

Singapore: Healthcare Overview

2015

CS ASEAN / Singapore

1. SUMMARY

According to the World Health Organization (WHO), Singapore's healthcare system ranks sixth globally and offers the 4th best healthcare infrastructure in the world. It also serves as the healthcare and medical hub of the region and is arguably Asia's best healthcare system.

Demand for healthcare in Singapore is set to grow as the population increases and ages. The island state's population is likely to increase to 5.5 million by 2020. Demand for state of the art medical technologies is also expected to grow as Singapore strengthens its reputation as the region's healthcare hub and center for healthcare excellence offering first class healthcare delivery systems and facilities to both its resident population and the international patient market.

Singapore serves as a showcase for healthcare delivery and medical technology, while also providing an important gateway to the regional ASEAN (Southeast Asia) economies. The three key healthcare strategies Singapore is pursuing are clinical research, improving long-term care and moving towards more sophisticated care.

Singapore recently implemented universal healthcare called "MediShield Life", a universal insurance coverage. Under MediShield Life, even people with pre-existing conditions will be covered. The national healthcare plan covers 100% of the population and ensures that Singaporeans all have access to medical care.

2. GOVERNMENT POLICY

As the Singapore government's presiding healthcare body, the Ministry of Health (MOH) is responsible for formulation of policies and programs for the development and regulation of healthcare products and services. As a statutory board of the MOH, the Health Sciences Authority (HSA) serves to protect and advance national health and safety.

Singapore provides high quality healthcare services for its population comparable to those of other highly industrialized nations. The nation's goal is to accelerate transformation of the

healthcare sector through infocomm-enabled delivery systems, focusing on the achievement of integrated and quality care, cost-effective services, an increased ability of the public to manage their health, and strong clinical and health services research.

In order to meet these goals, MOH was allocated \$6.6 billion in 2015, 29% more than the \$5.1 billion allocated in 2014. Plans to increase annual healthcare spending from 4% of GDP to 8% of GDP by 2030 have also been announced by MOH, with many public hospital projects in planning or the final stages of development.

Public Healthcare Groups Operating Under MOH:

Public Group	Anchored By	Specialty Institutes and Projects	Number of Acute Beds
Alexandra Health https://www.ktph.com.sg	Khoo Teck Puat	Woodlands Integrated Healthcare Campus: 1,800 bed facility opening 2022-2030 Admiralty Medical Center: Specialty care facility opening 2017	590
Eastern Health Alliance http://www.easternhealth.sg	Changi General Hospital	2014 integration of Changi General Hospital and St. Andrew's Community Hospital	790
Jurong Health http://www.juronghealth.com.sg	Ng Teng Fong Hospital	Integrated general hospital, community hospital, and outpatient clinics with 2015 opening of Ng Teng Fong Hospital	1,100
National Healthcare Group https://corp.nhq.com.sg	Tan Tock Seng Hospital	Institute of Mental Health, National Skin Centre, NHG Diagnostics, Johns Hopkins Singapore International Medical Centre	1,500
National University Health System http://www.nuh.com.sg	National University Hospital	NU Cancer Institute, NU Heart Centre	1,230
SingHealth http://www.singhealth.com.sg	Singapore General Hospital (1597), KK Women's and Children's Hospital (830), Alexandra Hospital	National Cancer Centre Singapore, National Dental Centre Singapore, National Heart Centre Singapore, National Neuroscience Institute, Singapore National Eye Centre Sengkang Health: 1,400 bed integrated facility complete 2018	2,427

Source: Ministry of Health (MOH)

The Health Promotions Board (HPB), established in 2001 by the MOH, promotes disease prevention and national health programs. Through the Healthy Living Masterplan, the HPB strives to make healthy living easier and more accessible for the citizens of Singapore by the year 2020.

Although government healthcare spending as a percentage of GDP currently remains relatively low, per capita healthcare spending ranks Singapore among the top 25 nations in the world. With a focus on enabling integration across a range of platforms, including healthcare services, health IT, and biomedical science research, the MOH provides higher value services to assist in research and healthcare delivery across the region. For more information, please see the MOH website at <http://www.moh.gov.sg>, the HSA website at <http://www.hsa.gov.sg>, and the HPB website at <http://www.hpb.gov.sg>.

