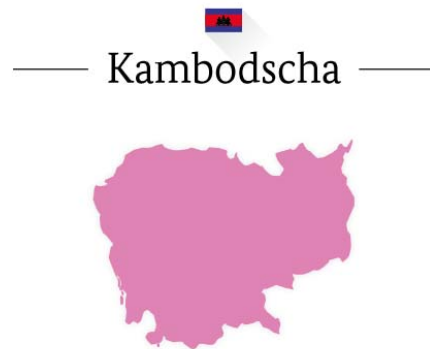
## Inform about support programmes and support project application





# Core services

## Inform about market and business opportunities (I)



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**GTAI** GERMANY  
TRADE & INVEST

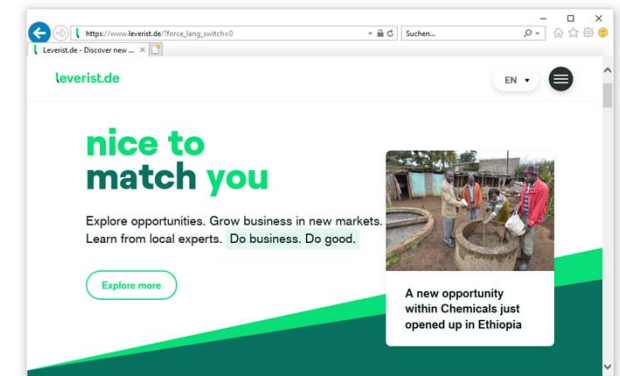
**ADW** **ADW**  
Austrian Development  
Cooperation

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- Sector brief "Agriculture and food-processing in Cambodia"
- Sector brief "Water supply and wastewater treatment"
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- Sector brief "Solar energy"
- Sector brief "Health care"
- Sector Brief "Sustainable mobility"

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## Inform about market and business opportunities (II)

**Medizintechnik in der ASEAN-Region**  
(available in German only)

Available at:

<https://www.giz.de/de/downloads/giz2020-de-medizintechnik-asean.pdf>



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**SPECTARIS**  
Medizin-Industrie-Handbuch für GIZ,  
Pharma, Anlagen- und Medizintechnik

**GHA**  
German Health Alliance

**GTAI** GERMANY  
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**GBC**  
GERMAN BUSINESS COUNCIL  
GERMANY'S PARTNER IN ASEAN

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## Inform about market and business opportunities (III)

### Product & Supplier Brochures

- Mango
- Pepper
- Palm Sugar
- Sustainable Textiles
- Light Manufacturing
- Handicrafts and Home Accessories



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## Contact

# Thank You!



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