

### Demand Parameters

The demand for medical equipment and supplies is essentially a derived demand. Increased demand for medical care services effectively hastens the utilization rate of equipment and instruments as well as the consumption rate of medical supplies and consumables. Simultaneously, rising demand for medical care is likely to improve the financial status of hospitals and other health service units, other things being equal, and makes them more able and willing to upgrade facilities as well as equipment and instruments.

In essence, the need for medical care can well be considered as one of the basic needs of man. In the same line that a nation has minimum requirements for food, clothing and shelter in order to survive, a minimum level of medical care is required to address man's basic right for health. Population growth effectively raises this minimum requirement by actually increasing the number of persons that the entire health care system serves.

The impact of income changes on the demand for medical care varies at different income levels. Below the poverty line, an improvement in real income of an individual would typically have minimal effects on his demand for medical care because he still lacks the more basic requirements for food, clothing and shelter. Increases in real income beyond the poverty line would very likely cause proportionately higher increases in the demand for medical care.

### Size of Market Estimates

The Philippine market now consumes about FOB US \$ 28 million worth of medical equipment and supplies annually. Medical supplies make up the bulk or 52 % of total consumption followed by equipment and instruments with 46 %. Furniture accounts for the smallest share of only 2 %.

The market is about 75 % dependent on foreign sources of medical equipment and supplies. Local manufacturers