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Global Market Opportunities Report

MEDICAL DEVICES AND HEALTHCARE PRODUCTS

Department of Foreign Affairs and International Trade
Ministère des Affaires étrangères et du Commerce international

Canada

GLOBAL MARKET OPPORTUNITIES REPORT

MEDICAL DEVICES
AND
HEALTHCARE PRODUCTS

Dept. of Foreign Affairs
Min. des Affaires étrangères

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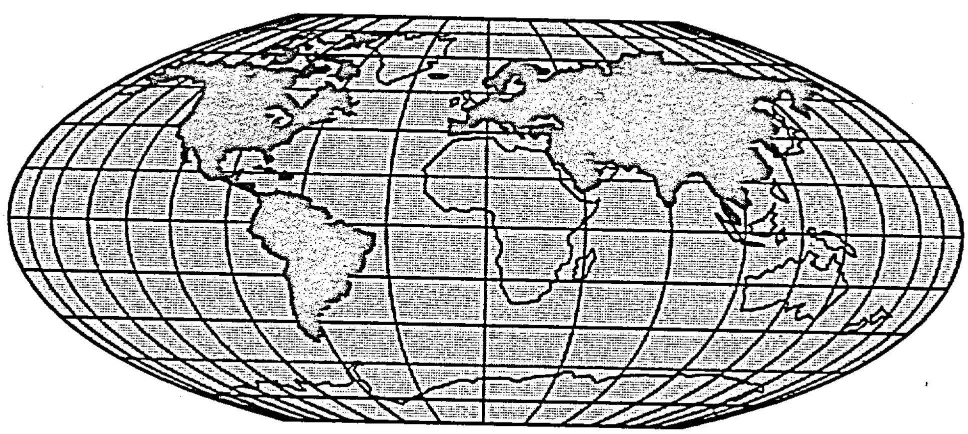

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INTERNATIONAL BUSINESS DEVELOPMENT BRANCH
DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

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SECTORAL LIAISON SECRETARIAT (TOS)

Mission Statement

PROVIDE EFFECTIVE MARKET INTELLIGENCE TO LEAD TO SOUND EXPORT SOURCING OPPORTUNITIES THAT RESULT IN CANADIAN BUSINESS SUCCESS

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TABLE OF CONTENTS

Topic Page

SECTION 1

INTRODUCTION 5

SECTION 2

UNITED STATES

Overview A: Medical Devices and Healthcare Products . 6
Overview B: Home Healthcare Medical Devices 20
Southeastern United States 24
Western and Upstate New York 32
The Midwest 37
Upper Midwest 39
California 42
Pacific Northwest 46

SECTION 3

WESTERN EUROPE

Austria 50
Belgium 54
Denmark 59
France 65
Germany 68
Italy 74
Spain 78
Switzerland 84
United Kingdom 95

SECTION 4

LATIN AMERICA/CARIBBEAN

Bahamas, Belize, Cayman Islands, Turks & Caicos . . . 101
Costa Rica 105
Cuba 107
El Salvador 111
Jamaica 114
Mexico 117
Panama 119
Trinidad & Tobago 121

SECTION 5

ASIA PACIFIC

Australia 123
Hong Kong 126
Indonesia 129
Japan 131
Malaysia 135
Singapore 139
South Korea 142
Thailand 145

SECTION 6

AFRICA and THE MIDDLE EAST

Kenya 147
Morocco 151
South Africa 154

SECTION 7

MARKET OVERVIEW OPPORTUNITY REQUIREMENTS 158

Section 1

Introduction

INTRODUCTION

The global medical devices industry is marked by change. These changes present tremendous challenges and opportunities and will drive the industry over the next decade.

Cost containment pressures in healthcare, the aging population, the home healthcare movement, environmental sensitivities, the AIDS crisis, the trend towards preventative medicine and health maintenance, and the advances in strategic technologies are driving market demand and creating niches with enormous growth potential. Liberalization of trade and the globalization of business operations are also creating new opportunities for medical device manufacturers.

The Canadian medical devices industry has been quick to respond to the many challenges.

Canada has established a reputation as a reliable exporter of quality medical products; many companies have already penetrated foreign markets and are paving the way for others to follow.

Canada is capitalizing on niche market opportunities. For example, Canada supplies 30 per cent of Swiss requirements for alpha, beta and gamma radiation equipment for medical and surgical use. In the United Kingdom, Canadian companies have established markets for imaging equipment, incontinence wear, motion-analysis systems, and specialty hearing aids. In Japan, Canadians have been successful in selling imaging systems and peritoneal dialysis machines.

This report provides market data obtained from Canadian embassies, consulates and trade missions around the world. It offers Canadian medical device manufacturers, who are currently involved in international business, an opportunity to expand or enter new markets. For new exporters, it offers important market data, including market access, distribution channels, promotional activities, and names of agents and distributors, which can be used to analyze market potential.

This report is a starting point only. It is designed to assist Canadian exporters with that first critical step: developing a short list of markets with significant potential for their products.

Section 2

United States

U.S. Overview:

OVERVIEW A: MEDICAL DEVICES AND HEALTHCARE PRODUCTS

OVERVIEW B: HOME HEALTHCARE MEDICAL DEVICES

U.S. Market Reports:

SOUTHEASTERN UNITED STATES

WESTERN AND UPSTATE NEW YORK

THE MIDWEST

UPPER MIDWEST

CALIFORNIA

PACIFIC NORTHWEST

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.

Purchases of dental equipment and supplies remain relatively flat at US$1.2 billion, with growth projected at 3 to 5 per cent annually.

X-ray apparatus and tube purchases are estimated at US$3.7 billion, with annual growth projected at up to 5 per cent.

Purchases of electromedical equipment have topped US$6 billion; annual growth is projected at 7 per cent.

Despite this success, the medical and dental instruments and supplies industries face challenges that may dampen their historic growth. These challenges include the costs of meeting new regulatory requirements to ensure product safety and effectiveness, changes in Medicare reimbursement plans, and pressure from hospitals to contain costs.

While healthcare reform may provide new markets for medical equipment suppliers, it also promises to add additional uncertainty to an already heavily regulated industry.

With an increasing emphasis on cost containment, medical device products that can demonstrate their efficiency in producing documentable outcomes, will have an distinct advantage in the U.S. market. Sectors of the medical industry that anticipate growth in excess of 20 per cent over the next five years include the following:

- outpatient care
- home healthcare
- ambulatory infusion services
- ambulatory surgery centres
- nursing home care
- managed care organizations
- medical waste management
- antivirals
- minimally invasive surgical devices
- laparoscopy products
- implantable defibrillators
- DNA probes
- coronary angioplasty products

The 1991, the total value of exports to the U.S. by the Canadian healthcare industry amounted to C$107 million, about one-third of Canada's total production.

