

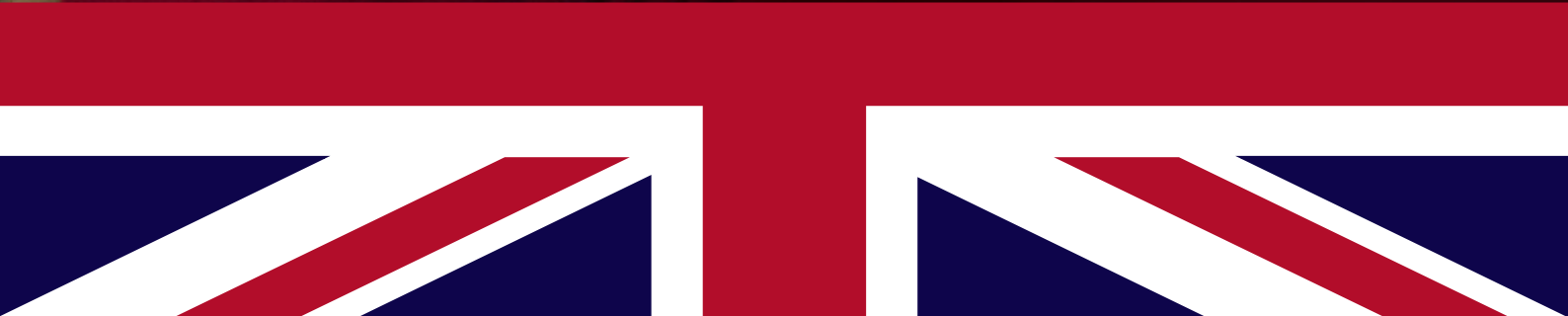
UKTI: Opportunities for British companies in Burma's healthcare sector

Withdrawn on 3 December 2020

**HEALTHCARE
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BRITAIN & NORTHERN IRELAND





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Why the time is right

Burma's healthcare sector offers broad opportunities to British companies as the appetite for high quality medical products, equipment and services increases as the country's economy continues to grow. The UK has a long-established relationship with Burma in its efforts to improve healthcare and governance and its reputation as a reliable and ethical service provider is unsurpassed.

This report is intended to provide UK healthcare companies with an understanding of Burma's healthcare sector and the potential opportunities that exist, as well as advice about overcoming the challenges of doing business in Burma.

Urgency of boosting healthcare standards

While several gains have been made since political and economic reforms were launched in 2011, Burma's healthcare needs remain many and varied. According to UNICEF, child mortality rates in Burma are among the highest in the region: only Afghanistan and Pakistan fare worse. A lack of access to clean water and sanitation results in thousands of preventable deaths every year, while the chronic shortage of healthcare facilities contributes to an average life expectancy of 66.8 years. In neighbouring Thailand, life expectancy is 74.5 years.

Strong political will to improve quality and access to healthcare

The incoming government will have a strong majority when it assumes power in April 2016. Healthcare is among its top priorities and it has expressed a desire to work with international experts to speed up the introduction of universal healthcare, which is currently planned for 2030.

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Shortage of skilled health professionals

Like much of Burma's education system, healthcare training suffered under the military regime. Outdated medical curriculums contribute to high rates of misdiagnosis and recurring illnesses: opportunities to study with quality education providers either abroad or in-country are much needed, as is capacity building within Burma's education and training institutions.

