

MEDICAL EQUIPMENT

Export Opportunities
in [Iran](#)



Department for
International Trade



British Embassy Iran



AGENDA

1. **Context**
2. **Iran's Health Imports**
3. **UK Policy**
4. **Export Opportunities**
 - Medical Devices
 - IVDs
5. **Export Process**
 - Tenders
 - Pricing
 - Sanctions
 - Payment & Shipping
6. **Case Studies**
7. **Q&A**



CONTEXT

ECONOMIC & TRADE



86m population; 300m+ regional export market



~\$500bn



cheap energy



educated workforce



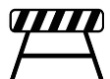
stagnation & inflation. But economic resilience



ease of business. 68/190 (improved)



US Sanctions. UK/EU do not recognise.

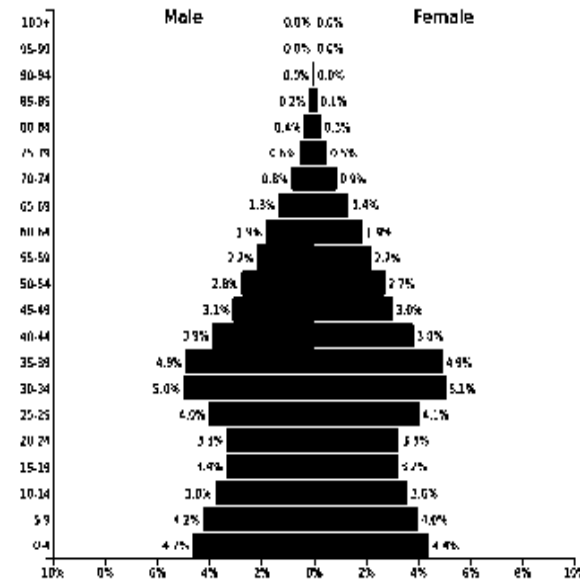


trade protectionism & banking barriers. JCPOA?

DEMOGRAPHICS



av. lifespan 77.3 years



HEALTH SYSTEM



budget \$13.6Bn; 6.7% of GDP



health spend per capita: \$470



1,010 hospitals

IRAN'S IMPORTS: 2016-20

PRODUCT	TOTAL	FROM UK
Medical Instruments	\$2.24B	\$30.1M
Orthopaedic Appliances	\$1.3B	\$51.5M
X-Ray Equipment	\$713M	\$430k
Special Pharmaceuticals	\$286M	\$7.17M
Bandages	\$89.4M	\$6.15M
Breathing Appliances	-	\$21.2M
Therapeutic Appliances	-	\$4.42M
Oscilloscopes	-	\$449k



UK POLICY ON IRAN

It's **legal** for UK companies to trade with Iran.

The UK and EU **do not recognise US** sanctions.

But after 2018, many large UK & European companies and banks – particularly those with **US exposure** – stopped doing business with Iran, fearing penalties under US secondary sanctions.

The UK currently trades with Iran at **low levels** – in chemicals, agriculture, **healthcare**, foodstuffs and machinery/equipment. These sectors are **technically exempt** from US sanctions.

UK exporters are typically **SMEs** with limited or no US exposure.



JAHAN GOSTARESH

OVERVIEW

Established in April 1993

152 employees

Active in importation, calibration, production and after sales service of medical devices and providing solutions in healthcare business.