Leading exports were medical and related instruments and equipment, surgical and medical supplies, ophthalmic goods, orthopaedic appliances, hearing aids, and dental supplies.

Healthcare is a multi-payer system. Private healthcare insurance programs pay out nearly US$225 billion annually, while annual federal Medicare and Medicaid payments are US$146 billion and US$100 billion, respectively. The distribution of payment sources for the average American family is: consumer out-of-pocket, 19 per cent; private insurance, 31 per cent; other private sources, 4 per cent; federal government, 32 per cent; and state and local governments, 14 per cent.

Buyers and Distribution Channels

Physicians and other end-users of medical devices are becoming less involved in purchasing decisions, as Group Purchasing Organizations (GPOs) expand, and as purchasing decisions become more influenced by competitive and value-analysis factors.

Typically, there are four channels through which medical devices are distributed: direct sales; manufacturers' representatives or sales agents; distributors; and strategic alliances.

Commissions paid to manufacturers' representatives or sales agents vary from 3 to 20 per cent. Medical representatives/sales agents tend to specialize according to customer or product to develop a competitive edge.

Discounts to medical distributors in the U.S. range from 15 to 60 per cent, depending on the resources and risks required to market the product, the rate of inventory turnover, and the amount of customer training, support and service required. In cases where the manufacturer/product is new to the market, distributors may require inventory on consignment.

Distributors range from specialized independent companies to general-line firms, catalogue companies, mail-order houses, and large national firms. Some medical device manufacturers distribute not only their own products, but also those of non-competing firms.

Hospitals normally purchase medical supplies in two ways: individually on a local level, via the bid process, or through a Group Purchasing Organization. The majority of hospitals use the bid process to some degree, or they use it in combination with other purchasing methods.

GPOs are a very important part of the purchasing process. Because they comprise a number of member hospitals, they are able to buy in large quantities, thereby keeping costs low.

Some hospitals belong to multiple groups and some hospitals contract directly with manufacturers to reduce costs further.

State-run hospitals tend to combine purchasing on a local level with purchasing through a co-operative. State hospitals can purchase medical products on a local level if the price is below a certain dollar value. Otherwise, the hospital must go through the state purchasing office which contracts with vendors using the bid process.

The medical device market for federal hospitals is very complex and purchasing practices vary from agency to agency.

Veterans Administration Hospitals (VA)

Located in Hines, Illinois, the VA Marketing Centre maintains a federal supply schedule on a number of items including pacemakers, wheelchairs, artificial limbs, hearing aids, and prosthetics, to name a few. To be included in the VA's mailing list and commodity index files, manufacturers must complete a Standard Form 129, and return it to each of the hospitals with which the company wishes to do business.

Once the Marketing Centre arranges a price with the manufacturers, all VA hospitals can buy the product at that price. The Marketing Centre does the approval work only; each hospital does its own buying.

FOR FURTHER INFORMATION CONTACT:

Veterans Administration
Department of Supplies and Services
Marketing Building, P.O. Box 76
Hines, Illinois
60141
Tel: (708) 216-2486
Attn: Ms. Carol Calhoun

Emergency Care Research Institute (ECRI)

ECRI is recognized as the world's leading independent organization committed to improving healthcare technology. The facility conducts research and publishes the results in "Health Services" and "Health Devices Alerts". Canadians should use these reports for market research and, where applicable, to enter into comparative evaluations.

FOR FURTHER INFORMATION CONTACT:

Emergency Care Research Institute
5200 Butler Pike
Plymouth Meeting, Pennsylvania
U.S.A.19462
Tel: (215) 825-6000 Fax: (215) 834-1275

The Defense Personnel Support Centre (DPSC)

The Directorate of Medical Material at the DPSC is responsible for managing approximately 63,000 items of which 70 per cent are procured competitively. DPSC also supplies overseas hospitals.

To be included on the DPSC bidders mailing list, it is necessary to submit a Standard Form 129. DPSC requires the specific national stock number to be entered. Consequently, Canadian companies must obtain a copy of the Department of Defense (DAD) medical catalogue and determine the appropriate national stock number.

FOR FURTHER INFORMATION CONTACT:

Defense Personnel Support Centre
2800 S. 20th Street
Philadelphia, Pennsylvania
U.S.A. 19101-8419
Attn: Mr. Lawrence Walsh, tel: (215) 737-2299
Ms. Sarah Presley, tel: (215) 737-5408

The Defense Medical Standardization Board (DMSB)

There are three ways that commercially available items may be introduced into the DAD medical inventory through the DMSB:

Shared procurement: the DPSC receives technical specifications for products that the U.S. Army, Navy, Air Force, Veterans Administration, and Public Health Service jointly establish. Equipment procured in this manner includes blood analyzers, defibrillators, electro-surgical apparatus, microscopes, vital sign monitors, sterilizing equipment, operating room equipment, and hospital furniture.

Deployable medical system: the DMSB selects and specifies equipment to be included in deployable hospitals worldwide. It has the responsibility to procure and inventory the product for possible deployment.

Hospital-initiated requirements: a procedure by which companies can sell products directly to military hospitals. Once the company sells a predetermined volume to the required number of hospitals within a year, it can request that the product be standardized and catalogued.

FOR FURTHER INFORMATION CONTACT:

The Defense Medical Standardization Board
Fort Detrick, Maryland
U.S.A. 21701-5013
Tel: (301) 619-2186
Attn: Captain G.R. Koehn

Nursing homes usually use the bid process to purchase medical devices, and nearly all use the services of a purchasing group. Any firm wishing to sell to nursing homes should contact the state nursing home associations.

Market Access

Among regulations governing the medical device industry, the 1990 Safe Medical Devices Act (SMDA) poses a significant challenge. This landmark legislation redefines how medical products are brought to market.

Key provisions of the act require manufacturers of certain high-risk devices to:

- establish a tracking system to notify patients if a product malfunctions;
- include a summary of safety and effectiveness data for medical devices when applying for pre-market clearance, or state that such information is available upon request; and
- submit post-market surveillance protocols for certain implants and other devices.

