

Session Q&A

How to Successfully Enter and Drive Growth in the Gulf Medtech Markets (GCC Countries)

Q: **Is there acceptance of women in business and leadership?**

A: Throughout the Gulf markets, women are playing an increasingly important role in business. There are no issues with female leaders managing distributors. Saudi Arabia is the most challenging region in this regard. Tourist visas are now available for women to enter Saudi Arabia. Some areas, such as airports, may be segregated from women. Saudi now has a 35% female workforce. It's not perfect, but it's improving. There is a very open environment for women in the UAE and other countries.

Q: **Should we offer exclusivity to distributors?**

A: In general, there is a tendency toward exclusivity. Because of the size of the markets in Qatar, Oman, Bahrain, and Kuwait, we recommend exclusive distributors. Multiple distributors may be assigned to a specific speciality if you offer multiple specialities. The extent of exclusivity can also be decided based on the sector (Military, Government, Private). Unless the distributor covers all geographic areas and sectors in the Saudi market, we would hesitate to offer exclusivity.

Q: **In Saudi Arabia, what is the role of NUPCO and what is the process? and how long is that process? Ways around it?**

A: Their role is to centralize all government purchases. They release national tenders, and set criteria within them.

Q: **Speaking about relying heavily on imports and not having any local production facilities, do you know about any production capacities that are established by the Egyptian Government?**

A: No, however we are seeing multi-national companies starting to manufacture in the GCC. This is predominantly found in Saudi Arabia, surrounding these NUPCO tenders. They are using joint ventures to bring in higher-tech devices, with the goal in the future to build manufacturing facilities to have access to better costs, and begin distribution to countries in Northern Africa and India.

Q: **What steps are required to stop proliferation of products into African market**

A: Relationship building with distributors. Stringent territory agreements. Standardize the pricing so there is no advantage for products to be moved across borders.

Q: **Recommended payment terms within our agreements?**

A: Should always start where they are paying up front for products. As relationships go on, you can put terms for 30, 60, and 90 days payment. Working with large to medium size distributors, they are normally trustworthy,



however with high value equipment it is recommended to ask for payment up front before building the relationship with the distributor.

Q: What is the most common route to market for international medical device companies entering the GCC?

A: The most common route for new market entrants is through a local distributor. As companies build revenues, it's common to set up marketing offices in free zones to manage distributors and work with hospitals in the GCC. A larger company may establish subsidiaries but still rely on distributors for logistical support.

Q: What market do companies generally enter first?

A: Due to its ease of doing business and the presence of US and EU hospitals and physicians, the UAE is the most common starting point. Healthcare professionals will likely have some experience with your product if it is well-established in your domestic market. Having said that, it is important to understand the competitive landscape as you may not find your competition in the smaller markets.

Q: What is the best method for finding distributors in the Gulf?

A: Using platforms such as myCaribou, consultants with market experience and a good network, trade shows such as Arab Health, or trade associations with contacts in the region are all options.

Q: Should we exhibit at Arab Health?

A: It is worthwhile to attend Arab Health when looking for new partners. Setting up meetings with hospitals and distributors before the show is essential. You can then ensure that you are speaking with distributors in the correct markets who match your profile.

Q: Where to start a detailed market analysis and what should it include?

A: Take a look at the competitive landscape, your competitors' markets, and their routes to market. Identify the market need and potential for your product by looking at healthcare data in each country.