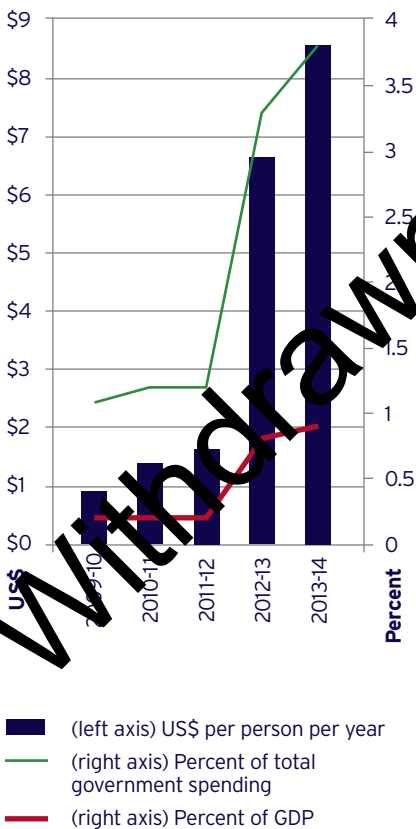
POLITICAL UPDATE

Burma made headlines in November 2015 when it held its first credible election in over 50 years. The result was a landslide victory for the National League of Democracy (NLD) led by Aung San Suu Kyi. The elections were judged to be well-run by international observers and the new government is set to assume power on 1 April 2016. Under the 2008 constitution, the military is automatically allocated 25 percent of parliamentary seats and anyone with a spouse or children holding foreign citizenship is ineligible to be president: this precludes Aung San Suu Kyi from the position, although she has stated she will nonetheless be the country's chief decision maker. Burma's transition to democracy began in 2011 and also included reforms to liberalise its economy and encourage foreign direct investment. The changes are already bearing fruit, with an economic growth rate of 8.5 percent in 2015 and a forecasted rate of 8.2 percent for 2016.

The sector at a glance

Although spending by Burma's Ministry of Health increased nine-fold between 2009 and 2013-14, a much larger injection of funds and foreign investment will be necessary to reverse the effects of decades of neglect and mismanagement.

