

HEALTHCARE FOCUS: ASIA PACIFIC



Changes in lifestyle and an aging population are moulding the health landscape of Asia. Stuart Bartlett, Director, Synovate Healthcare Asia Pacific, explains how Synovate is poised to bridge the gaps as economic prosperity and longevity combine to drive the healthcare industry in this region.

"The demographic profile in this part of the world is changing very quickly", says Stuart Bartlett, Director, Synovate Healthcare Asia Pacific. "By the end of 2050 one in every four Chinese will be age 65 or over. It is expected that the number of people in Asia Pacific over the age of 65 will increase 314%. In sheer numbers, this would mean a growth from 207 million people to 857 million."

With an aging population comes a rise in age related chronic conditions. Many of these ailments are expensive to treat, frequently requiring hospitalisation, rehabilitation or extensive medication long term.

Compounding the implications of longer lifespan are the fruits of economic growth and accompanying diseases of affluence.

"Since the end of WWII", Bartlett explains, "there have been huge economic reforms and industrialisation which have resulted in Asian people having more disposable income. This increasing wealth and accompanying modernisation have resulted in urbanisation and a change in lifestyle and diet for many Asian city dwellers."

Lifestyle and dietary changes have initiated a change in disease trends. Diseases once associated with western culture are on the rise in Asia. The combination has ushered in a virtual explosion in chronic conditions such diabetes, cancer, heart disease, stroke, respiratory complications and obesity.

"In the 1980's, type II diabetes was not even on the radar", says Bartlett. "It wasn't a matter of focus. Now, four out of the world's five largest diabetic populations are in Asia and it's growing at a phenomenal rate."

Sedentary lifestyles have also brought a significant increase in obesity. The proportion of Chinese who are becoming obese in China, is increasing at a faster pace than in the US between the 1970's and the 1990's. Thirty-three percent of people in Beijing are said to be overweight.

At the other end of the spectrum, Asia still remains a developing region. While Asia has seen a boom in economic growth, it still suffers from diseases associated with poverty. Tuberculosis and communicable diseases such as cholera persistently remain.

"Healthcare providers and governments are being hit from both sides", says Bartlett. "The governments are faced with this tremendous increase in diseases of affluence but then they are bashed on the other side from diseases associated with developing countries and ailments of poverty."

The existing healthcare infrastructure in this part of the world is unable to cope. Many markets of Asia, with government healthcare delivery, are beginning to realise there is no way government alone can continue to fund healthcare.

Faced with the inability to cover mounting medical expenses, governments are now seeking to push part of the responsibility down to the individual. Individuals will have to pay into a private or government run insurance scheme or even co-pay for their healthcare. Subsequently, we are seeing growth in private insurance companies.

For the pharmaceutical companies, the upward trend in disease is opportunity with compromise.

With emerging diseases, 200 million obese Chinese and millions of people suffering from type II diabetes, the market is burgeoning. But government pressure on pharmaceutical companies to reduce prices leaves them with the dilemma of how to fill the needs of the market without dropping margins.

"Most western brands are well out of reach for people who suffer from disease in Asia. Pharmaceutical companies will have to reduce the prices of their drugs in order to supply this emerging market. However", Bartlett adds, "that should be negated by the fact that you have this huge volume. Even though your margins are less, you can still make a fantastic return because you have massive volume and patient pools to tap."

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Stuart Bartlett

As governments push for a reduction in drug prices, pharmaceutical companies must find ways to reduce cost incurred in order to bring a drug to market. Manufacturing and clinical trials account for a significant portion of their expense costing millions per year.

Many companies have chosen to move these aspects offshore away from expensive markets like the US and Europe. Opting to run clinical trials and manufacturing in Asia to reduce drug pricing while still maintaining a healthy margin. Clinical trials conducted in emerging markets such as India, China and Indonesia have the benefit of large populations and are able to recruit and complete drug trials in remarkably short time frames. But there are drawbacks.

Though emerging markets possess highly trained physicians, they lack facilities capable of running sophisticated clinical studies. The quandary is compounded by insufficiently trained research associates to support the studies and bureaucracy that can impede time lines and costs.

Even with these factors, Asia holds much promise.

“The pharmaceutical companies have been reluctant to invest in politically unstable regions”, explains Bartlett. “So, they are looking to Asia to continue growth and satisfy their shareholders.”

“There is a lot of focus on Asia Pacific”, he says, “a huge desire to understand these markets. Pharmaceutical companies want to know how many diabetics there are in Asia, in China. How are the patients being treated? What are the un-met needs?”

“In most of the markets of Asia Pacific, there is no secondary data, it’s a black hole”, he explains. “So, they have to initiate primary market research to gather information. The pharmaceutical companies are coming to Synovate to find this information.”

Synovate Healthcare, supported by Novartis Pharma, was invited to review the current clinical trials situation in China. The study found that it was a win-win situation for all involved in the process.

Doctors would benefit by having access to new treatments and the opportunity to interact with international colleagues. Hospitals would generate more income and improve management skills along with gaining international recognition. Pharmaceutical companies would be able to reduce costs and the time involved in clinical trials giving them faster turnaround on bringing new medications to market. And patients would be given access to cutting-edge treatments otherwise out of their financial reach.

Synovate is poised to supply vital information to companies in this market.

“We not only conduct research for market entrants but for existing and mature products”, says Bartlett. “Our research covers pre-launch to post patent. It is based on primary research that involves surveys with healthcare professionals, related occupations, stakeholders and patients.”

The future looks promising for healthcare in Asia Pacific. Increased interest from pharmaceutical companies will channel the

best medical treatment available at more affordable prices, promising to deliver double digit growth in the region.

Bartlett sums up the prospects for Synovate Healthcare: “It’s a fantastic opportunity for us”, he enthuses.

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