In addition, hospital facilities and other end-users must report injuries and deaths associated with life-sustaining devices directly to the Food and Drug Administration (FDA) and/or manufacturers. Distributors are now required to file medical device reports. Enforcement procedures have also been strengthened, allowing the FDA to recall products, temporarily suspend certain high-risk devices, and impose fines for violations.

The industry is working with regulatory authorities to ensure that as new legislation is drafted, manufacturers' financial burden under new laws is minimized. The industry is opposed to FDA user fees which are seen as a tax on new medical technology and which could stifle American R&D.

The most significant market entry hurdle is the FDA. Any company that "engages in the manufacture, preparation, propagation, compounding, assembly, or processing of a device intended for human use" is required to register with the FDA. Although foreign firms are not required to register, they are encouraged to do so. Registering with the FDA may help place your company in a more opportune position to enter the U.S. market.

To register a company with the FDA requires completion of an "Initial Registration of Medical Devices Establishment" form (FDA 2891). The form is available from the FDA along with an information and instruction booklet. Registration in no way implies FDA approval.

After completion of the registration process, all devices to be sold within the U.S. must be listed. Listing involves completing form FD2892. All devices exported to the U.S. must be listed by generic category with the FDA. Only one form is required for each generic category. The listing data must be updated when a new device is marketed with a different classification name, the intended use changes, a product is discontinued, a discontinued product is re-marketed, or any information on the FD2892 form changes.

After a company is registered and its medical devices listed, the next step is "pre-market notification." The FDA must be notified 90 days prior to the distribution of medical devices (form 510(k)).

The most stringent process of medical device review is "pre-market approval." The process is lengthy and complex, with the review time for medical devices often taking 180 days.

Good Manufacturing Practices (GMP) is a quality assurance program mandated by the federal government. It is similar to ISO 9000 but stricter with regard to after-market sales monitoring. GMP was enacted to provide safe medical devices to the final consumer. The FDA inspects the operations and records of foreign manufacturers to determine GMP compliance. Before inspecting a Canadian firm, the FDA must receive permission from both the country and manufacturing facility.

The Division of Small Manufacturers Assistance (DSMA) within the FDA can help Canadian manufacturers with requirements related to their medical device products. Free regulatory workshops and conferences for small manufacturers are held at convenient sites in the U.S. These meetings provide an overview of the regulatory requirements for commercial distribution of medical devices in the U.S.

Imports regulated by the FDA are subject to inspection at the time of entry through U.S. customs. Shipments not in compliance will be detained. They must then be brought into compliance, destroyed or re-exported.

It is strongly recommended that Canadian companies protect every device sold in the U.S. with a "utility patent." The lifespan of the patent is 17 years, and all fees must be paid for that patent before it is valid. Once issued, a patent is legally recognized throughout the U.S., including its territories.

FOR FURTHER INFORMATION ON PATENTS CONTACT:

Patent and Trademark Office
Washington, D.C.
U.S.A. 20231
Tel: (703) 308-4357

Promotional Activities

Participation in medical trade shows and conferences can substantially reduce the time required to introduce and establish distribution in the U.S. Trade shows provide an excellent vehicle for selling products to end-users and buyers, for identifying potential new distribution partners, and for learning more about market conditions and competitors.

The major medical trade exhibitions in the U.S. include the following:

Radiological Society of North America's Scientific Assembly and Meeting Held: annually (winter). Attracts over 36,000 visitors, mainly radiologists, radiologist technicians, residents, administrators, medical students, nurses, physicists, and purchasing agents.
Contact: (708) 571-2670

National Home Healthcare Exposition/National Show
Held: annually (fall)
Attracts 18,000 visitors, primarily allied health professionals, hospital management, nursing home managers, and physical therapists.
Contact: (404) 641-8181

American Heart Association Scientific Session
Held: annually (November)
Attracts over 25,000 visitors, primarily allied health professionals, cardiologists, cardiovascular technicians, nurses, and physicians.
Contact: (214) 706-1388

Association of Operating Nurses Annual Congress
Held: annually (spring)
Attracts over 8,500 visitors, mainly hospital management, RNs and physicians.
Contact: (303) 755-6300

American Academy of Orthopaedic Surgeons
Held: annually (February)
Attracts 25,000 visitors, primarily allied health professionals and orthopaedic surgeons.
Contact: (708) 823-7186

American College of Surgeons Conference
Held: annually (spring)
Attracts over 18,000 visitors, primarily surgeons.
Contact: (312) 664-4050

American Hospital Association
Held: annually
Attracts more than 5,000 visitors, mainly administrators, architects, hospital CEOs, materials managers, physicians, and nurses.
Contact: (312) 280-6462

Health Industry Manufacturers Association (HIMA)
Various conferences and exhibitions.
Contact: (202) 434-7238

Health Industry Distributors Association (HIDA)
Various conferences and exhibitions.
Contact: (703) 549-4432

Association of Military Surgeons of the United States (AMSUS)
9320 Old Georgetown Road
Bethesda, Maryland
U.S.A. 20814
Tel: (301) 897-8800 Fax: (301) 530-5446
Held annually. For products aimed at military medical/health market.

Contacts

Trade and Professional Associations

Health Industry Distributors Association
225 Reinekers Lane, Suite 650
Alexandria, Virginia
U.S.A. 22314-2876
Tel: (703) 549-4432 Fax: (703) 549-6495

Health Industry Representatives Association
5818 Reeds Road
Mission, Kansas
U.S.A. 66202-2740
Tel: (913) 262-4513 Fax: (913) 262-0174

Independent Medical Distributors Association
5818 Reeds Road
Mission, Kansas
U.S.A. 66202-2740
Tel: (913) 262-4510 Fax: (913) 262-4510

Health Industry Manufacturers Association
1200 G. Street, N.W., Suite 400
Washington, D.C.
U.S.A. 20005
Tel: (202) 783-8700 Fax: (202) 783-8750

Underwriters Laboratories Inc.
333 Pfinggten Road
Northbrook, Illinois
U.S.A. 60062-2096
Tel: (708) 272-8800 Fax: (708) 272-9562

American Hospital Association
840 N. Lake Shore
Chicago, Illinois
U.S.A. 60611
Tel: (312) 280-6000

American Association of Homes for the Aging
1129 20th Street N.W., Suite 400
Washington, D.C.
U.S.A. 20036
Tel: (202) 296-5960

American Health Care Association
1201 L. Street, N.W.
Washington, D.C.
U.S.A. 20005
Tel: (202) 842-4444 Fax: (202) 842-3860

American College of Health Care Administrators
325 S. Patrick Street
Alexandria, Virginia
U.S.A. 22314
Tel: (703) 549-5822

