

APAC FemTech Space Gains Momentum

06 March 2023 | Analysis | By Anusha Ashwin

Do you know what takes the blame for a woman's bad health? Oestrogen, as it is the hormone that plays a central role in women's health. It is vital for the development and maintenance of reproductive and bone health, cognitive function, and the overall physical and emotional well-being of women.

Not many women across the globe are aware of the reasons for their ailments, which are mostly associated with the changes caused by the hormone oestrogen. Problems right from menstruation to fertility to cancer, and even to cardiovascular, diabetes, and gut health can be associated with improper oestrogen secretion in a woman's body.

Thankfully, these days the concept of FemTech (Female Technology) has kicked in where women's health issues, surrounding menstruation and fertility, are addressed by FemTech companies focused on developing valuable solutions that improve a woman's quality of life. Let's explore this rapidly growing sector.

APAC FemTech Space

The femtech market in APAC is rapidly evolving and growing with a range of innovative solutions being developed to address the unique healthcare needs of women in the region. The market is also seeing increased investment from venture capitalists and other investors, reflecting the growing demand for women's health technology. According to a report by Frost & Sullivan, the femtech market in APAC is expected to reach \$1.1 billion by 2024. The Asia-Pacific region is expected to see the greatest share of the boom in the next five years, according to some market analysts. Japan's Economy Ministry estimates that by 2025, the market impact of femtech companies in the country will reach \$16 billion.

Menstrual health is a key area of focus for many femtech companies in the APAC region, with solutions ranging from menstrual cycle tracking apps to wearable devices that monitor menstrual flow. In particular, there is a growing interest in reusable menstrual products and sustainable menstrual care solutions in the region. As more women in the APAC region become aware of and interested in femtech solutions, there is a growing acceptance of these technologies in the market. Governments and healthcare providers in the region are also starting to recognise the importance of femtech in improving women's health outcomes and are taking steps to support the development of the industry. Also, market analysts observe that telemedicine services are becoming increasingly popular in the femtech market in APAC, allowing women to access healthcare services from the comfort of their own homes.

Booming femtech

The last couple of years has seen a boom in investment in femtech worldwide. Analytical information agency FemTech Analytics counted 1,323 femtech companies globally last year, 41 of which were in Southeast Asia, with 1,292 investors. To quote an example, India-based femtech startup Salad raised \$270,000 in pre-seed funding. Founded by Aruna Chawla and Karishma Rathaur, Salad is set out to change the landscape of women's health using AI/ML technologies. Salad notably is one of the 30 femtech companies worldwide to win Guidea's Femovate grant. Likewise, Singaporean breast cancer diagnostics AI startup FathomX raised \$2 million in a pre-series A funding round recently. Around Jan 2022, Australia's Fertilis raised \$2 million to automate IVF embryo culturing.

Fermata Inc, a Tokyo and Singapore-based company, is providing market entry services and an e-commerce marketplace focusing on women's health. Its mission is to transform taboos into triumphs and advocate for the improvement of women's health and wellbeing. Fermata provides high-quality solutions on its platform, organise events to build the awareness of femtech in the SEA and APAC region, while also providing market opportunities for startups and consulting services for corporate entities interested in venturing into women's health.

Fermata also brought out a femtech market map of Southeast Asia for the year 2022. The report analysed that in 2022, Singapore secured its position as the leading market and hub for femtech innovations with 32 companies founded and operating in the country, supposedly a 45 percent increase from 2021. Its neighbouring country Malaysia caught up as runner-up with 12 companies; this number is a 500 percent increase from the previous year in the country. The report also highlighted that other South East countries are showing signs of growth of an active femtech market, especially in the Philippines (9 companies), Thailand (6 companies), Indonesia (5 companies), and Vietnam (4 companies).

An active persona in the femtech market, **Dr Siddhartha Dutta, Practice Head, SG Analytics and Board of Advisor to Femtech India** says, "In the next 2-3 years we can expect more menstrual health tracking apps to enter the SE Asian and India markets. Besides these, I also see organic growth of pain segments, especially Cannabis products. Pain during endometriosis is unbearable and cannabis products can be a good supplement. This segment is expected to grow."

Dr Dutta also indicates that more women will foray into femtech increasingly as most of the femtech startups are driven by personal experience. He also says that women are exploring other services and products apart from menstrual health. "Till a few years back, menstrual health was the main focus in APAC, however in 2022, sexual wellness and sexual health have picked up momentum in South East Asia (slow in India comparatively)."

