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DEPARTMENT OF COMMERCE

International Trade Administration

U.S. Healthcare Trade Mission to Turkey

AGENCY: International Trade Administration, Department of Commerce

ACTION: Notice

SUMMARY: The United States Department of Commerce, International Trade Administration,

MISSION DESCRIPTION

The United States Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service (CS) is organizing an Executive-Led U.S. – Turkey Healthcare Trade Mission to Ankara, Istanbul, and Izmir on May 4-8, 2014.

The trade mission to this Department-priority market follows successful Renewable Energy/Energy Efficiency and Aerospace/Defense trade missions in December 2011 and December 2012 respectively.

Turkey has a compelling economic success story to tell and its healthcare sector has followed suit.

2011 was a record year for U.S. exports to Turkey and 2012 is expected to be a close second.

Moreover, the Government of Turkey has set an ambitious goal of becoming a top ten economy by 2023; Turkey is currently at number 17. The U.S. – Turkey Healthcare Trade Mission is intended

support growing healthcare services and technologies demand in Turkey. The Mission will focus on high-potential healthcare sub-sectors and opportunities identified through our market research. We

expect the trade mission delegation to include representatives from a variety of U.S. medical

equipment and device manufacturers and healthcare services providers. The mission will introduce

these suppliers to end-users and prospective partners whose needs and capabilities are targeted to each

U.S. participant's strengths. Trade mission participants will have the opportunity to interact extensively with Commercial Service (CS) Turkey officers and specialists and key players in the industry to discuss industry developments, opportunities, and sales strategies.

COMMERCIAL SETTING

Turkey is at the crossroads of Europe, the Middle East, and North Africa. With a population close to 80 million people, it has a significantly higher population growth rate compared than the U.K., France, Italy, and Germany. Median age is 29 years with 67% of the population between the ages of 15 to 64. Average life expectancy is 75 years. It has a fast-growing middle class that is willing to spend more on quality goods and services, and a democratically elected government which has historically invested in raising living standards. Turkey's GDP tripled in the last decade and is widely considered as one of the fastest growing economies in the world today.

Turkey has a public healthcare system with a \$20 billion federal budget for 2013 – an increase of 19% over 2012. Healthcare budget allocation in the national budget jumped from 2.25% in 2002 to 4.4% in 2012 while per capita healthcare spending grew from \$330 to \$780 in the same period. With the OECD per capita spending average at \$2,386 in 2012, there is significant growth potential in this market thanks to Turkey's growing income and government programs. The Turkish government has made healthcare access and quality a priority. To improve healthcare access for its citizens, Turkey, in the last decade, invested \$4.7 billion in healthcare construction. This resulted in a 172% increase in the number of hospital visits since 2002. Now the focus has evolved to quality care as state hospitals compete with privately run institutions. The government has unveiled a PPP (Public Private Partnership) initiative where 29 integrated health campuses will be built. A total of 45,000 beds will be integrated into the Turkish healthcare system through this model. Sixty percent of these projects

have either been tendered or contracted, however equipment/services packages will only be finalized in 2014-2015.

Specific Opportunities for Trade Mission Delegates

Today, the medical equipment and supplies market is a \$2.2 billion industry, placing Turkey in the worldwide marketplace for healthcare goods. By 2015, the medical equipment and supplies market in Turkey is projected to reach \$3 billion as the above-mentioned integrated health campuses are built. These projects lend opportunities to healthcare architectural and engineering firms, medical device and supplies manufacturers as well as hospital operators.

The Ministry of Health is the largest purchaser in the healthcare market in Turkey. The Table below shows the distribution of healthcare facilities by type of ownership:

Type	2002				2011				Growth %	
	# of hospitals	%	# of hospital beds	%	# of hospitals	%	# of hospital beds	%	# of hospitals	# of hospital beds
Ministry of Health	774	67%	107,394	65%	840	58%	121,297	62%	8.5%	12%
University	50	4%	26,341	16%	65	4%	34,802	18%	30%	32%
Private	271	23%	12,387	8%	503	35%	31,648	16%	85%	155%
Other	61	6%	18,349	12%	45	3%	6,757	4%	-26%	-63%
Total	1,156		164,471		1,453		194,504		26%	19%

The growth in the number of healthcare facilities, the patients accessing healthcare services, and the renewed focus on quality care has resulted in higher demand for advanced medical devices like MRI, CT, ECHO, Ultrasound and Doppler Ultrasonography. U.S. firms are particularly competitive in these sectors, thus our trade mission focus. Growth in the number of devices in Turkey’s in-patient healthcare facilities from 2002 to 2011 is impressive:

Type of device	2002	2011	Growth
MRI	58	781	1,247%
CT	323	1,088	237%
ECHO	259	1,181	356%
Ultrasound	1,005	3,775	276%
Doppler Ultrasonography	681	2,091	207%

Medical services for foreign patients, also sustains growth in the Turkish medical equipment and healthcare markets. It is estimated that Turkish private and public establishments will serve one million foreign patients by 2015. Turkey attracts a lot of patients from the Middle East, North Africa and Europe. These patients mainly visit Turkish hospitals for bone marrow transplantation, cardiovascular surgery, cyber knife and gamma knife treatments, ophthalmology, plastic surgery, dental services and oncology. Again, U.S. exporters are highly competitive in these sectors.

