

India's huge population a big draw for CordLife

By CHUANG PECK MING

STEM cells in the blood of umbilical cords can heal up to 80 illnesses, including leukaemia, thalassaemia and anaemia. It may also be used to treat spinal cord injury and common ailments like heart diseases and diabetes, but experiments are still being carried out to confirm this.

Singapore-based CordLife is in the business of collecting and saving umbilical cord blood for future use. It's a cord blood bank, a pretty new business even in the healthcare industry.

Started only six years ago, CordLife's business is still largely in Singapore, where its facility has gained AABB accreditation, the internationally recognised standard for cord blood banking. The market here accounts for 60 per cent of its sales, according to CEO Steven Fang.

But that could change as CordLife expands into India. "India has a huge potential and will likely be our most important market in the mid-term," Mr Fang says.

The company, listed on the Australian Stock Exchange in 2004, is already building a new processing and storage facility in the Indian city of Kolkata – its largest, which will be able to store 40,000 cord blood units initially. The facility will be completed next year.

India is not CordLife's first overseas venture; it already has a "core" presence in Hong Kong, Australia and Indonesia. But the company is the first foreign cord blood banking company there, and remains the only one.

"CordLife's business is driven by birth rate, birth volume and income level," Mr Fang says. "While its traditional pool of markets has continued to provide good growth in the past three years, the larger potential of new markets cannot be ignored."

While most Indians can't afford cord blood banking, the Indian population is so huge that it has a middle class of 300 million – about the size of the total population of the United States or Europe.



Potential future lifesaver: Mr Fang (inset) says the primary challenge for CordLife in India is to create public awareness of its service and let parents decide if cord blood banking is something they want to do

India also boasts the world's largest number of births: 24 million yearly, against 17 million in China.

"India is undoubtedly one of the key markets for CordLife in the future," Mr Fang says. "There are very few cord blood banks operating in India at the moment. It's a highly educated market, led by a huge middle class."

As is its practice, CordLife spent two years studying the Indian market before making its entry last year. And as with other foreign markets, it has gone in with a local partner – in this case, Strassenburg Pharmaceuticals, a leading Indian company.

"Having a strong local partner

is key to entering any market, more so in a vast and varied market like India," Mr Fang says.

CordLife sent a team this past year to lay the groundwork for the company to fully roll out its Indian operation in early 2008.

"The team has been engaging doctors and medical professionals for their support," he says. "They have been sent to our existing facilities for training."

According to Mr Fang, the Indian market is a tough market to break into. "Regulatory barriers to entry are very high and local operating barriers are even higher," he says.

It helped a lot that CordLife invested time to understand the mar-

ket before taking the plunge. And, of course, Mr Fang says, its Indian partner came in very handy in guiding the company through the maze of red tape.

The primary challenge ahead for the company in India is to create public awareness of its service.

"CordLife operates on the principle of providing parents the data they need to make their own informed decision on whether cord blood banking is something they want to do for themselves," Mr Fang says. "They need to become aware of what stem cells are and why cord blood, as a very rich source of these stem cells, is a valuable and potentially life-saving resource that should not be just thrown away."