

UNITED STATES

OVERVIEW A: MEDICAL DEVICES AND HEALTHCARE PRODUCTS

Market Assessment

Canadian manufacturers enjoy a very good image among buyers of medical/healthcare products in the United States. Canada's healthcare system is seen as a model for the world, and Canadian manufacturers are considered on par with their American counterparts.

The U.S. market for health services is the largest in the world. In 1992, it accounted for 42 per cent of world demand (US\$817.3 billion). The market grew by 9 per cent annually throughout the 1980s, and growth is expected to continue at between 10 to 14 per cent to the end of the current decade.

The U.S. spends 12.4 per cent of GDP on healthcare (US\$2,566 per capita). There are 4.8 hospital beds per 1,000 population in the U.S., and the average hospital stay is 9.3 days.

Medical equipment manufacturers experienced solid growth in 1992, as output, employment and trade continued their upward trend. The growth was fuelled by rising national healthcare expenditures. Strong overseas demand, reflected by a 9.5 per cent increase in exports, also contributed to the strong performance. Exports accounted for 21.9 per cent of product shipments in 1992, compared with 14.8 per cent a decade ago.

The healthcare industry is divided into five segments: surgical and medical instruments; surgical appliances and supplies; dental equipment and supplies; X-ray apparatus and tubes; and electromedical equipment.

Purchases of surgical and medical supplies are estimated at US\$12 billion annually, with growth projected at 6 to 8 per cent annually. The outpatient market will lead this growth as more surgery is performed in ambulatory surgical centres. Demand will be high for laparoscopic equipment, as well as instruments used for minimally invasive procedures which will lessen patient discomfort and shorten hospital stays.

Purchases of surgical appliances and supplies are estimated at US\$13 billion, with growth projected at 7 per cent annually. Demand will be greatest for products for home healthcare, outpatient services and the elderly.