Ministry of Health spending in Burma



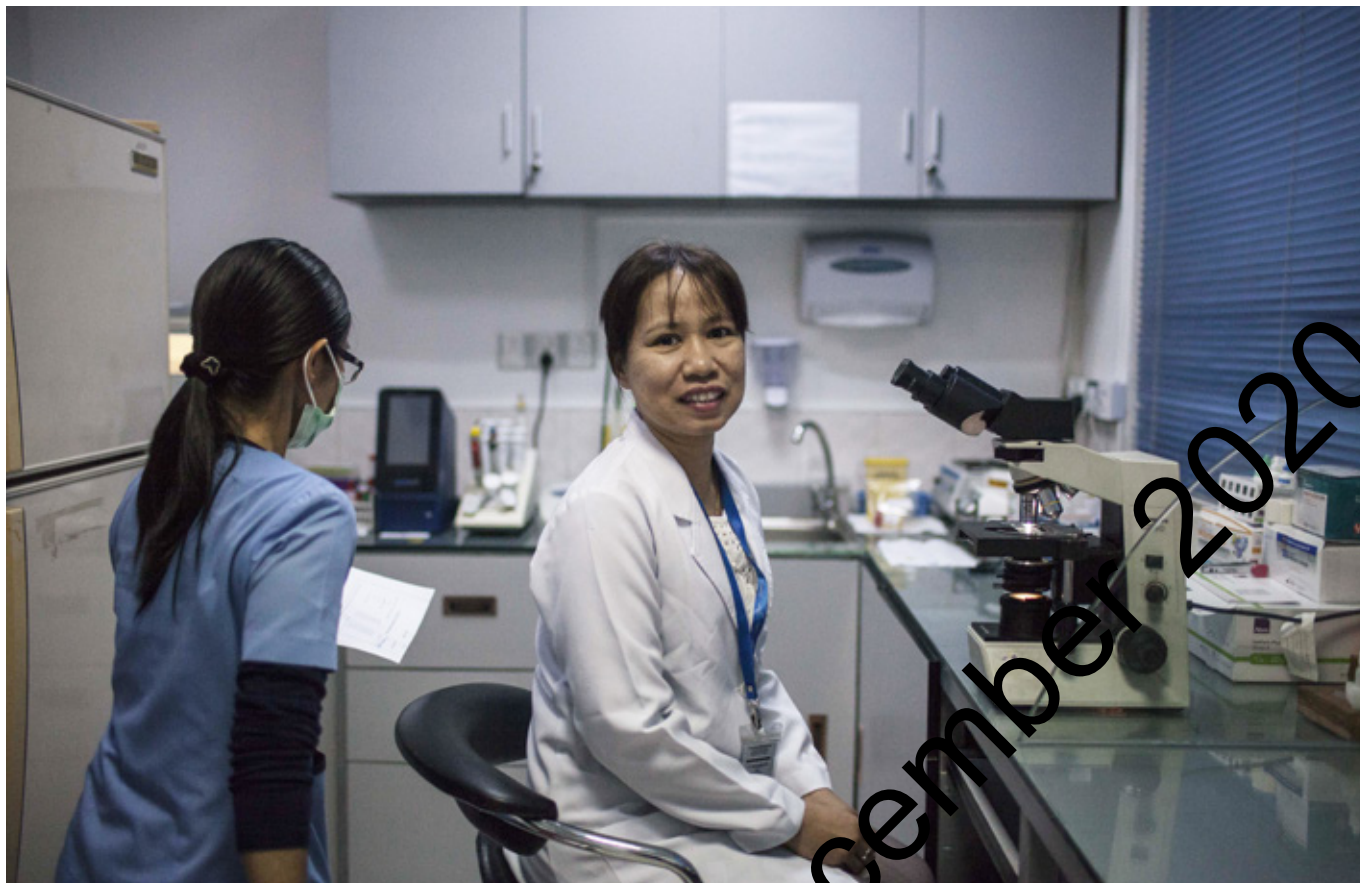
Source: World Bank, October 2015

Although Thailand and Burma have similar population sizes, Thailand's healthcare market dwarfs its neighbour. It is estimated that 99.5 percent of Thais have access to the country's three universal healthcare programmes, whereas a universal healthcare programme is unlikely to be introduced in Burma ahead of the current schedule of 2030. In Thailand, public sources of funding contribute to 76 percent of total expenditure on healthcare services, with central government spending accounting for 96 percent of public spending. In Burma, 93 percent of healthcare spending was out of pocket in 2012, according to the World Bank.

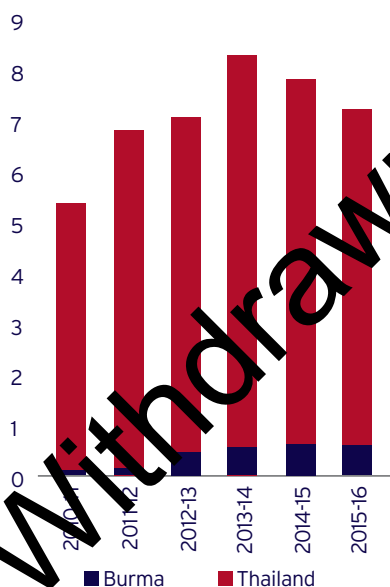
Comparison of government spending on health as a percentage of GDP in Thailand and Burma

UNIT		Percentage of total GDP spending on healthcare	Government spending
		%	USD billion
2010-11	Burma	0.2	0.8
	Thailand	1.77	5.6
2011-12	Burma	0.21	0.11
	Thailand	1.97	6.8
2012-13	Burma	0.76	0.46
	Thailand	1.94	7.1
2013-14	Burma	0.89	0.55
	Thailand	2.14	8.3
2014-15	Burma	0.99	0.61
	Thailand	2.08	7.8
2015-16	Burma	0.94	0.58
	Thailand	2.05	7.2

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Comparison of government spending on health as a percentage of GDP in Thailand and Burma



According to WHO, poverty is the principle constraint to improving Burma's health status. Efforts are therefore being made to build self-reliance capacity through socioeconomic growth and Overseas Development Assistance (ODA).

