EU – JAPAN EPA

Public Procurement & Healthcare

Business opportunities in Japan’s public healthcare system
Topics today

• Public procurement system in Japan
• Public healthcare market overview
• Finding information about tender opportunities
• Types of procedures
• Conditions for participation & necessary preparations
• Opportunities & Challenges
Public Procurement

- Governments use public procurement procedures to purchase almost everything they need to ensure fair and equal access for suppliers and best value-for-money to tax-payers.

- **Japan**: Big market with estimates ranging from €220-550 billion.

- WTO Agreement on Government Procurement ensures “equal access” for international suppliers.
The Procurement market: Distinctions

WTO tenders
Approx. 35%

- Ministries
- National agencies
- Government corporations (WTO Annex 3)

Central government

- >€120,000
- >€5.4 mln

Sub-central government

- >€240,000
- >€18.3 mln

- 47 Prefectures (and local offices)
- Organizations under their jurisdiction
- 19 “Designated cities (Including Tokyo)

Local government

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- >€5.4 mln

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Domestic tenders

- Equal treatment
- Longer lead times
- English summaries
- Some organizations are excluded
- Some products/services are excluded

- Local rules
- Short lead times
- Japanese only

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Under the supervision of
The Procurement market: Distinctions

**EPA!!!**
(Feb. 1, 2019)

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**47 Prefectures (and local offices)**
- 20 “Designated cities (Including Tokyo)”
- 89 additional Organizations under their jurisdiction
- 54 “Core Cities”

**EPA!!!**
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The Market: 
EU-Japan EPA covered government entities

- **Central government level**
  - Additional national agencies, government corporations
    - Japan Community Healthcare Organization (JCHO)
    - Pharmaceutical and Medical Devices Agency (PMDA)

- **Sub-central government level**
  - Additional Designated city: Kumamoto city
  - 89 additional Local Independent administrative agencies:
    - Prefectural Hospitals
    - Prefectural Universities
    - Hospitals and universities under jurisdiction of designated cities

- 48 ‘Core cities’ (pop. >200,000-500,000)
  - Goods/services procurement, construction/related technical services excluded
### The Market: Government administered medical care facilities

<table>
<thead>
<tr>
<th>Level</th>
<th>Administrating entity</th>
<th>Hospitals</th>
<th>#beds</th>
<th>Clinics</th>
<th>#beds</th>
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<td>15,752</td>
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<td>National</td>
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<td>23</td>
<td>3,597</td>
<td>360</td>
<td>2,156</td>
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<td>198</td>
<td>52,227</td>
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<tr>
<td>Sub-central</td>
<td>Local Independent administrative agencies</td>
<td>108</td>
<td>42,266</td>
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<td>Local</td>
<td>Municipally administrated medical facilities</td>
<td>612</td>
<td>125,044</td>
<td>2,911</td>
<td>2,144</td>
<td>255</td>
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</table>

**Percentage of total number of facilities/beds**

|                     | 15%  | 22.6% | 3.6%  | 5.0%  | 0.4%  |

**Source:** Ministry of Health, Labour and Welfare (MHLW), October 2019
Where can I find tender information?

**English-language notices:**
- Japan External Trade Organisation (JETRO)
- EU-Japan Centre for Industrial Cooperation
- Chotatsu portal
- Government Gazette website