To give an example, Singapore-based Valery Tan, Co-Founder of Surety, is behind an aspiring gerontology startup that aims to be Singapore's one-stop, go-to platform for mature women's sexual health and wellness. Tan intends to destigmatise and raise awareness about perimenopause/menopause and menopause management through talks, workshops, and casual networking events. Ferne Health, touted to be Singapore's first online sexual health platform, offers consultations and at-home testing kits for cervical cancer and sexually transmitted infections. Founded by an ex-Amazon employee, Xi Liu relocated from the USA to Singapore to fix the gaps in women's healthcare needs in Asia.

Grand View Research, predicts that the global femtech market is expected to grow at a CAGR of 11.1 percent from 2022 to 2030 to reach \$13.1 billion by 2030. It also predicts that Asia Pacific is anticipated to register the fastest growth rate over the forthcoming years. Clearly, the Asia Pacific femtech market is driven by increased demand for effective health technology coupled with growing digital infrastructure, increasing smartphone & wearable device penetration, improving internet coverage, and growing health consciousness.

In the last 6-7 years, women have become aware of the benefits of tracking and monitoring their health as technology has advanced to allow for more accurate and personalised health solutions. This is probably why the latest Samsung Galaxy Watch5 women users will get to access temperature-based menstrual cycle tracking through the Cycle Tracking feature. This

new capability was developed in partnership with Natural Cycles, a women's health company and app maker, and marks the first time Natural Cycles' algorithm has been adapted for a smartwatch. Herbio, founded by Sayuri Tanaka of Japan, has developed a wearable device that measures basal body temperature every 10 minutes while asleep to track menstrual cycles and fertility.

Also, ever since COVID happened, remote healthcare using telemedicine has been extensively exploited. Take Sehati TeleCTG, an Indonesian telemedicine company founded by Anda Waluyo Sapardan and her husband, which aims to tackle the high mortality rate of newborns in rural regions of Indonesia. Their low-cost cardiotocograph prototype, which monitors foetal heartbeat and uterine contractions during pregnancy and labour, is linked to a mobile app to track the first thousand days of human life, alerting mothers to risks of early death or intra-uterine stunting.

The app also provides vital information and standardised recommendations from doctors throughout the pregnancy, with in-app options to book health check-ups and doctor's appointments. It also works to educate new mothers about health and nutrition for newborns and raise awareness on related issues, including abortion, contraception, and sexually transmitted diseases.

While other APAC countries are slowly catching up, Australia is joining the league of femtech players. Until 2022, Megan Capriccio was the co-founder of FemTech Collective, a network concept that she brought to Australia from the USA. Megan led the business strategy of the FemTech Collective in Australia, in order to grow and support the women's health technology ecosystem throughout the country.

Overcoming challenges

It is a known fact that health-tech as such is struggling to keep pace with other industries and for femtech, which is another several years behind health tech, there is a lot of catching up to do. What we have known so far is that the main resistance in femtech founders to foray is the lack of scientific and clinical data specific to women's health. Funding inequalities need no mention. Grappling with that exacerbates their woes to sustain in this business.

Though there are several driving factors to plunge into the femtech business, what Dr Siddhartha Dutta says is "Statistically there are more companies cropping up in APAC, but ideally, there are no patents in this field and that makes it difficult for new entrants to survive. Many women are entering the market with similar concepts and ideas. But most of these companies don't have a sound business model, no competitive mapping, no pricing analysis, no demand-gap analysis, and no public demand analysis by region (they know that the segment is in demand and they check with a dipstick survey), no publicly available database to collaborate with other visionaries or associations who can promote their product or services."

All the above are faced similarly by women entrepreneurs across Asia. The same condition can be found in Thailand, Indonesia, Singapore, or India. Dutta says most of the femtech companies are happy selling their services and products within a limited geography with no clarity on global expansion. Most of them don't have a road map beyond one or two years. A typical handholding here is a big ask for budding femtech founders.

Dr Dutta lists some of the commonly faced problems by femtechs that require attention

- Poor survey results (most women shy away from giving correct responses on their physical and sexual health) hence the results of such surveys are not correct.
- Most entrepreneurs are replicating US-based or EU-based femtech businesses, we must remember that one size doesn't fit all.
- More mentoring bodies in every country that can help companies grow from concept to commercialisation.
- Venture capitalists and funding bodies (private) are still skeptical in investing in femtech.
- There is practically no collaboration between entrepreneurs as most of them are not ready to grow together. There are no common databases, and no association to promote any femtech segment. Only L&D and NGOs to create online content and conferences in the market.

We can safely say that if femtech companies must grow in Asia, then, it's time to collaborate and sail together. Critical to the growth of this niche industry is the coming together of the APAC Governments, its Ministries of women's welfare, and startup investors who see women's health as a great contributor to the socio-economic growth of the world.

Thus, this year, on International Women's Day, every woman on this planet is sure to send out a reminder to 'Embrace Equity' and give equal importance to a woman's health as much as it is to a man.

Anusha Ashwin