

Checking the Temperature of Medical Innovation in Hong Kong



What is the Market Situation?

Hong Kong has [the highest life expectancy in the world thanks](#), in part, to its advanced healthcare services, and the city expects an ageing population similar to many developed economies in the coming years. An ageing population and increased health consciousness among consumers are boosting the demand for healthcare services and products.

Hong Kong's medical & healthcare industry can be divided into two major categories, namely the medical & healthcare equipment and devices sector, and the biotechnology, medical & healthcare services sector.

Hong Kong's medical & healthcare equipment and devices sector mainly targets the household consumer market. In 2021, Hong Kong's total [exports of medical and healthcare equipment increased by 7.5%, after an increase of 17.5% in the previous year.](#)

What is the Ecosystem?

According to the [Hong Kong Food and Health Bureau](#), the total public and private health expenditure in Hong Kong is around HK\$189.6 billion (US\$24.3 billion) in 2019-20, representing 6.8% of GDP. The number of elderly people aged 65 or above is projected to increase from 20% of the total population in 2021 to 33.3% in 2039.

Technology plays a major role in the healthcare industry in Hong Kong. Developments such as smart hospitals and telehealth provide innovative and sustainable solutions to challenges arising from the escalating service demand. In the [2021 Policy Address](#), the HKSAR Government proposed the setting up of an InnoLife Healthtech Hub in the [Hong Kong-Shenzhen Innovation and Technology Park](#) (HSITP) to better leverage Hong Kong's strengths in life and health sciences.

“Over the years, Hong Kong has established a solid foundation in research through world-class universities and technological infrastructure. The Hong Kong Special Administrative Region Government has invested heavily with a total commitment of over \$130 billion thus far and our flagship innovation and technology initiative is the establishment of the InnoHK research clusters. The two research clusters comprise 28 research laboratories jointly set up by local universities and world renowned universities and research institutes, and among them, 16 are focusing on biomedical and healthcare-related technology. These R&D centers have commenced operation at the Hong Kong Science Park progressively”

What is the growth path for Japanese startups in Hong Kong?

Hong Kong will grab the number-one spot from Nasdaq as the world's largest biotech funding hub within 5-10 years, [according to the Hong Kong Stock Exchange leadership](#). This meteoric rise to its current world no 2 position as a world-class hub for biomedical technology and innovation is down primarily to the booming potential of China's biotech market and the fast-growing ventures as they seek to accelerate and expand.

Share valuation is matched by Hong Kong's fast-growing pool of world-class academic and R&D talent. A wide range of government funds are available such as [China's Excellent Young Scientists Fund 2022](#). Hong Kong talent was also among winners of the [China Future Science 2022 award](#), the first Chinese non-governmental science award jointly initiated by groups of scientists and entrepreneurs. On the supply side, Hong Kong's universities rank high in the world according to their Teaching and Research capabilities, for example [HKUST is ranked in the top 400 in the world for Materials Science Research](#), a key part of the nano-chip revolution.

Venture Capital funding is [growing year on year since 2015](#) and has fueled the success of numerous rising home-grown and international healthtech stars. For example:

- [Insilico Medicine, an AI biomedical startup, raised 60 million USD in Series D funding.](#)
- US RNA therapeutics developer, Moderna, [to open Hong Kong office](#), hire a dozen staff to drive its expansion in Asia

What can JETRO do for you?

JETRO Hong Kong can help companies navigate the medical ecosystem by providing them with consulting and business matching to ecosystem partners in the healthcare sector.

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