**Japanese language notices:**
- National government online procurement platform (GEPS)
- Portals managed by individual entities
- Commercial services
<table>
<thead>
<tr>
<th>Type</th>
<th>Category</th>
<th>Item Description</th>
<th>Deadline</th>
<th>Supplier Class</th>
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<td>Contract</td>
<td>General</td>
<td>WTO tenders published this week by Tokyo Metropolitan Government [In English]</td>
<td></td>
<td>Contract Division, General Affairs Department, West Japan Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism 4-1-76 Otome-ku Osaka 540-8559 Japan TEL:06-6949-6206 F'&amp;X:6949-6220</td>
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<td>Contract</td>
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<td>Power Supply Equipment 1 set (For VOR and DME)</td>
<td>02/02/20</td>
<td>A, B</td>
<td>Contract Division, General Affairs Department, West Japan Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism 4-1-76 Otome-ku Osaka 540-8559 Japan TEL:06-6949-6206 F'&amp;X:6949-6220</td>
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<td>Contract</td>
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<td>Monitor and Control System for Power Supply Equipment 1 set</td>
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<td>A, B</td>
<td>Contract Division, General Affairs Department, West Japan Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism 4-1-76 Otome-ku Osaka 540-8559 Japan TEL:06-6949-6206 F'&amp;X:6949-6220</td>
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<td>Medical</td>
<td>Purchase of Training manikin for paramedics (for airway maintenance training) ... 19 units</td>
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<td>Tim G Qualifications, A, B License to sell medical equipment</td>
<td>Contract Branch, Audit and Contract Section, Administration Division, Tokyo Fire Department Telephone: +81(3)3212-2111 Ext. 4506 [in charge: Shibata]</td>
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<td>Medical</td>
<td>Mobile surgical X-ray system 1 Set</td>
<td>26/02/20</td>
<td>A, B, C License to sell medical equipment</td>
<td>Mie Miyamoto, Deputy Head, Accounting Division, Josanjima General Affairs Division, National University Corporation, Tokushima University, 2-1 Minamijosanjima-cho Tokushima-shi 770-8506 Japan, TEL:088-856-7036</td>
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<td>02/01/20</td>
<td>A, B, C License to sell medical equipment</td>
<td>Seikou Endo, Supplies Division, Akita University Graduate School of Medicine and Faculty of Medicine, 1-1-1 Hondo Akita-shi 010-8543 Japan, TEL:018-884-6249</td>
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<td>A High-speed camera 1 Set, B Gas Chromatography Mass Spectrometer 1 Set, C Cryo-Electron Microscope System 1 Set</td>
<td>26/02/20</td>
<td>A, B, C</td>
<td>Ken Kikuchi, Contract Group, Finance Department, The University of Tokyo, 7-3-1 Hongo Bunkyo-ku Tokyo 113-8654 Japan, TEL:03-5841-2148</td>
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<td>Contract</td>
<td>Professional/Scientific &amp; Controlling Instruments &amp; Apparatus</td>
<td>High Performance Nuclear Magnetic Resonance 1 Set</td>
<td>26/02/20</td>
<td>A, B, C, D</td>
<td>Koji Nishijima, Accounting section, Faculty of Pharmacy and Cancer Research Institute Support Division, Medical, Pharmaceutical and Health Administration Department, Kanazawa University, Kakuma-machi Kanazawa-cho 920-1192 Japan, TEL:076-264-6703 E-mail: <a href="mailto:k-nishijima@adm.kanazawa-u.ac.jp">k-nishijima@adm.kanazawa-u.ac.jp</a></td>
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Free sign up @ [https://www.eu-japan.eu/government-procurement](https://www.eu-japan.eu/government-procurement)
Kanagawa Prefectural Hospital Organization

The Purchase of The System for Capture and Detection of Circulating Tumor Cells

<table>
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<th>Publishing date</th>
<th>Dec 23, 2019</th>
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<tr>
<td>Procurement entity</td>
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<td>0022 Medical/Dental/Surgical &amp; Veterinary Equipment, 0031 Medical Instruments &amp; Apparatus</td>
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<td>Summary of notice</td>
<td>Summary&lt;br&gt;(1) The Purchase of The System for Capture and Detection of Circulating Tumor Cells&lt;br&gt;(2) Time limit of tender: 0:00 p.m, February 3, 2020&lt;br&gt;(3) Contact point for the notice: Katsuhisa kasai, Finance and Management Division, Kanagawa Cancer Center, Kanagawa Prefectural Hospital Organization, Nakao 2-3-2, Asahi-ku, Yokohama-shi, Kanagawa-ken, 241-8515 Japan, Tel (045) 520-2222</td>
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EPA, Annex 10 Art.

