

Major country suppliers of medical equipment and instruments are the US, Japan and the EEC. These same countries are joined by South Korea and China (PROC) as the biggest exporters of medical supplies to the market.

Consequently, importers (agents and/ or distributors) play a dominant role in the distribution system. This group is complemented by local manufacturers who provide mainly simple, low-technology equipment instruments and supplies. Both groups are supported by local traders who perform "middlemen" roles.

Hospitals constitute the biggest group among end-users, accounting for about 90 % of the market's total consumption of medical equipment and supplies. Hospitals in the country are classified as either general or special. General hospitals provide the broadest range of medical care services, covering all organ groups. Special hospitals, on the other hand, specialize on a particular area or organ group such as the heart, kidney or lung.

Private hospitals are about twice as many as public hospitals but lag behind in terms of total bed capacity. Both acquire medical equipment and supplies through basically the same procedures except that the government directly intervenes in the distribution flow for public hospitals. Private hospitals conduct their own screening of and bidding among prospective suppliers while all equipment and supplies requirements of public hospitals are screened, monitored and controlled by the government through the Department of Health (DOH).

Tariff rates on imported medical equipment, instruments and supplies have been relatively stable from 1981 to 1988. Equipment, instruments and appliances have been imposed a duty of 10 % throughout the period while the tariff rate on medical supplies remained at 20 %. These tariff rates are more or less reflective of the government's recognition of the current status of local capability to manufacture these items. The tariff rate on imported medical equipment and instruments is relatively low as there are few local producers to protect. Medical supplies are charged a higher rate because local manufacturers have shown improving capability in supplying some of these items.