3. CURRENT MARKET SIZE AND TRENDS

Singapore Healthcare Expenditure Trends, Data, and Forecasts:

	2013	2014	2015f
Government Health Spend, USD billion	5.402	5.852	5.997
Private Health Spend, USD billion	8.169	8.565	8.493
Total Healthcare Spending, USD billion	13.571	14.417	14.49
Total Healthcare Spending Per Capita, USD	2507.7	2613.2	2578.8

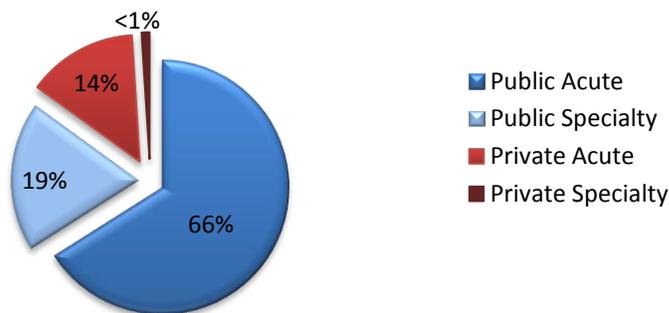
Source: BMI Research

While public hospitals provide 80% of the more expensive tertiary care services, private sector practitioners account for 80% of primary healthcare services, with government polyclinics operating under the MOH accounting for the other 20%.

Singapore's public hospitals and specialty centers engage in clinical research with the many pharmaceutical, biotechnology and medical technology companies based in Singapore. Singapore's goal is to become Asia's premier healthcare hub via the attraction of foreign patients. There is also an emphasis towards a healthy lifestyle and a focus on preventive care.

Private healthcare providers in Singapore include Parkway Pantai (<http://www.parkwaypantai.com/>), Raffles Medical Group (<https://www.rafflesmedicalgroup.com/>), Thomson Medical Centre (<http://www.thomsonmedical.com/>), Mount Alvernia Hospital (<https://www.mtalvernia-hospital.org/>), Fortis Healthcare (<http://www.fortishealthcare.com.sg/>), and The Farrer Park Company (<http://www.farrerpark.com/>).

Singapore Healthcare Provision: Percentage of beds provided by public and private hospitals



Source: Ministry of Health

Doctors here have high ethical and professional standards, and it is expected that every major hospital in Singapore will have attained the widely recognized American mark of quality health care. Already, the majority of private and public sector hospitals have been accredited by the Joint Commission International (JCI), the overseas arm of the United States' main hospital accreditation agency.

Singapore represents a good market for the introduction of more advanced health IT systems. Singapore has an overwhelming presence of 3G and 4G services which make the adoption of advanced mobile health and telehealth technologies less challenging than other markets. Some home-based outpatient mobile health and telehealth initiatives are already in place. Several public hospitals use a transitional healthcare model whereby medical staffs visit patients at home to ensure that these patients adhere to their medicines regimes. This initiative presents a market opportunity for health IT programs to alleviate the strain on healthcare personnel.

4. MARKET ENTRY AND OPPORTUNITIES

U.S. companies who are new to the market and interested in exporting to Singapore may consider appointing a local distributor to represent their company's product and services. Given

the small market size of the island state, most potential distributors would request exclusive rights to sell the product. They will also likely ask for distribution rights for the regional Southast Asia countries as Singapore serves as a gateway into the region. U.S. exporters of medical equipment should evaluate the suitability of the distributor based on the company's contacts in the market, their product range and whether their products complement that of the U.S. firm.

As the sales in the local market increases, the U.S. firm can look into setting up an on-going presence in Singapore much like how some large MNCs have set up regional offices in Singapore. This brings the U.S. firm closer to their customers, demonstrates their commitment to the region and allows for prompt and enhanced customer service.

U.S. healthcare products and services are well recognized as being superior technologically, reliable, and of high quality and as such are well positioned to benefit from rising disposable income levels in the private sector and increased government healthcare spending in the public sector. In 2014, the U.S. import market share was 35% of total imports. U.S.-based medical device firms with operations in Singapore include GE Healthcare, Medtronic, Baxter/ Baxalta, Johnson & Johnson, and Becton Dickinson. U.S. pharmaceutical firms in Singapore include Pfizer, Merck, Abbott, Amgen, and Bristol-Myers Squibb. Companies offering lab equipment and screening products, preventative care products, imaging diagnostic equipment, and health IT solutions have proven and will continue to be among those best poised for success in the Singapore market.

5. BARRIERS

There are no barriers to entry as Singapore is an open economy and a firm believer in keeping trade open. There are no custom duties on medical devices. A 7.0% goods and services tax (GST) is imposed on all goods sold and services provided, locally. Imports are subject to GST, but payments are refundable on re-exports.