Full list @JTPP Helpdesk
EPA section
循環腫瘍細胞補足・検出システムの購入仕様書

1. 調達物品の内訳
   循環腫瘍細胞補足・検出システム

<table>
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<th>内容</th>
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<td>CytoQuest™ CR制御ソフト</td>
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「入札参加資格確認申請書（様式1）」で競争参加資格認可された場合でも、開札後、改めて資格を確認し、資格の確認ができた場合のみ落札者として決定するもので注意してください。2（①）の神奈川県入札参加資格確認書に登載されていない場合、神奈川県入札参加資格確認書に登載されていない者に対して、当該入札に参加することにあたっては、資格確認を申請し、認定を受けが必要です。この認定を受け、認定を受けたことを示す認定書を神奈川県入札参加資格確認書に登載されるものではありません。

ア 資格確認についての問い合わせ先
地方独立行政法人神奈川県立病院機構<br>財務部財務管理課 大里、白石<br>電話番号 231-0005<br>所在地 横浜市中区本町2-22 京福橋ビル4階

イ 提出書類
入札参加資格確認申請書（様式1）及びその他必要な書類をAの所在地に提出してください。

ウ 提出期間
令和2年8月10日（金）まで

エ 入札条件
(1) 競争入札参加資格確認申請受付期間
Conditions for participation

Supplier qualification

• Japanese government requires their suppliers to possess a qualification of eligibility, *in advance*

• Two separate types:
  • Qualifications for supplying goods and services
  • Qualifications for construction and technical construction services
Conditions for participation

Central government:
*Single qualification for every ministry and agency (touitsu shikaku)*

- Submission of financial statements
- Maximum validity 3 years
- Procedure is free, all in Japanese, takes about a week

Other entities:

- Apply with each entity separately
- Validity shorter at mostly 2 years
- Procedure is mostly free, paperwork all in Japanese
Conditions for participation

4. prove to have a business of selling medical devices
General procedure

Tender notice
• Sometimes preceded by a Prior information notice or Request for comments

Explanatory meeting
• Specifications and Q&A period

Expression of interest
• Submission of Supplier Qualification/licenses etc. (Online)

Preparation and submission of bidding documents (Online)

Announcement of bidding results (Lowest price usually wins, entity employs a projected price)
• Bidding room / Online tender systems

Contracting
• Little room for negotiation

Delivery/execution of contract
• Deadlines strict, attention to detail necessary
Market observations

- **WTO tenders:**
  - Advanced diagnostic equipment (MRI etc.), endoscopic systems, reagents etc.
- **Most foreign companies work via distributors when supplying to public institutions**
  - Small number dominate market
- **Distributors have offices near their clients**
  - “Local procurement”
  - Advice: Look geographical spread of potential distributor
- **Public medical facilities larger and more advanced**
  - SPD contracts becoming more prevalent
  - More joint procurement (NHO, JCHO)
- **Public health sector is facing financial difficulties and need for re-organization**
  - Depopulation/ageing in rural areas
Challenges

- **Language barrier**
  - Access to market information
- **Licenses/standards/legal framework** --> PDMA
- Strong existing supply channels
- “Local orientation”
- After-service/maintenance system
- Long-term commitment expected
To conclude...

• **EPA provides more opportunities to become supplier to public health organizations**
  - > 100 additional hospitals and health organizations
  - Positive reception

• **Direct participation as a supplier remains challenging**
  - Choice will depend on type of product whether to work with distributor

• **Further support available**
  - EPA Helpdesk
  - Japan Tax and Public Procurement (JTPP Helpdesk)
INFORMATION SOURCES

- JETRO Procurement Portal

- Pharmaceuticals and Medical Devices Agency
  - http://www.pmda.go.jp/

- Japan Tax & Public Procurement (JTPP) Helpdesk
Thank you for your attention

Lyckle Griek
Japan Tax & Public Procurement (JTPP) Helpdesk
Lyckle.griek@eu-japan.gr.jp

QUESTIONS?

This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU-Japan EPA and bears no legal standing.