Food and Drug Administration (FDA)
Public Health Service
Department of Health and Human Services
Centre for Device and Radiological Health (CHRH)

Division of Small Manufacturers Assistance (DSMA)
5600 Fishers Lane
Rockville, Maryland
U.S.A. 20857
Tel: (301) 443-6597 Fax: (301) 443-8818

Office of Compliance and Surveillance
Regulatory Guidance Branch
1390 Piccard Drive
Rockville, Maryland
U.S.A. 20850
Tel: (301) 427-1116

Office of Standards and Regulations
International Relations and External Affairs
5600 Fishers Lane
Rockville, Maryland
U.S.A. 20857
Tel: (301) 443-3426 Fax: (301) 443-4196

Office of Training and Assistance
5600 Fishers Lane
Rockville, Maryland
U.S.A. 20857
Tel: (301) 443-6597

Group Purchasing Organizations (GPO)

Purchase Connections
201 North Figueroa Street, 4th Floor
Los Angeles, California
U.S.A. 90012
Tel: (213) 250-5600
Fourth largest GPO in the U.S. with US$1.1 billion in annual purchases. Members include 750 hospitals and 815 alternative healthcare facilities.

AmeriNet
2060 Craigshire Road
Box 46930
St. Louis, Missouri
U.S.A. 63146
Tel: (314) 878-2525 Fax: (314) 542-1999
One of the largest U.S. GPOs. Supports three non-profit shareholder organizations: Hospital Shared Services, Pittsburgh, Pennsylvania; Intermountain Health Care, Salt Lake City, Utah; and Vector Healthsystems, Providence, Rhode Island. Membership includes over 2,500 facilities, located in all 50 states. Gross volume sales (1991/92): US$1.6 billion.

Health Services Corporation of America
3221 McKelvey Road, Suite 301
Bridgeton, Missouri
U.S.A. 63044
Tel: (314) 291-2920
Membership represents nearly US$1.2 billion in committed volume among acute-care facilities, surgery centres, medical clinics, psychiatric and extended-care facilities. Members have flexibility to select from multiple distributors strategically positioned throughout the U.S.

Publications

Hospitals
(Magazine for healthcare executives)
737 N. Michigan Avenue
Chicago, Illinois
U.S.A. 60611
Tel: (312) 440-6800
Owned and operated by the American Hospital Association

HomeCare
(Business magazine of the home healthcare industry)
Miramar Publishing Company
Box 3640
Culver City, Colorado
U.S.A. 90231-3640
Tel: (310) 337-9717

The most important advertising medium for the home or out-patient care products industry.

AHA Guide to the Health Care Field
American Hospital Association
840 N. Lake Shore Drive
Chicago, Illinois
U.S.A. 60611
Tel: (312) 280-6000 Fax: (312) 280-5979
Lists all U.S. hospitals
Cost: US$190

Directory of Healthcare Group Publishing Organizations
Medical Device Register
Five Paragon Drive
Montvale, New Jersey
U.S.A. 07645
Fax: (201) 573-4956

Directory of Medical Products Distributors and Manufacturers' Representatives
McKnight Medical Communications
1419 Lake Cook Road, Suite 110
Deerfield, Illinois
U.S.A. 60015
Tel: (708) 945-0345

UNITED STATES

OVERVIEW B: HOME HEALTHCARE MEDICAL DEVICES

Market Assessment

The home healthcare industry in the U.S. began in the 1970s, in response to increased demand for health services and rising institutional healthcare costs. In 1989, Americans spent in excess of US$15 billion on home care and related services; the industry is expected to grow as much as 15 to 20 per cent annually until the end of the decade.

The following trends support the growth of the home healthcare industry:

- By the year 2000, Americans aged 65 and over will comprise 13 per cent of the total population. Traditionally, the elderly account for 2 or 3 times the average per capita share of healthcare expenses.
- Healthcare cost containment pressures from both government andprivate payers.
- The increase in two-income families will lessen the availability of family members to care for the ailing.
- Strong acceptance of home healthcare by patients (who sometimes recuperate faster in a familiar environment), physicians and payers. It is estimated that a total of 5 million people, both institutionalized and non-institutionalized, require assistance with such daily activities as eating, toileting, dressing, and bathing.
- Technological advancements such as implanted devices which lower the risk of infection, and portable drug dispensers.

The home healthcare industry is divided into the in-home patient care product market and the outpatient care facility market. In the former, the customer buys/rents the required medical product from a retail outlet. The latter is an institutional market which provides a service to a patient on an outpatient basis.

Products normally carried by dealers include the following:

- raised toilet seats
- shower, stair and entryway grab bars
- bedside commodes
- urinals
- clothing with Velcro closures
- beds
- wheelchairs
- incontinent supplies
- skin care products
- exercise/athletic machinery and equipment
- walking aids
- back supports
- ostomy products
- seating products
- oxygen
- industrial and home first aid
- adaptive equipment for home and office
- lifts, ramps and elevators

A variety of technological advances now allow for more sophisticated medical treatment in the home. The cost of medical equipment for home care has declined significantly in many key product areas and new technologies have improved equipment safety. The increase in the high-tech home healthcare market reflects the availability of products and techniques for IV/infusion therapy, antibiotic therapy, chemotherapy, and total parental nutrition.

Many home healthcare agencies will move from "mom and pop" status to formal business entities and will diversify into a wider range of product and service offerings in order to make their plans more appealing to hospital affiliations/ventures and prepaid managed care plans. Some home healthcare organizations will find high-tech niches in infusion or respiratory therapy, IV antibiotic and oncology therapies, and move away from offering broadly based services.

Hospitals will continue to seek a larger share of home healthcare referrals, either by developing their own home healthcare companies or by establishing affiliations and co-operative ventures with existing agencies.

Buyers and Distribution Channels

For the in-home patient care market, the dealer typically runs a retail store, and may advertise in the media and may offer sales discounts. The dealer sources products directly from the manufacturer, or through advertisements in trade publications, comparative shopping in a competitor's territory, or visiting a trade show.

Unless the product is new, dealers expect promotional prices at trade shows to be fairly low. Dealers shop the trade show floor and negotiate the lowest price possible; many come with a shopping list for the entire year.

The outpatient care market is made up of private companies, government agencies, etc., that provide a service to the client, either at their facility or at the client's home.

All companies in the outpatient care market deal directly with manufacturers. Larger companies purchase capital equipment directly, but smaller companies prefer to deal on a lease-to-own basis.

