

## **SOUTH KOREA**

### **Market Assessment**

With an annual growth rate of 41.8 per cent between 1987 and 1991, and a forecasted growth rate of between 10 and 15 per cent to 1996, the Korean medical devices market presents strong potential for Canadian suppliers.

In 1991, the medical devices market was valued at C\$668 million, 71.7 per cent of which was satisfied by imports. By 1996, the market is expected to top C\$860 million. As the trend to consolidating small and medium sized hospitals into larger, modernized facilities continues and as life expectancy and bed nights per patient continue to increase, the demand for imported medical devices will also continue to grow.

Products with excellent sales potential include surgical instruments, orthopaedic instruments and implants, oxygenator, diagnostic apparatus, anaesthesia apparatus and oxygen tents, infant incubators and respirators, volume controlled respirators, intermittent positive pressure breathing units, medical and dental X-ray and nebrilizers, blood gas analyzers, ultrasonic diagnostic and therapeutic equipment, MRI equipment, CT scanners, pulmonary function analyzers, automated blood chemistry analyzers, automated blood cell counters, cardiac pacemakers, heart-lung machines, and patient monitoring systems.

The strength of Korea's domestic medical devices industry lies mainly in disposable items, with syringes, sutures and latex gloves accounting for the majority of local production and exports.

With a 45 per cent market share, Japan is the principal supplier of medical devices to South Korea, mainly due to competitive pricing, product exposure, after-sales service capabilities, availability of parts, and training facilities for South Korean equipment operators.

For example, Hitachi, Toshiba and Shimadzu account for 45 per cent of all diagnostic image equipment imports, while Nihon Kohden and NEC-Sanei supply 30 per cent of all patient monitoring systems.

The U.S. is the second largest supplier with a 39 per cent market share. American firms are well known for their state-of-the-art equipment, which has a reputation in Korea for reliability, accuracy and durability.