As a result of this externally and internally driven transformation in the Turkish health sector, we believe there are opportunities for U.S. manufacturers for the following medical devices –

- Advanced pre-screening and diagnostics devices,
- Advanced point-of-care devices,
- Advanced surgical devices,
- Remote patient monitoring devices,
- Cancer treatment devices,
- Clinical chemistry and laboratory devices,
- Dental devices,
- Implants used in orthopedics and traumatology
- Ultrasound and Imaging equipment

- E-health and Mhealth systems and
- Telemedicine systems

MISSION GOALS

Our mission goal is to leverage our detailed understanding of the Turkish healthcare market and match its demand with select U.S. suppliers to generate sales on an immediate or short-term basis. For the medium and longer term, the goal is to educate participants on the healthcare-related commercial, political and regulatory environment in Turkey in order to arm them with the ability to sustain and expand their business in Turkey and around the region.

MISSION SCENARIO

The trade mission will go to Ankara, Istanbul, and Izmir May 4-8, 2014. Recognizing Turkey's regional importance, CS Bulgaria and State Partner Posts, Azerbaijan, Georgia, Uzbekistan and Turkmenistan will join the mission on the last day to meet with U.S. participants looking for regional opportunities.

Trade mission members will meet with officials from the Ministry of Health and Social Security Agency, and will take part in business matchmaking appointments with private-sector entities. In addition, they will attend an Embassy briefing and networking events with industry and business associations, and participate in two site visits.

Participation in the mission will include the following:

- Pre-travel briefings/webinar on subjects ranging from business practices in Turkey to industry opportunities;
- Pre-screened, targeted 1-1 meetings with potential partners, distributors, or local industry contacts in Ankara, Izmir and Istanbul;
- Briefing by the U.S. Embassy Country Team;
- Transportation to/from Ambassador residence and all official networking events.
- Participation in industry networking receptions;
- Optional add-on for meetings with potential customers from Bulgaria, Caucasus and Central Asia.

PROPOSED TIMETABLE

Sunday May 4	<ul style="list-style-type: none"> • Trade Mission Participants Arrive in Ankara • Sponsored reception
Monday May 5	<ul style="list-style-type: none"> • Welcome Briefing by U.S. Ambassador and U.S. Embassy Country Team • Presentation by the Ministry of Health on Turkish healthcare system and Social Security Agency on healthcare reimbursement system; • Delegation splits into groups. Customized briefing by Ministry of Health officials for each group's specific line of business; • Hosted Lunch for mission participants • One-on-One business matchmaking appointments • Ambassador's Reception
Tuesday, May 6	<ul style="list-style-type: none"> • Morning flight to Izmir • No-host lunch • One-on-one business matchmaking appointments • Sponsored dinner – Bay Cruise
Wednesday, May 7	<ul style="list-style-type: none"> • Morning flight to Istanbul • Site visit of a Turkish private hospital (includes sponsored lunch at hospital) • Site visit at a Turkish public hospital • No-host dinner
Thursday, May 8	<ul style="list-style-type: none"> • Full-day one-on-one business matchmaking appointments • Evening networking event dinner
Friday, May 9 (Optional)	<ul style="list-style-type: none"> • One-on-one business matchmaking appointments with delegations from Partner Posts (as needed) • Trade Mission ends

PARTICIPATION REQUIREMENTS

All parties interested in participating in the Executive-Led U.S. - Turkey Healthcare Trade Mission must complete and submit an application for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. The mission is open on a first come first served basis up to 18-22 qualified U.S. companies. Post can host a maximum of 22 individual firms, as such, we will vet applicants on the basis of their consistency with the selection criteria listed below.

Fees and Expenses:

After a company has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee for one principal representative will be \$ 4,665 for large firms and \$3,553 for a small or medium-sized enterprise (SME).^{*} The fee for each additional firm representative (large firm or SME) is \$ 750. Expenses for lodging, some meals, incidentals, and travel to/from Turkey and flights in Turkey will be the responsibility of each mission participant.

Conditions for Participation:

^{*} An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see http://www.sba.gov/services/contracting_opportunities/sizestandardstopics/index.html). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing schedule reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (for additional information see <http://www.export.gov/newsletter/march2008/initiatives.html>).

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

Selection Criteria for Participation

Selection will be based on the following criteria:

- Suitability of a company's products or services to the mission's goals
- Applicant's potential for business in Turkey, including likelihood of exports resulting from the trade mission
- Consistency of the applicant's goals and objectives with the stated scope of the trade mission

Any partisan political activities (including political contributions) of an applicant are entirely irrelevant to the selection process. Referrals from political organizations and any information, including on the application, containing references to political contributions or other partisan political activities will be excluded from the application and will not be considered during the selection process.

TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register (<https://www.federalregister.gov/>), posting on ITA's business development mission calendar (<http://export.gov/trademissions>) and other Internet web sites, press releases to

general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment will begin immediately and conclude no later than Monday, December 16, 2013.

The Department of Commerce will evaluate applications and inform applicants of selection in three group vettings, Group A, Group B, and Group C respectively.

We will vet all of the applications that are eligible at the time of each vetting as a group on the three dates listed below:

Group A – August 15, 2013

Group B- October 14, 2013

Group C- December 16, 2013

Applications received after the December 16 deadline will be considered only if space and scheduling constraints permit.

HOW TO APPLY:

Applications can be downloaded from the business development mission website (<http://export.gov/trademissions/turkeyhealthcare2014>) or can be obtained by contacting the list of contacts (below). Completed applications should be submitted to Global Trade Programs at (email: turkeyhealthcare2014@trade.gov or fax: 202-482-9000).

CONTACTS

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