UK GOVERNMENT SUPPORT FOR BURMA'S HEALTHCARE SECTOR

Since 2011, the Three Millennium Development Goal Fund (3MDG Fund) has been supported through a pooled donor fund of \$271 million, of which the UK's Department for International Development (DFID) provides \$89 million, representing 52 percent of total funds. Maternal, newborn and child health is the largest component of 3MDG's activities in Burma, which also include reducing the prevalence of HIV, tuberculosis and malaria, as well as health system strengthening. Between 2011 and 2015, DFID also contributed nearly 30 percent of total funding to the Global Alliance for Vaccines and Immunisation (GAVI), which aims to prevent meningitis, diarrhoeal disease and pneumonia. The UK is also a major contributor to the Global Fund, which is one of the largest donor programmes in Burma. For more information, visit: www.gov.uk/government/world/organisations/dfid-burma

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Snapshot of Burma's health indicators

Population size (2014)	51.5 million
GDP growth forecast for 2016	8.20%
Average life expectancy (2012)	66.8
Male life expectancy (2012)	63.9
Female life expectancy (2012)	69.9
Population over 60 years of age (2012)	8.15%
Population under 15 years of age (2012)	25.28%
Neonatal mortality rate per 1,000 live births (2010)	26
Maternal mortality ratio per 100,000 live births (2010)	200
Under-5 mortality rates per 1,000 births (2010)	72
Density of physicians per 1,000 people (2010)	0.291
Density of nurses and midwives per 1,000 people (2010)	0.856
Rural households without sanitation facilities (2014)	19%
Households with 'unimproved' drinking water sources (2014)	30%
Average fertility rate (2014)	2.3
Private expenditure on health as a percentage of total expenditure on health (2011)	87%
General government expenditure on health as a percentage of total government expenditure (2011)	1.3%
Gender-related Development index rank out of 148 countries (2012)	80
Human Development index rank out of 188 countries (2015)	148

Data sources: World Bank, World Health Organisation, Global Health Observatory 2014 and Burma's 2014 census

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Institutional framework

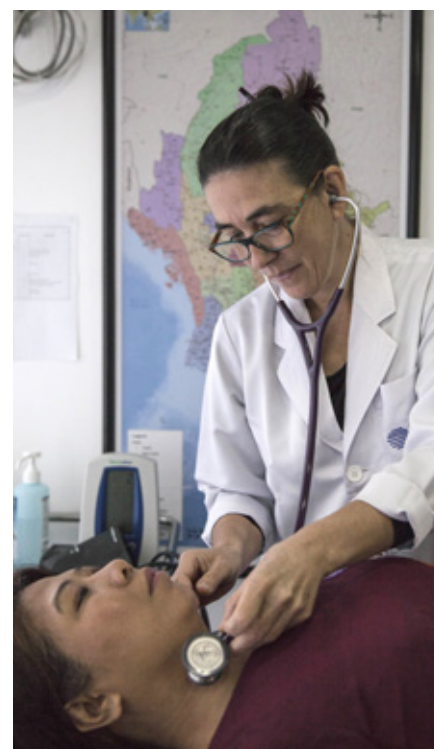
Burma's Ministry of Health is divided into seven departments, each of which is headed by a Director General.

- Department of Public Health
- Department of Medical Services
- Department of Health Professional Resources Development and Management
- Department of Medical Research
- Department of Traditional Medicine
- Department of Food and Drug Administration
- Department of Health Professional Resources Development and Management

Professional bodies

The majority of Burma's medical professional bodies are active in providing medical education to its members and hosting conferences. The best way to get in touch with the associations listed below is via the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) or by contacting UKTI Burma.

- Myanmar Medical Association
- Medical Equipment Association
- Myanmar Pharmaceutical & Medical Equipment Entrepreneurs' Association
- Myanmar Hospital Association
- Myanmar Women and Children's Association
- Myanmar Dental Association



Note: Burma currently lacks a medical training association. The Department of Health Professional Resources Development and Management is responsible for the regulation of public medical universities, which remain heavily-centralised despite repeated calls for greater autonomy.