Contacts

Home Care Associations

American Association for Continuity Care
1730 North Lynn Street, Suite 502
Arlington, Virginia
U.S.A. 22209
Tel: (703) 525-1191 Fax: (703) 276-8196
Attn: Mr. Randy Price
Executive Director

American Federation of Home Health Agencies
1320 Fenwick Lane, Suite 100
Silver Spring, Maryland
U.S.A. 20910
Tel: (301) 588-1454 Fax: (301) 588-4732
Attn: Ms. Ann Howard
Executive Director

National Association for Home Care
519 C. Street, N.E.
Washington, D.C.
U.S.A. 20002-5807
Tel: (202) 547-7424 Fax: (202) 547-3540
Attn: Mr. Val Halamandaris
President

National Association of Residential Care Facilities
Box 3256
Danbury, Connecticut
U.S.A. 06813-3256
Attn: Ms. Winona Hardy
Executive Director

National Hospice Organization
1901 North Moore Street, Suite 901
Arlington, Virginia
U.S.A. 22209
Tel: (703) 243-5900 Fax: (703) 525-5762
Attn: Mr. John Mahoney
President

SOUTHEASTERN UNITED STATES

Market Assessment

The Southeastern United States, the territory covered by the Consulate General in Atlanta, Georgia, includes Alabama, Florida, Georgia, North and South Carolina, Mississippi, and Tennessee.

In 1991, there were 1,155 hospitals with 263,280 beds in the Southeastern U.S. The hospitals were distributed as follows: Alabama, 138; Florida, 291; Georgia, 203; North Carolina, 156; South Carolina, 97; Mississippi, 114; and Tennessee, 156.

Hospitals are divided into four categories: government, non-federal; not-for-profit; investor-owned; and federal government.

Government, non-federal hospitals include hospitals run by the state, county, city, city-county, or a hospital district or authority. Not-for-profit hospitals include those operated by a church or academic institution. Investor-owned hospitals are the property of for-profit groups. Federal government healthcare facilities include Army, Navy, Air Force, public health service, or VA hospitals.

Although the number of hospitals in the territory has remained static, growth has occurred in the home healthcare industry and in freestanding ambulatory surgery centres. This growth is in response to regulations that have reduced patient stays in high-cost hospitals.

The territory also supported 2,128 nursing homes, distributed as follows: Alabama, 230; Georgia, 354; Florida, 589; North Carolina, 312; South Carolina, 163; Mississippi, 180; and Tennessee, 300.

The Southeast has a high proportion of elderly, particularly in Florida. In 1990, 17.8 per cent of Florida's population was over 65; three years later, "seniors" accounted for 18.4 per cent of Florida's total population.

In this market, value is the key to sales. Products that are easy and safe for the patient and practitioner to use, reasonably priced, and easily disposed of are considered to provide value to the end-user.

Buyers and Distribution Channels

(See "United States")

For a list of Group Purchasing Organizations, contact the Canadian Consulate in Atlanta, Georgia.

Promotional Activities

Trade Shows

National Home Health Care Exposition
Semco Medical Productions
1130 Hightower Trail
Atlanta, Georgia
U.S.A. 30350-2910
Tel: (404) 641-8181 Fax: (404) 642-4715
Held: annually in November. Highly recommended for promotion of all home healthcare medical products.

Southeastern Hospital Conference
Box 11126
Montgomery, Alabama
U.S.A. 36111-0126
Tel: (205) 260-0019 Fax: (205) 260-0023
Held: annually in May. Recommended for promotion of products specifically targeted to hospital administration.

Tennessee Hospital Association
500 Interstate Boulevard South
Nashville, Tennessee
U.S.A. 37210-4634
Tel: (615) 256-8240 Fax: (615) 242-4803
Held: annually in November in Nashville. Recommended for hospital administration and management products, as well as special patient care and monitoring products.

Georgia Hospital Association
1675 Terrell Mill Road
Marietta, Georgia
U.S.A. 30067
Tel: (404) 955-0324 Fax: (404) 955-5801
Held: annually in January in Atlanta. Recommended for promotion of products targeted at hospital administration, as well as special patient care and monitoring products.

Contacts

State Hospital Associations

Alabama Hospital Association
Box 210759
Montgomery, Alabama
U.S.A. 36121-0759
Tel: (202) 272-8781 Fax: (202) 270-8240
Annual trade show: June, Birmingham.

Florida Hospital Association
307 Park Lake Circle
Orlando, Florida
U.S.A. 32853
Tel: (904) 224-8127
Annual trade show: November, Orlando.

Georgia Hospital Association
1765 Terrell Mill Road
Marietta, Georgia
U.S.A. 30067
Tel/Fax: (404) 955-0324
Annual trade show: January, Atlanta.

North Carolina Hospital Association
P.O.Box 80428
Raleigh, North Carolina
U.S.A. 27623
Tel: (919) 677-2400 Fax: (919) 677-4200
Annual trade show: July, Hilton Head.

South Carolina Hospital Association
Box 6009
West Columbia, South Carolina
U.S.A. 29171
Tel: (803) 796-3080 Fax: (803) 796-2938
Annual trade show: July, Hilton Head.

Mississippi Hospital Association
Box 16444
Jackson, Mississippi
U.S.A. 39213
Tel: (601) 982-3251 Fax: (601) 366-3962
Annual trade show: June, Biloxi.

Tennessee Hospital Association
500 Interstate Boulevard South
Nashville, Tennessee
U.S.A. 37210
Tel: (615) 256-8240 Fax: (615) 242-4803
Annual trade show: November, Nashville.

