

**SECTOR: Educational and Training, Medical, Health Care and Related Products and Services**

**SUB-SECTOR: HOSPITAL AND MEDICAL EQUIPMENT AND SERVICES**

**Officer: J.-P. Petit**

**U.S. Market Opportunities:** The US market for medical devices is the largest in the world. It accounted for 59% of world demand in 1990, amounting to \$US 65.2 billion. This market grew on average by 9% a year in the eighties and growth will likely continue throughout this decade because of the aging population. The share of the market captured by imports climbed to 11.5% from 8%. Imports are expected to grow by 20% annually in dollar value. Because of shrinking budgets being experienced by US hospitals more medical devices are now being used in the home. This will be a particular growth segment.

**Canadian Capabilities:** Hospital, medical equipment and services are among the US Bureau priority sectors for 1992-93. There are about 650 manufacturers of health care products in Canada, employing about 10,000 people. The majority (73% in 1991) are small or medium sized enterprises. The industry is made up of a mixture of branch plants of large multinational companies (11%) which tend to serve the domestic market only, and of many small and medium sized Canadian companies (89%). Canadian-owned firms with annual sales of less than \$5 million (77%), tend to be entrepreneurial, export oriented and innovative with many investing heavily in R&D. A number have developed leading-edge technologies and unique innovative medical devices. A few have created products superior technologically to the global competition.

In 1990 the total export value of the Health Care industry amounted to \$200 million dollars, about one third of total production. The leading export category was medical and related instruments and equipment, followed by orthopaedic appliances, surgical and medical supplies, ophthalmic goods, hearing aids, and dental supplies.

**Strategy:**

- To focus efforts on promoting technologically-advanced niche products and create greater awareness of Canadian health care capabilities among US buyers.
- To develop the participation of new exporters and small and medium sized Canadian companies in the market place.
- Further efforts will be made to inform Canadian companies about US opportunities particularly with regard to procurement rules of US federal agencies and departments.
- Promote U.S investment and strategic alliances in the sector in order to attract high technology-based firms to Canada.