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Foreign investment laws and policies

Until as recently as 2014, foreign investment in Burma's health sector was prohibited. The Ministry of Health now allows foreign investment in private hospitals, clinics, diagnostic services, the private production of pharmaceuticals and medical devices and private medical and health-related education institutions. The foreign capital invested in a joint venture by a foreign investor must not exceed 80 percent of the total investment amount.

The government of Burma is yet to invite international procurement tenders for large-scale investments in public healthcare. However the new government is likely to invite tenders for the procurement of medicines and equipment, as this will generate budgetary savings. There may be opportunities for British companies to support Burma in building its capacity for oversight and regulation of the tender process.

The Foreign Investment Law and the Myanmar Citizens Investment Law have been combined to

create a more level-playing field between local and foreign investors, although the new law is still awaiting parliamentary approval. Until it comes into effect, the legal and regulatory framework governing foreign investment in Burma is set out in a number of instruments, which are listed below.

- Foreign Investment Law (2012)
- Foreign Investment Rules (2013)
- The Myanmar Investment Commission issues orders, notifications and directives

UKTI Tip

When the incoming government assumes power in April 2016, administrative bodies may be gradually restructured and foreign investment policies could change. To stay up-to-date with trade and investment news in Burma, sign up for bulletins by emailing UKTI.Rangoon@fco.gov.uk

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National healthcare reform

A series of planned and ongoing reforms will lead to a more efficient use of funds and human resources in Burma.

Key initiatives

Universal healthcare

In 2000, Burma's military government announced that universal healthcare would be introduced by 2030. The incoming government is committed to speeding up the timeline; however given the amount to do this seems ambitious. The incoming government has said it will seek out international expertise to improve the quality of basic healthcare.

The National Health Network

The National League for Democracy launched the National Health Network in 2013 whilst it was the country's main opposition party. The network aims to provide basic healthcare, health education to public and medical providers, emergency healthcare services, mobile healthcare services, and to generate local and international advice for health policy reform. The network aims to cover all health sectors in all states and regions and will actively promote foreign investment and donor support. The scope of its activities will be significantly scaled up when the new government comes to power in April 2016.

UKTI Tip

Surprisingly, the National Health Network does not have a website - send contact requests via its Facebook page called [NLD - National Health Network](#)

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Opportunities for British companies

The UK has a long association with Burma's healthcare system and its reputation as an ethical, responsible and high quality products and service provider puts British companies in a strong position. ASEAN integration will inevitably create further opportunities as Burma is forced to raise the bar to compete regionally.

i. Pharmaceuticals

The actual value of Burma's pharmaceutical industry is unknown due to its market being flooded with medicines via illegal border trade. The Pharmaceutical and Medical Equipment Entrepreneurs Association estimates its total value at around US\$800 million. Exports of UK originator pharmaceuticals to Burma's private market represent arguably the greatest business potential to develop exports from the UK in 2014 were valued at just \$46,000, according to data from Myanmar Survey Research. Although an increasing number of patients are able to pay more for originator brands, the tender process is highly competitive due to the prevalence of cheap generic versions. Nonetheless, the emergence of several private hospitals and clinics in Burma are driving sales volumes upwards for multinational companies.

One of the biggest challenges is the fact that counterfeit versions of both generic and originator brands are widespread, as are 'parallel imports' of originator brands. Burma's Food and Drug Administration (FDA) limits itself to initial testing and registration, however greater political will to combat the health hazards of counterfeit drugs will likely result in the FDA seeking out collaborations with international organisations.

Only a handful of factories manufacture pharmaceuticals in Burma and most produce basic generic formulations. Irregular power supplies, human resource constraints and inflated real estate prices make setting up manufacturing plants challenging and expensive. Burma is therefore likely to remain highly reliant on imported medicines - around 85 percent are currently imported, with almost half coming from India.

UKTI Tip

Foreign pharmaceutical companies can set up either a branch office in Burma or create a legal entity to allow a wider scope of business activities. Potential investors should seek advice a legal firms with a local presence. A list of legal firms can be found [here](#).