The Medical Devices Regulations, first implemented in 2007, reached full implementation in 2010 and has since served as a framework aligned to international best practice in order to protect public health while continuing to allow access to new technologies. More information can be found at http://www.hsa.gov.sg/content/hsa/en/Health_Products_Regulation/Medical_Devices/Overview.html.

6. **COMPETITION IN THE MARKET**

Major competitors of the U.S. are medical device manufacturers from Germany, other European economies, Japan and Australia. Local production by multinational corporations and indigenous Singapore companies is primarily for export or contract manufacturing.

7. **SUCCESS STORIES**

The American Joint Commission International (JCI), based in Chicago, has accredited 21 Singapore hospitals, medical associations, and medical organizations, supporting its reputation as a regional healthcare destination.

Among the first JCI-accredited institutions in Singapore is Johns Hopkins Singapore International Medical Hospital, jointly managed by the National Healthcare Group operating under the MOH.

North Carolina's Duke University and the National University of Singapore entered into a strategic partnership to form Duke-NUS Medical School. Since 2005, the institution has established health services research programs and is a partner in academic medicine with the MOH's SingHealth.

Johnson & Johnson Innovation is a partner to Singapore's Diagnostic Development Hub, designed to integrate the expertise of medical technology professionals.

8. **REGIONAL PERSPECTIVE**

Among its ASEAN peers, Singapore spends the most annually in healthcare on a per capita basis. Furthermore, Singapore is the nation with the highest mobile and internet penetration rates in the ASEAN community, serving as the best platform for Health IT products.

ASEAN: Selected Healthcare Spending Statistics

ASEAN Member Nation	Healthcare Expenditure Per Capita (USD), 2013	Healthcare Expenditure, Total (% of GDP), 2013
Singapore	2,507	4.6
Brunei	974	2.5
Malaysia	423	4.0
Thailand	264	4.6
Philippines	122	4.4
Vietnam	111	6.0
Indonesia	107	3.1
Cambodia	76	7.5
Laos	32	2.0
Burma	14	1.8

Source: World Bank

As a healthcare hub for the region, Singapore treats patients from neighboring Malaysia, Brunei, Indonesia, Thailand, and the Philippines. In 2014, Singapore was ranked fourth out of 25 countries worldwide in the latest medical tourism rankings by the International Healthcare Research Centre (IHRC). Medical tourism in Thailand and Malaysia is also strong, with an increasing number of JCI accredited institutions in both countries. Despite increasing competition and rising costs, Singapore will continue to provide the most promising outlet for those desiring the most innovative specialist care and critical health services.

Selected ASEAN Nations: Medical Tourism Figures

ASEAN Member Nation	Estimated Number of Medical Tourists, 2012
Singapore	850,000
Thailand	2,500,000
Malaysia	728,800
Philippines	200,000

Source: Singapore Tourism Board, Thailand Board of Investment, Malaysia Healthcare Travel Council, Philippines Department of Tourism

9. TRADE EVENTS / ASSOCIATIONS

Name of the event: BioPharma Asia Convention (2016)

Location: Singapore

Date: March 22 – 24, 2016

Website: <http://www.terrapinn.com/exhibition/bio-asia/index.stm>

Name of the event: MEDLAB Asia Pacific (2016)

Location: Singapore

Date: March 22 – 24, 2016

Website: <http://www.medlabasia.com/>

Name of the event: IDEM: International Dental Exhibition and Meeting (2016)

Location: Singapore

Date: April 8 - 10, 2016

Website: <http://www.idem-singapore.com/>

Name of the event: Medical Fair Asia (2016)

Location: Singapore

Date: August 31 – September 2, 2016

Website: <http://www.medicalfair-asia.com/>

10. USEFUL WEB LINKS

Government of Singapore:

Singapore Ministry of Health (MOH)

<http://www.moh.gov.sg>

Health Sciences Authority (HSA)

<http://www.hsa.gov.sg>

Health Promotion Board (HPB)

<http://www.hpb.gov.sg>

Agency for Integrated Care (AIC)

<http://www.aic.sg/>

Singapore Economic Development Board (SEDB)

<http://www.edb.gov.sg>



Visa and travel regulations:

U.S. citizens do not need a visa if their visit to Singapore is for business or social purposes and their stay is for 90 days or less. Travelers to the region should note that Singapore and some neighboring countries do not allow Americans to enter under any circumstances with fewer than six months of validity remaining on their passport. Specific information about entry requirements for Singapore may be obtained from the Embassy of the Republic of Singapore: www.mfa.gov.sg/washington.

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