CAPABILITIES

Main warehouse in Tehran with daily supply all over the country

Around 10 sub-distributors in main cities

Inventory Management System and dedicated sales team to track inventory level

Dedicated technical and calibration department which provides service to the whole territory



CASE STUDIES

Company	Origin	Industry
Boston Scientific Corporation	USA	Rhythm Management
Edwards Lifesciences	USA	Cardiac Valves
Cook Medical	USA	Cardiovascular Consumables
Zoll	USA	Defibrillators
Flexicare	UK	Respiratory, Anesthesia
Geister	Germany	Surgical Instruments
Gandus	Italy	Sealers
De Soutter	UK	Surgical Drills
Gimmi	Germany	Endo-surgery
CN-Systems	Austria	Hemodynamic Machines
Fiab	Italy	Single-use Products
Neuromedex	Germany	Single-use Products
Sterylab	Italy	Biopsy Needles
Biegler	Germany	Blood Warmer



EXPORT OPPORTUNITIES

Medical Devices

PRODUCT DEMAND

Cardiac surgery products
Minimal Invasive products
Neurosurgery products
Cancer treatment
products
Special diseases

TOP BUYERS

Private Mega Labs
Public & Private hospitals
Social security
Charity hospitals

BUSINESS MODELS

Exclusive sales
distribution partnerships
Local manufacturing
partnerships
Purchase orders from
hospital
Some hospitals have
tenders. Main tenders
held by HOA

MARKET BARRIERS

Import bans on many
basic products
Import licenses
No Direct Banking
Channels
Delays in allocating
foreign currency for
importers



EXPORT OPPORTUNITIES

In-Vitro Diagnostics (IVDs)

PRODUCT DEMAND

Biochemistry
Hormone
Coagulation
Microbiology
PCR
Electrophoresis
Hematology
Immunohematology

TOP BUYERS

Private Mega Labs
Public & Private Hospitals
Social security
Charity hospitals

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TENDERS

- Up until 2022, business in Iran was not considered tender-based, except for life saving and critical equipment.
- Based on the new regulations, for many products, the MOH holds tenders in order to slash the prices in huge amounts.
- If a UK Company exporting to Iran, wants to win this tender together with their local partner, they have to contribute in winning the tender by offering more flexible prices and volume.



PRICING

There are 2 different types of foreign currency allocation in Iran:

- Governmental Currency
- Nima Currency

For Medical Devices, both **importation** and **end-user** prices are controlled by the MOH.

Factors considered in **Importation Prices**:

- Country of Origin
- Certificates, such as FDA, CE, ...
- World-wide Market Share
- Decisions of the professional committees of each medical group in MOH

Factors considered in **End-user Prices**:

- Subsidised or Nima currency based on the nature of the product (Nima is almost 5 times higher comparing to the subsidized currency)
- Fixed rate of currency based on allocation time
- Fixed pre-determined margins for the distributors

€ PAYMENTS

Direct through smaller European banks with limited US exposure. Accessed through specialist payment service providers

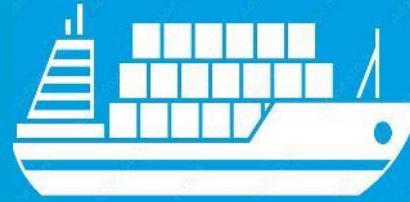
- methods: Invoice discounting, factoring, forfaiting methods
- ~ 3% charge

In-direct - Iranian buyer pays the UK seller via entity outside Iran

- subsidiary bank account; or
- foreign exchange centre

Most UK and EU companies get paid through in-direct payment routes

Payment terms - Open account payments after shipment, advance payments before shipment.



SHIPPING

Shipping Service Providers (air, sea, road)

Direct Routes (Via air and road)

Indirect Routes (Via air and Sea)

Transit times for each methods

Shipping Payment and terms



US LICENSES

The US gives **OFAC licenses** for the sale of food, agricultural commodities, **medicine**, and **medical devices** to Iran by non-U.S. persons.

general licenses for a particular type of transaction

specific licenses to a particular person or entity, authorising a particular transaction in response to a written license application. Under some circumstances, you may require UK Government authorisation for a specific licence.

There **is a general license** for **medical equipment**, therefore UK companies do **not** need a license to export to Iran.

OUR SUPPORT TO YOU

Market Research

Business Development

Market Entry Advice

Supporting Due Diligence

Organising Business Visits

Tackling Market Barriers



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Q&A

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