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Due to sanctions and the absence of large-scale government tenders, UK companies have historically found it difficult to engage in the sub-sector of manufacturing and distributing pharmaceuticals. However UK exports are expected to increase as the demand for high quality, reputable brands among Burma's growing middle class continues to rise.

Foreign companies are not permitted to engage in distribution and must therefore forge partnership agreements with local importers. Individual hospitals announce tenders separately and quantities tend to be small and tender notices are displayed onsite at hospitals; therefore a local partner is crucial in keeping international companies in the loop.

ii. Medical devices

Like other ASEAN countries - with the exception of Singapore - Burma is heavily reliant on imported medical devices. Its public hospitals utilise funds provided by donors to help fulfil basic needs, however up-to-date equipment is unaffordable due to budgetary constraints. Few private hospitals and clinics in Burma are equipped with medical equipment that meet international standards. Some private clinics offer offshore laboratory services, however due to a lack of public trust in private hospitals, Burma's upper and middle classes opt for treatment abroad, travelling mostly to Singapore, Thailand and Malaysia. According to the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), 100,000 Burmese citizens are treated abroad every year.

Historically, Singapore has been Burma's main provider of medical devices, the bulk of which were endoscopy apparatuses, pacemakers, microscopes and incubators. Since the lifting of sanctions the value of medical instrument imports has increased from \$31 million in 2011 to \$70 million in 2014 and more Western companies have entered the market.

In December 2015, foreign joint venture companies were given the green light to import and resell medical equipment in Burma. Other positive developments include the signing of the ASEAN Medical Device Directive in September 2015. The directive will lead to the implementation of a single medical device registration framework, which will make it easier for foreign companies to conduct trade throughout the region.

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iii. Medical architecture, infrastructure and innovation

A growing number of reputable private hospital groups in Asia are establishing a presence in Burma. The UK's reputation as a global leader in innovative healthcare infrastructure is well known in Burma. UK companies should seek out opportunities in various aspects of infrastructure development, including business planning and strategic services, project financing, design, hospital management and operation services, and construction. Retrofits and upgrades present significant opportunities for investment, as it is an area that has been neglected for decades.