State Healthcare Supplier Associations

Alabama Durable Medical Equipment Association
6013 G. Highway 90 West
Mobile, Alabama
U.S.A. 36619
Tel: (205) 660-0748 Fax: (205) 661-0318
Attn: Charlotte Zundel
President

Florida Association of Medical Equipment Dealers
3001 Aloma Avenue, Suite 223
Winter Park, Florida
U.S.A. 32792
Tel: (407) 679-3622
Attn: Ms. Ruthann Roy
President

Georgia Association of Medical Equipment Suppliers
Box 4586
Macon, Georgia
U.S.A. 31208
Tel: (912) 738-9719

Mississippi State Durable Medical Equipment Association
Box 4607
Jackson, Mississippi
U.S.A. 39296
Tel: (601) 923-3284

North Carolina Association of Medical Equipment Services
Box 4411
Cary, North Carolina
U.S.A. 27519-4411
Tel: (919) 387-1221
Attn: Mr. Rob Bissett

South Carolina Association for Durable Medical Equipment Dealers
Box 102408
Columbia, South Carolina
U.S.A. 29224
Tel: (803) 549-1404
Attn: Audrey Thomas
President

Tennessee Home Medical Providers Association
3445 Hampton Avenue
Nashville, Tennessee
U.S.A. 37211
Tel: (615) 297-0351
Attn: Mr. Trent Messick
President

Homecare Providers

Allied Medical Inc.
690 South Mendenhall
Memphis, Tennessee
U.S.A. 38117
Tel: (901) 683-3543 Fax: (901) 683-0191
Attn: Mr. Rick Taylor
Purchasing Agent

Allied Respiratory Care Services
6175 N.W. 167 Street, Suite 24
Miami, Florida
U.S.A. 33105
Tel: (305) 556-9800 Fax: (305) 558-4908
Attn: Luis Rocha

Ambulatory Services of America
5834 Peachtree Corners East, Suite C
Norcross, Georgia
U.S.A. 30092
Tel: (404) 441-1580 Fax: (404) 729-0316
Attn: Ms Nancy Fitzsimmons
Purchasing Agent

American Home Patient Centers Inc.
105 Reynolds Drive
Franklin, Tennessee
U.S.A. 37064
Tel: (615) 794-3313 Fax: (615) 790-7465
Attn: Mr. Edward Wissing
President

Glassrock Home Health Care Inc.
6904 North Main, Suite 103
Columbia, South Carolina
U.S.A. 29203
Tel: (803) 786-6900 Fax: (803) 754-4173
Attn: Richard Grant
President

Home Intensive Care Inc.
150 Northwest 168th Street, 2nd Floor
North Miami Beach, Florida
U.S.A. 33169
Tel: (305) 653-0000 Fax: (305) 651-2417
Attn: Mr. James Cefaratti
President

Lincare Inc.
19337 US 19 North, Suite 500
Clearwater, Florida
U.S.A. 34624
Tel: (813) 530-7700 Fax: (813) 532-9692
Attn: Mr. Paul Dougherty
Purchasing Agent

Preferred Homecare of America
2628 N.E. 191 Street
Miami Beach
Miami Lakes, Florida
U.S.A. 33180
Tel: (305) 933-1307 Fax: (305) 624-3206
Attn: Mr. Tony Sadlier
Purchasing Agent

RoTech Medical Corp.
4506 L.B. McLeod, Suite F
Orlando, Florida
U.S.A. 32811
Tel: (407) 841-2115 Fax: (407) 841-9318
Attn: Mr. Patrick Reid
Purchasing Agent

T2 Medical Inc.
1121 Alderman Drive
Alpharetta, Georgia
U.S.A. 30202
Tel: (404) 442-2160 Fax: (404) 442-2190
Attn: Ms. Lisa Parker
Purchasing Agent

FOR MORE INFORMATION CONTACT:

CANADIAN CONSULATE GENERAL
Suite 400 South Tower
One CNN Centre
Atlanta, Georgia
U.S.A. 30303-2705
Tel: (404) 577-6810/577-1212
Fax: (404) 524-5046

WESTERN AND UPSTATE NEW YORK

Market Assessment

The territory covered by the Consulate General in Buffalo, New York includes western and upstate New York, as well as western Pennsylvania.

New York state has a thriving healthcare industry. When compared nationally, New York residents spend US$3,484 annually on healthcare per person. As a result, the state ranks second in the nation for total healthcare expenditures.

The medical device industry generates approximately US$2.8 billion in sales within New York state.

The most significant challenges facing hospitals in this territory are declining profit margins and slowed growth in hospital-based programs. To maintain profitability, many hospitals have begun to focus on lowering costs associated with many labour-intensive processes.

The institutional medical device market is financially conservative. Hospitals are concerned with overall hospital utilization. Whether services are outpatient, in-patient or home care, medical equipment must be highly efficient and effective. Products that reduce the labour and time involved in a procedure are in higher demand due to the "margin squeeze."

New York state is a dominant producer of medical devices. Ninety companies are involved in the production of surgical and medical instruments; they generate US$564 million annually which accounts for 7.3 per cent of the total U.S. market.

The surgical appliances and supplies sector consists of 117 firms generating less than US$16 million annually. Although New York has the second largest number of appliance manufacturers, it ranks low in total sales. The state has 47 dental equipment manufacturers, second only to California. The X-ray apparatus industry has only seven firms; however, they manufacture US$116 million annually, which represents 7.5 per cent of the total U.S. market. There are 15 companies which manufacture electromedical apparatus.

Several major medical manufacturer distributors are located in the territory. Baxter and Becton-Dickinson both have distribution points in Buffalo, and supply all major buyers with surgical instruments and appliances. Welch Allyn in Skaneateles and Bausch and Lomb in Rochester, two large medical device manufacturers, also have headquarters in upstate New York.

Business Environment

Local retailers and wholesalers are concerned about being able to sell their inventory. Purchasing decisions are based on quality, price, service, and availability, with quality the most important factor. When two products of similar quality are under consideration, price becomes the deciding factor.

Resellers prefer the following solicitation methods: salespeople, brochures, trade magazines, and tradeshows.

The use of a salesperson allows interactive representation, and is preferred by resellers over other promotional methods. Although the cost of maintaining a salesperson may be restrictive, it will overcome several obstacles. Primarily, it will provide exposure for the company, and, secondly, it will establish a link between the company and its clients.

It is not uncommon for high-volume retail establishments to require 30-day financing terms, and for lower-volume retail outlets to require 60-day or longer payment terms.

Contacts

Medical Device Resellers

Associated Healthcare Systems Inc.
1031 Main Street
Buffalo, New York
U.S.A. 14203
Tel: (716) 886-4500 Fax: (716) 886-5797
Sales: Retail and wholesale
Purchases: Directly from manufacturer
Product lines: Oxygen, ventilators, apnea monitors, wheelchairs, hospital beds.

Genesee Regional Home Care
49 Stone Street
Rochester, New York
U.S.A. 14607
Tel: (716) 238-3632
Sales: Retail
Product lines: Hospital beds, wheelchairs, commodes, walkers, canes, apnea monitors, overbed tables, air pumps.

Ivylea Prescription Centre
2446 Elmwood Avenue
Kenmore, New York
U.S.A. 14217
Tel: (716) 873-1444
Sales: Retail
Purchases: Directly from wholesaler
Product lines: Walkers, wheelchairs, canes.

