

SECTION A - INTRODUCTION

1. Existing Structure of the Philippine Health Care Industry

The Philippine market for hospital/ medical equipment and supplies represents just one integral segment of the entire local health care industry. By definition, this industry encompasses all sectors of the economy that "takes care" of the local population's health, whether it be physical, mental or otherwise. Among the other segments of this industry are the pharmaceutical and cosmetics sectors which are in themselves big industries.

Figure 1 in the page following depicts how the various sectors that make up the entire health care industry are linked to serve the local populace.

Said diagram breaks up the industry into four (4) basic sectors. In essence, the medical equipment and supplies segment serves the local populace indirectly by providing the health service sector the equipment, instruments and supplies necessary to carry out their operations. Complementing these are the drugs/medicine and other health care products and supplies coming from the pharmaceutical and cosmetics sectors. Inputs from the labor sector provide the medical and paramedical manpower who are indispensable in the day-to-day operations of the various health service units in the country.

While serving the local population indirectly through the health service industry, the pharmaceutical and cosmetics sectors are also directly linked with the end-users by providing them "over-the-counter" drugs, medicine and other health care products and supplies.

Hospitals constitute the largest segment of the health service industry. There are about 1,814 hospitals operating in the country today, of which only about one-third or 624 are government-owned or operated and the rest are private. Although outnumbered almost two-to-one, government hospitals account for almost 55 per cent of the total bed