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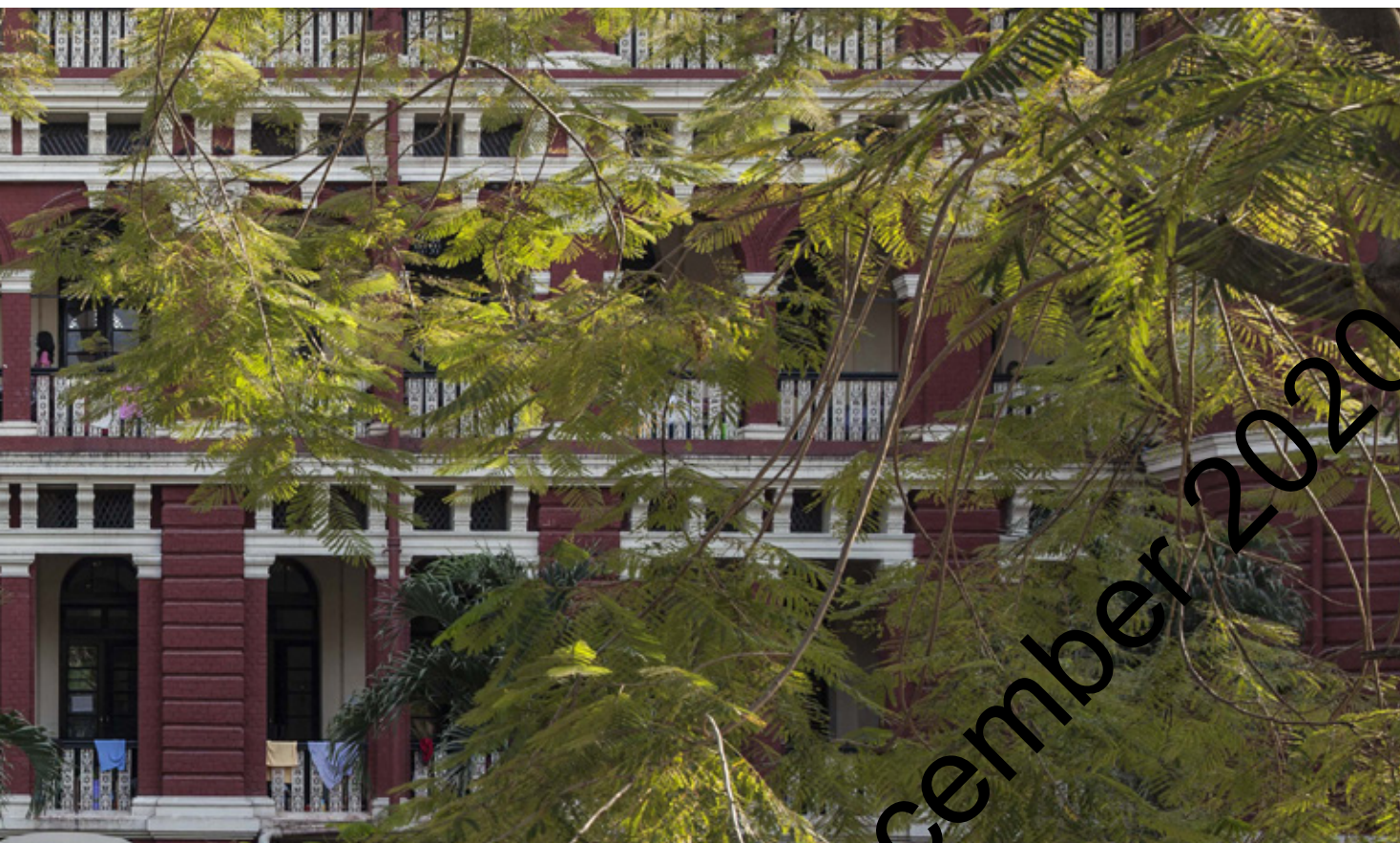
The UK government is currently collaborating with the incoming government to upgrade Rangoon General Hospital, which was built by the British in 1889 and last underwent a major renovation in 1964.

The need for innovation in Burma is particularly strong, due to

inadequate electricity supplies, hard-to-reach communities, weaknesses in literacy and numeracy skills in rural areas and low, albeit growing, internet and mobile phone usage. Companies should explore opportunities to provide e-healthcare solutions that are appropriate to Burma's weak technological infrastructure, as there is a lack of capacity to utilise complicated software. E-healthcare could be utilised to deliver professional training and assistance in remote areas. However UK companies should note that English is not widely spoken in Burma, even within major cities, and there are a significant number of minority

UKTI Tip

The tender aggregator website [Medical Tenders](http://www.medicaltenders.com/medical_tenders_myanmar.htm) is useful for obtaining information about consultancies in the health sector and procurement announcements - www.medicaltenders.com/medical_tenders_myanmar.htm



ethnic language speakers who do not speak Burmese. The possibility of collaborating with healthcare professionals at Rangoon General Hospital is worth exploring, as it also serves as the main training provider of Burma's leading medical university and its staff are regarded as the most highly skilled nationwide.

iv. Training and international standards

Burma suffers from a chronic shortage of doctors and health professionals and its medical curriculum has not been updated since the British period, which means that vital updates in

knowledge have not been disseminated. The majority of Burmese specialists have now reached retirement age and younger generations who were able to afford to obtain qualifications abroad are often reluctant to return to Burma as outdated technology prevents them from utilising their skills. Another disincentive is remuneration: a specialist at a public hospital typically earns just US\$300 a month, so many also run private clinics out-of-hours as a means of supplementing meagre incomes. According to UMFCCI, many of Burma's specialists continue to obtain qualifications in the UK as doing

so greatly boosts graduates' job prospects in Burma.

