

# **Myanmar's Health Sector: Market Potential for Diagnostic Imaging (DI) Device and In-Vitro Diagnostics (IVD) Sector**

*As of March 2016*

Myanmar's emerging medical device market has seen growing opportunities in Diagnostics Imaging (DI) device and In-Vitro Diagnostics (IVD) sector. The market growth has been driven by the following factors:

- 1) increase in healthcare spending,
- 2) upgrading of healthcare facilities, and
- 3) growing demand for high quality diagnostics test results due to high incidence rates of diseases caused by the lack of early detection and changes in lifestyle.

## **1) Growing Healthcare Spending**

- Myanmar's total healthcare spending has increased 40%, from 908 million USD in 2010 to 1.9 billion USD in 2014.
  - Approximately 60% of total healthcare expenditure comes from the private sector, due to high spending from Out-of-Pocket (OOP) expenses, which accounts for 78% of total healthcare expenditure.
- The Myanmar government initiated a healthcare insurance system in mid-2015, which is still in a very nascent stage. Healthcare spending is expected to increase significantly if the healthcare insurance system continues to grow with the influx of private players into the market.

## **2) Upgrading Healthcare Facilities and New Hospitals**

- The government's budget allocation on healthcare has grown by 12% in 2010 to 40% in 2014. Myanmar's Ministry of Health plans to increase healthcare budget allocation with an annual growth rate of 6% until 2020.
- There are a total of 1,192 hospitals in Myanmar as of 2014, with private hospitals accounting for only 14%. However, Myanmar people prefer to have medical treatment in private hospitals and clinics due to better quality medical treatment and efficient healthcare services. As such, the number of private hospitals has increased by 10% between 2010 and 2014.
  - However, 50% of private hospitals in Myanmar have less than 25 beds, and the quality is far behind regional standards.
  - Both private and public hospitals with specialized medical treatments and services are located in big cities such as Yangon, Mandalay and Naypyitaw, while 70% of Myanmar's 51 million population residing in rural areas have limited access to healthcare services.

## **3) The Trend of Non-Communicable Diseases (NCD) in Myanmar**

- Premature deaths related to non-communicable diseases (NCD) accounted for 60% of the total deaths in Myanmar in 2014, compared to 40% in 2010.
  - An estimated 60,000 cancer cases have been identified each year in Myanmar, in which the majority of patients recognize their disease in the last stage due to lack of regular medical check-up and early detection.
- In order to reduce NCD deaths in the country, Myanmar's Ministry of Health developed a comprehensive national plan in 2014 to prevent and reduce the number of NCD cases.
  - Priority is given to early detection of NCDs by upgrading and installing advanced medical devices to minimize premature deaths.

## **Surging Demand for In-Vitro Diagnostics (IVD) in Myanmar**

In an attempt to reduce risk factors which lead to high prevalence of diseases, especially diabetes, hypertension and rising incidence of cancer, In-Vitro Diagnostics (IVD) laboratories have seen high demand across Myanmar.

- Currently, private standalone laboratories and private hospital laboratories attracts 80% of total IVD test centres as they provide easier access and offer high quality laboratory tests. Public hospitals also offer IVD tests at a cheaper price. On the other hand, due to more promising accuracy, some patients take sophisticated IVD tests such as detailed biopsy and tumor markers abroad.
  - Thus, the demand for high quality laboratory testing and the growing emphasis on the necessity of early detection of diseases have spurred the growth of IVD market in Myanmar.

### **Market Potential for Diagnostic Imaging (DI) Devices in Myanmar**

- The growing need for early detection of disease and the need for modern and sophisticated diagnostics devices for more accurate test results fuels the demand of diagnostic imaging (DI) devices in Myanmar.
- There is a gap in the market to cater to large population coverage nationwide for DI services.
  - Though basic DI services such as X-Rays and ultrasounds are available in almost all of the public and government hospitals, advanced DI machines, such as CT scanners and MRIs are only available in tertiary care hospitals in main cities such as Yangon, Mandalay, Naypyitaw and Taunggyi.
  - Although public hospitals offer significantly lower prices for DI tests, they have limited facilities to serve patients, resulting in long waiting time for patients to undergo the medical tests. Thus, patients have to rely on private hospitals due to limited facilities provided by public hospitals. In addition, modernized devices such as 3D and 4D ultrasounds are equipped only in private hospitals while public hospitals merely have 2D ultrasound machines.

With regard to the healthcare sector, the upcoming National League for Democracy (NLD) government also stated the following in its 2015 Election Manifesto:

- 1) NLD will improve and expand basic healthcare provision
- 2) NLD will implement infectious disease prevention programs, focusing in particular on reducing the incidence of tuberculosis, malaria, hepatitis, and HIV, and strive to ensure that there are sufficient drugs for treatment
- 3) for non-communicable diseases with harmful health impacts, such as diabetes, high blood pressure, and heart disease, NLD will reduce the levels of incidence through prevention programs
- 4) NLD will permit, in accordance with the law, the opening of private hospitals and health clinics, in order to further improve public health
- 5) NLD will cooperate with international experts and organizations in order to develop and improve drug production, treatment, medical teaching and research program
- 6) NLD will increase national health budget, and enable reduction in the level of out-of-pocket expenditure incurred by the public for medical treatment.

### **References:**

- a) Myanmar Business Today
- b) ‘Emerging opportunities in Myanmar’s Diagnostic Imaging and In-Vitro Diagnostics’ by Mie Mie Ko, Solidiance Myanmar Co., Ltd
- c) <http://www.consultancy.uk/news/3018/myanmar-healthcare-industry-set-to-pass-2-billion-mark>
- d) 2015 Election Manifesto of the National League for Democracy (NLD)