

German service provider expands to China – “Create benefits for the customer”

After its successful expansion to the USA, BIT is now establishing a new production location in the People's Republic of China. Talking to a member of our editorial staff, Marius Balger, CEO of the complete service provider for analytical and medical OEM devices explains backgrounds, opportunities and risks.

DeviceMed: Mr. Balger, why is BIT expanding to China and what are the specifics there?

Marius Balger: The market for medical technology is growing at a rate of 18 percent annually and it was already the fifth largest market in the world two years ago. That makes it incredibly interesting. For our OEMs, however, topics such as the licensing of devices and customs duties also play a crucial role. Other key points are the subjects of pricing and the competitiveness of medical products. The Chinese market offers tremendous growth potential for both our customers and ourselves, which we jointly want to benefit from.

DeviceMed: Which advantages does the new location in Asia offer you and your customers?

Marius Balger: The new production site provides immense advantages with regard to pricing and competitiveness. We are expanding our high-quality, process-optimized real net output ratio and consolidating our own supplier platform. At the same time we expect even higher product quality as a result of the improved interface defini-

tion. Having China as a reference location will positively impact pricing in general – both internally and with the suppliers we have who are already based in China. As a subsidiary of the Messer Group, which has been located in China since 1985, we can, of course, benefit from the existing political, economic and social network of our Group. The utilization of the existing know-how leads more or less automatically to the successful establishing of business operations. In doing so we have specifically tailored our range of products for our OEMs to ideally suit the prospects in China.

DeviceMed: It sounds as though the decision to move to the Far East was an easy one. When do you expect to supply the first components from China?

Marius Balger: The project “Production China” was initially put on hold in order to observe market developments because of the unsound economy. Due to the fact that this project has a high priority both for our customers and ourselves in view of the expected savings potential, we finally decided to make the investment. All of this is being done under the motto: get onto the market as soon as possible to profit from the added value as quickly as possible. We expect the first components to be manufactured in the People's Republic by mid-2010.

DeviceMed: How do you deal with the subject of product piracy in China?

Marius Balger: Product piracy is definitely a cause for concern, particularly in the field

of medical technology. But we are entering the market via the safe, familiar terrain of the Group, where we will be establishing the subsidiary and also having 100-percent control of all business processes. We do not have any partners in management and process monitoring will be performed at our head office. Last but not least, we make decisions on all operations independently. This guarantees that all of our customers' IPs as well as the entire know-how remains under our control.

DeviceMed: What are the greatest challenges going to be in China in the near future?

Marius Balger: We should see China as more than just a production location and look at the rapidly growing total market for medical technology in this country. Here it is important to utilize our know-how together with the OEMs in order to benefit from this growth with our own means. BIT is growing quickly in both Europe and the USA – and that should also be the case in China in future. The main task in this market is to manage the growth intelligently and successfully and to grow as an international company in China, despite all the reservations and challenges.

Contact
BIT Analytical Instruments
65824 Schwalbach
Germany
www.Group-BIT.com



“We are entering the Chinese market via the safe, familiar terrain of our parent company.”
Marius Balger, CEO BIT Group