For many years, UK institutions have played a leading role in providing knowledge and technical advice, which includes improving the quality of medical training for doctors, nurses, midwives and specialists. The new government is committed to revitalising Burma's healthcare system by equipping public practitioners with access to modern treatment methods and raising the qualifications of government health staff. British companies should contact the National Health Network or UKTI Burma for further details.

UKTI Tip

Joining the British Chamber of Commerce Myanmar will help connect you with local and international companies or organisations seeking either services or partnerships. To learn more about the benefits of membership, visit www.britishchambermyanmar.com

Practical advice

Burma's healthcare sector is teeming with opportunities, but as with any emerging market it comes with its own challenges. Some of these challenges are sector-specific, but others stem from the fact that Burma is undergoing sweeping political and economic changes following decades of isolation and military rule.

These broader challenges are listed in UKTI's Doing Business Guide and include certain political risks, corruption, institutional weaknesses and an underdeveloped banking system. The following advice should help British businesses succeed in Burma.

Have a clear proposition

A clear proposition is essential, especially if you intend to work with the government. There are many players exploring Burma's market, so it is important to be clear on how your service or product will benefit the country.

Be prepared to contextualise your offer

Companies with global in-house training departments spoke about the need to adapt existing content and delivery methods specifically for Burma's context.

Be prepared to be flexible and patient

Burma is a country in transition, and much of its economy and political environment is in a state of flux. This opens up opportunities but means there are seldom clear processes and those that exist may be subject to change under the new government. It is sensible to factor in additional time to any scheduling to accommodate these fluctuations.

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Have a clear understanding of the regulatory environment for a particular product/service

It is important to work out which ministry or regulatory body you will need to contact to move a proposal forward. UKTI Burma can advise you on this.

Explore the options of working with a local partner

Many international businesses partner with local businesses as part of their market entry strategy. This is not a requisite but it can be helpful. One reason

is that it helps overcome the language barrier; English is widely spoken in business meetings but much of the information, including online information is in Burmese script. A local partner can also help in the process of navigating through relevant ministries and regulations.

Carefully consider your time commitment

Opportunities in Burma are likely to be long-term investments. Market demands are more likely to be for say, a series of training workshops than a one-off session; in many cases it is not

just teaching new skills but also teaching how to learn new skills.

Invest in building your reputation

Despite the urgency of boosting Burma's healthcare sector, there is a widespread emphasis on seeking out quality providers. Burma remains a small business community so it is relatively easy to build and market your reputation. Options to consider include offering pro-bono support to a donor-funded organisation and joining relevant social media groups, such as LinkedIn's Myanmar Business Community.



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Shampoo Nizoral/Hafif
Betadine Solution
Asepso Soap
Tolax Enamel Ball
Digital Thermometer
Injections Stock

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Gastro-Intestinal System

Gastro-Intestinal System

Central Nervous System

Gastro-Intestinal System

Gastro-Intestinal System

Cardiovascular System

Musculoskeletal & Joint

Musculoskeletal & Joint

Cardiovascular System

Musculoskeletal & Joint

Musculoskeletal & Joint

Infections

Musculoskeletal & Joint

Musculoskeletal & Joint

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Useful websites and further reading

To explore potential trade and investment opportunities in Burma please contact UKTI Burma in Rangoon: UKTI.Rangoon@fco.gov.uk

[Doing business in Burma: Burma trade and export guide](#)

[The Myanmar Centre for Responsible Business](#)

[The Union of Myanmar Federation of Chambers of Commerce and Industry](#)

[British Council Burma](#)

[World Health Organisation: Myanmar profile](#)

[Asian Development Bank and Myanmar: Fact Sheet](#)

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- i Commercial opportunities for UK businesses in the Healthcare Sector in South East Asia, Frost & Sullivan, January 2015
 - ii Myanmar revises scope of prohibited and restricted activities for foreign investment, Allen & Overy, September 2014
 - iii Commodity Trade Statistics Database (UN Comtrade) - <http://comtrade.un.org/db/>

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