

China's sluggish economy forces us to augment our nexus in India: Hiaso Masuda

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In India, medical technology sector is scaling up to new heights and the core reason behind this steep inclination is health awareness among the denizens of the country. Indians have now become more focused on taking preventive measures to dodge illness rather than sticking to old orthodox methods. The market for home healthcare in India is projected to reach \$6.2 billion by 2020 at a CAGR of 18 per cent from \$3.2 billion in 2016. Many companies have forayed into the medical technology sector with their devices that can come real handy in monitoring the daily health of an individual. Walking on the similar line, Omron Healthcare has been one of the prominent players in this sector. The company that houses almost 38,000 employees globally and 2,000 employees in India, is now planning to spread its sheet across the length and breadth of the country. In an exclusive conversation with BioSpectrum's Nitin Konde, Hiaso Masuda, MD, Omron Healthcare India elaborates further on the brand's expansion plans and its strategies to tackle its counterparts.

Q. How home healthcare devices segment has evolved over the years in Asia?

Overall, people are still following the same orthodox method of going to pharmaceutical shop when they fall sick so, still there is a big scope of spreading a simple message of "Prevention is better than cure" among them. But, I feel that young generation is changing gears and they are the one who are more keen about shifting towards preventive measures to cope up with the health related problems.

Q. Since the company supplies its healthcare units in many hospitals, how the use of healthcare devices has eased the work of medical practitioners?

Devices have helped the medical practitioners in many ways especially, when it comes to monitoring the progress of the patient. Our main motive is to equip the people with gadgets that can help them in diagnosing, monitoring and to keep a regular check on their health so that they don't need to visit doctors. For example, individual's blood pressure tells the exact condition of his body and if a person keeps a close check on that every day, then he doesn't need to worry about many other

aspects. Many health related issues can be avoided by following a simple cycle of checking the blood pressure on daily basis.

Q. How the company is planning to spread its wings across the country?

Currently, our presence in India is limited to the metro cities and our recent expansion plan will focus on further penetrating the Indian market by venturing around 26 Tier II and III cities such as Agra, Delhi NCR, Bhopal , Indore etc. In order to expand our nexus, we need to revamp our distribution channel by enrolling more distributors in it. Presently, we have 16 distributors across the nation and hence, we would like to increase our arsenal by adding around 10 more distributors in that list. Apart from that, there are many gaps in our canal such as maintaining a healthy supply chain, smooth distribution of products, requirement of local warehouse facility etc., we need to pin down these issues to have a hassle free distribution tunnel. We have also planned to tie-up with some micro financing institutes to bring down the cost of our products because in India people do look for an affordable range and we will going to provide them that.

Q. Globally, the healthcare devices segment is growing exponentially, how it is mapping up in Asian corridors, especially in India and China, since the company is focusing more on these two countries?

On practical grounds, China has lost its sheen, mainly because of its current lethargic economic situation. The business is going down in the Mainland China and there are companies who plugged out of the market due to this sluggish economy. This also forced us to shift our radar to India which is now on our prime focus list. The company is expecting a revenue growth of 30 per cent in India by the end of this fiscal. It is mainly because we see a big fruitful market of home healthcare segment here, which is currently hovering around US \$3.2 billion, and we want to capitalize of each and every opportunity that comes our way.

Q. Internationally, company has also ventured into the wearable segment so, when it is planning to launch its wearable devices in India?

Recently, we do launched a wearable device called 'Mira' for the US market but, we have not yet decided to unveil it in India. Currently, Indian market is flooded by such kind of devices and many companies are putting their stakes on this segment so, there is not much of a demand. Right now, we are focusing more on the home healthcare devices in India and we would like to stick to that as of now.

Q. What are the challenges you faced while installing your business in India?

We faced many challenges in India especially with the tax system which is very complicated. Initially, when we floated our business, we found it hard to understand the entire tax structure. During the dispatch of goods, we need to pay separate state tax for every state and then CST followed by few others. Secondly, in India, nebulizer and Blood Pressure Monitor (BPM) are not considered as medical devices, they are termed as measurement devices. This is a big road block for us because many players are buying these devices from China in bulk, since they are available on cheap rates, and dumping them in India, putting the quality on stake. To raise this particular issue, we are communicating with Central Drugs Standard Control Organization (CDSCO) to set up a regulation on this part and soon some fruitful result will come out. However, home healthcare is one of the fastest growing markets and India is second only to China in both scale and future expectations. In India, there is limited awareness about diseases such as hypertension, asthma etc. At the same time, major chunk of the population is unaware of devices that can help in reducing high risks involved with these diseases. So our first and foremost task is to spread awareness about the preventive health measures as much as we could.