

Taiwanese medical molders eye Japan's graying population

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Japan's population is not just shrinking, it's also aging. By October of this year, an estimated 23.1% of its population will be 65 or older vs. just 13% of the population aged less than 15 years old.

Healthcare is thus high on the agenda there, and medical device manufacturers view the second-largest medical device market after the U.S. as one with solid growth potential. Prominent in their presence at the recent Medtec Show in Yokohama, Japan (organized by Modern Plastics Worldwide publisher Canon Communications) were several Taiwanese device manufacturers/processors eyeing the market on account of its proximity and scale.

"Japan is a peculiar market and it does require a lot of effort [to access]," concedes Yi-shin Lee, director of Bioteq Corp. (Taipei), noting that cultural differences need to be considered. Plus, as with any medical device market, "Next to safety, cost is of paramount importance." Nevertheless, the manufacturer of disposable devices for respiratory care, IV fluid administration, and urology applications, among others, sees promising opportunities.

For its part, Lily Medical Corp. (Miaoli, Taiwan) aims to leverage existing relationships with Japanese electronics companies to access the market. Lily was acquired by Taiwanese electronic manufacturing services (EMS) concern Audix Technologies (Taipei) in 2007, with Audix itself boasting a strong track record serving Japanese OEMs and even sporting a joint venture with Hitachi in Wujiang, China for LCD TV components.

The manufacturer of infusion sets, respiration products, and suction devices concurs Japan is not an easy market to penetrate. "It's a three-year effort," says Julia Tang, general manager of Lily Medical. To date, Lily Medical has had some success in supplying device components, although it has the capability to carry out EDM. Nevertheless, it feels knowledge of Japanese business practices garnered through the electronics sector will help in its market entry. "Audix also has a Chinese processing joint venture serving the electronics sector with Japanese toolmaker and processor Yuwa Corp., which we hope to leverage," says Tang.

Another challenge that Lily Medical faces is competition from mainland Chinese medical device manufacturers. "We are often confused with Chinese companies and accordingly, they think we should be cheap," says Tang. "But while we might be able to get by with using PVC sourced in China for devices sold in local Taiwanese and Chinese markets, we most certainly must adhere to global standards for export products." Lily Medical is FDA-, GMP-, CE-, and ISO 13485-certified.

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Taiwanese processors who have traditionally served the electronics sector are also eyeing medical devices as a growth sector. Yomura Technologies Inc. (Taipei) is one such molder. "We have something different to offer in that we're highly proficient in two-shot injection, which is used widely in medical devices," says managing director Harry Kao. "We also have capabilities in inmold decoration [IMD], silicone liquid injection molding, and metal injection molding to complement," he adds. "We can even combine IMD with two-shot molding."

One project Yomura has worked on that employs two-shot molding is a handheld isometric therapy device for lowering blood pressure naturally. Deep-draw IMD is another area where Yomura sees opportunities for application in the medical equipment housing market. "We can apply IMD with [draws] up to 25 mm deep," says Kao.

Yomura's processing expertise has been successfully migrated from electrical and electronics to the point where 20% of its revenue is derived from medical devices; the company is already targeting a level of 50%. Successes to date are OEM of a complete diagnostic device for an Israeli device firm and ODM of a disposable component used in a cancer diagnostic device manufactured by a Japanese firm. An important facet of Yomura's success in the Japanese market is a partnership with a local contract manufacturing company that links Japanese clients with overseas manufacturing resources. —Stephen Moore