ProviderCare Inc.
58 Martin Avenue
Blasdell, New York
U.S.A. 14219
Tel: (716) 823-4660 Fax: (716) 823-4613
Sales: Retail and Medicare
Purchases: Directly from distributors
Product lines: Internal nutrients, internal pumps, catheter, colostomy and wound-care supplies.

Seneca Cazenovia Ostomy Surgical Supply Inc.
2152 Seneca Street
Buffalo, New York
U.S.A. 14210
Tel: (716) 824-6298
Sales: Retail
Purchases: Directly from distributors and manufacturers
Product lines: Ostomy, transcutaneous nerve stimulators.

Homecare USA
2235 Kenmore Avenue, Suite 100
Buffalo, New York
U.S.A. 14207
Tel: (716) 877-4600 Fax: (716) 877-0180
Sales: Retail and rentals.
Purchases: Directly from manufacturers.
Product lines: Wheelchairs, oxygen, hospital beds, nebulizers, T.E.N.S. units, patient lifts, walkers.

Benson's Surgical Supply
12005-1025 Kenmore Avenue
Buffalo, New York
U.S.A. 14217
Tel: (716) 875-1113 Fax: (716) 873-5557
Sales: Retail and wholesale
Product lines: Wheelchairs, canes, walkers, beds, toileting aids.

Sheridan Surgical Supply
4525 Bailey Avenue
Eggertsville, New York
U.S.A. 14226 Tel: (716) 836-8780
Product lines: Wheelchairs, motorized lift chairs, scooters, walkers, commode accessories.

Industry Associations

New York State Association of Medical Equipment Providers
90 South Swan Street
Albany, New York
U.S.A. 12210
Tel: (518) 436-9637

Medical Society of Erie County
237 Main Street
Buffalo, New York
U.S.A. 14203
Tel: (716) 852-1810

Buying Groups

United Shared Services
1876 Niagara Falls Boulevard
Tonawanda, New York
U.S.A. 14150
Tel: (716) 695-6370

Western New York Hospital Association
1876 Niagara Falls Boulevard
Tonawanda, New York
U.S.A. 14150
Tel: (716) 695-0843

Shared Services Inc.
5740 Commons Park
Box 160
East Syracuse, New York
U.S.A. 13057
Tel: (315) 445-1851

RRHA Joint Ventures Corp.
1210 Jefferson Road
Box 23238
Rochester, New York
U.S.A. 14623
Tel: (716) 427-2820

FOR MORE INFORMATION CONTACT:

CANADIAN CONSULATE GENERAL
One Marine Midland Centre
Suite 3000
Buffalo, New York
U.S.A. 14203-2884
Tel: (716) 858-9500
Fax: (716) 852-4340

THE MIDWEST

Market Assessment

The Midwest U.S. medical devices market is made up of a large mix of major urban medical clusters and smaller, but expansive, areas of rural medical communities. Due to the expansive rural medical delivery regions, Canadian suppliers will find it extremely difficult to provide small volumes at competitive prices.

Within the overall market, there are two major sub-markets: the private and public sectors.

Public Sector

In the Midwest, the major federal purchaser is the U.S. Veterans Administration. Valued at US$3.5 billion, this market is open to all approved Canadian products and technology. However, the approval process to become an approved vendor for the VA is complicated.

The public sector also consists of state-funded hospital centres, federally funded research institutions, laboratories, and clinics.

Private Sector

Based on the hugely lucrative dollar potential of this market, competition is usually an important factor, not only from American firms, but from medical technology sourced from throughout the industrialized world.

Promotional Activities

The Canadian Consulate General in Chicago organized and implemented a half-day seminar entitled "The U.S. Medical Products Market: Analysis and Review for Canadian Manufacturers," in conjunction with the Health Industry Distributors Association (HIDA) exhibition and conference, September, 1993.

Speakers included representatives from the FDA and the Veterans Affairs National Acquisition Centre.

Contacts

Group Purchasing Organizations

Shared Resource Enterprises Inc.
4236 Lindell Boulevard
St. Louis, Missouri
U.S.A. 63108
Tel: (314) 533-8400 Fax: (314) 531-5902
Affiliated with Purchase Connections of Los Angeles. Purchases approximately US$100 million for St. Louis region, primarily for hospitals and nursing homes.

AmeriNet
2060 Craigshire Road
Box 46930
St. Louis, Missouri
U.S.A. 63146
Tel: (314) 878-2525 Fax: (314) 542-1999
One of the largest group purchasing organizations in the U.S., with over 2,500 member facilities. Total purchases in 1992 were US$1.6 billion.

Health Services Corporation of America (HSCA)
3221 McKelvey Road, Suite 301
Bridgeton, Missouri
U.S.A. 63044
Tel: (314) 291-2920
Represents healthcare facilities in 49 states and District of Columbia. Volume: US$1.2 billion.

FOR MORE INFORMATION CONTACT:

CANADIAN CONSULATE GENERAL
Two Prudential Plaza
180 North Stetson Avenue, Suite 2400
Chicago, Illinois
U.S.A. 60601
Tel: (312) 616-1860 Fax: (312) 616-1878

UPPER MIDWEST

Market Assessment

The territory covered by the Canadian Consulate General in Minneapolis, Minnesota includes Colorado, Iowa, Minnesota, Montana, Nebraska, North and South Dakota, and Wyoming.

The territory supports over 85,000 hospitals and 1,900 nursing homes, distributed as follows:

State	Hospitals	Nursing Homes
Minnesota	24,893	481
Iowa	17,363	499
Colorado	13,200	313
Nebraska	10,973	270
North Dakota	5,616	104
South Dakota	5,338	136
Montana	4,977	93
Wyoming	3,022	39

Promotional Activities

Medical trade shows and conferences are abundant in the Upper Midwest and Mountain States. Regional exhibitions, most of which take place annually, include the following:

Colorado

Colorado Academy of Family Physicians. Contact: (303) 696-6655
Colorado Hospital Association. Contact: (303) 758-1630
Colorado Dental Association. Contact: (303) 671-6600
Colorado Health Care Association. Contact: (303) 861-8228
Colorado Nurses' Association. Contact: (303) 757-7483
Colorado Society of Osteopathic Medicine. Contact: (303) 322-1752
Metro Denver Dental Society. Contact: (303) 745-8500
Rocky Mountain Conference on Emergency Medicine & Nursing. Contact: (303) 499-2299.

Iowa

Iowa Academy of Family Physicians. Contact: (515) 283-9370
Iowa Dental Association. Contact: (515) 282-7250
Iowa Nurses' Association. Contact: (515) 225-2201
Iowa Osteopathic Medical Association. Contact: (515) 283-0002

Minnesota

Minnesota Academy of Family Physicians. Contact: (612) 331-2506
Minnesota Association of Homes for the Aging. Contact: (612) 331-5571
Minnesota Dental Association. Contact: (612) 646-7454
Minnesota Hospital Association. Contact: (612) 331-5571

Nebraska

Nebraska Academy of Family Physicians. Contact: (402) 333-5856
Nebraska Dental Association. Contact: (402) 476-1704
Nebraska Health Care Association. Contact: (402) 435-4829
Nebraska Nurses' Association. Contact: (402) 475-3859
Omaha Mid-West Clinical Society. Contact: (402) 397-1433

North Dakota

North Dakota Dental Association. Contact: (701) 642-1881
North Dakota Medical Association. Contact: (701) 223-9475
North Dakota Nurses Association. Contact: (701) 227-2516

South Dakota

South Dakota Academy of Family Physicians. Contact: (605) 338-3571
South Dakota American College of Surgeons. Contact: (605) 336-1965
South Dakota Dental Association. Contact: (605) 224-9133
South Dakota Nurses Association. Contact: (605) 338-1401
South Dakota State Medical Association. Contact: (605) 336-1965

Wyoming

Wyoming Academy of Family Physicians. Contact: (307) 324-6334

FOR MORE INFORMATION CONTACT:

CANADIAN CONSULATE GENERAL
Suite 900, 701 Fourth Avenue South
Minneapolis, Minnesota
U.S.A. 55415-1899
Tel: (612) 333-4641 Fax: (612) 332-4061

CALIFORNIA

Market Assessment

California comprises 15 to 20 per cent of the entire U.S. healthcare industry. As a result of the clustering of pharmaceutical, biotech and medical device companies in the state, healthcare is one of California's key industries. The medical device market for institutions is estimated at US$8 billion; about US$5 billion of that is consumed by Southern California.

Total investment in healthcare technology R&D topped US$2 billion in 1992. Approximately 111,000 Californians are directly employed by organizations developing diagnostics and therapeutics, manufacturing medical devices, and preparing laboratory equipment and supplies. Over 800 companies and 85 university and private institutions are actively engaged in healthcare technology in California.

Most of these companies are located in the San Francisco Bay area, Los Angeles and Orange counties, and San Diego; about half have revenues in excess of US$5 million.

As well, there are a large number of medical device company start-ups each year. In 1991, for example, 268 new medical device companies were registered in California.

In terms of home healthcare, the aging of Americans coupled with the continued consolidation of regional care providers into integrated healthcare delivery systems, and the migration of technology to lower cost settings, will see home healthcare emerge as a leading player in the long-term care delivery market.

California experienced a 24.5 per cent increase in home healthcare agencies from 754 in 1992 to 969 in 1993.

The home healthcare medical equipment market grew by an average of 12 per cent between 1992 and 1993; growth for 1994 is forecast at 8 per cent.

Buyers and Distribution Channels

California is one of the leading states in terms of managed care penetration. This phenomenon has changed the purchasing of medical devices. Managed care has increased demand for products that reduce hospital labour costs, enhance home healthcare, and streamline diagnosis and treatment at outpatient surgical centres.

To meet the demands of cost-conscious managed care companies, healthcare companies have been consolidating rapidly over the last two years.

Integrated Health Care Delivery Networks (IHDNs) are being formed through alliances that combine what was once a loose network of individual hospitals, clinics, and physician groups into efficient systems that co-ordinate patient care.

IHDNs are positioning themselves to secure large volumes of managed-care contracts. The trend is toward fewer buyers of medical devices wielding more and more market power to negotiate favourable terms. It is conceivable that by the year 2000, three or four IHDNs will predominate in any given metropolitan area.

Medical product manufacturers must understand the practices, policies and treatment guidelines of these new integrated systems, since they will ultimately determine the purchasing trends of entire regions.

In San Diego, one of the most advanced U.S. markets in terms of provider consolidation, Sharp Healthcare and Scripps constitute 32 per cent of metropolitan San Diego's admissions and a similar percentage of beds.

In Los Angeles, the largest local delivery systems are Kaiser-Southern California (2 million covered lives, 2,000 contracted physicians and 7 hospitals) and Unihealth America (10 hospitals and 1.3 million covered lives).

In the San Francisco and Sacramento metropolitan areas, the largest local delivery systems are Kaiser, Mercy Healthcare and Sutter Health. Together, they control 67 per cent of the areas' annual hospital admissions.

Manufacturers will be required to provide products and services at each level of an integrated system: hospitals, alternate site facilities, home healthcare, and physician networks. This will require broader product lines, pricing flexibility and new distribution arrangements. In response to this market shift, many medical device companies are consolidating their operations.

Market Access

California is working to improve the state's overall business climate. Recent legislation includes making a research and development tax credit permanent, worker's compensation reform and an investment tax credit for manufacturing-equipment purchases. Legislation has also created a sales tax exemption for start-up businesses and one-stop permitting assistance.

The medical device and instruments industry has been the beneficiary of defence conversion, as techniques formerly applied to defence and aerospace technology are now being transferred to medical technology. The California Defense Conversion Council provides grants for the development of high-technology medical diagnostic equipment or computer systems for patient information handling. Several defence industry firms have received grants, primarily for developing imaging and sensor technologies.

Promotional Activities

Trade Shows and Conferences

Medical Design and Manufacturing Conference and Exhibition.
Sponsored by the publishers of "Medical Device and Diagnostic Industry" magazine. Held annually in February in Anaheim. Contact: Canon Publications, tel: (310) 392-5509.

Emerging Medical Technologies.
Conference focusing on merging device companies in search of investors or partners. Held annually in late March or early April. Contact: Medical Data International, tel: (714) 250-2780.

Contacts

- Trade and Commerce Agency and the related Office of Economic Research. Recently published profile of the market "Medical Instruments, A California Industry Profile." Contact: Robert Berry, (916) 445-8943.
- Team California. A state agency charged with attracting business to the state. Contact: Wes Irvin, (916) 322-3517.
- Office of Permit Assistance. Contact: Wes Irvin, (916) 324-8104.
- Office of Strategic Technology. Distributes grants approved by the California Defense Conversion Council. Contact: (818) 568-9437.

FOR MORE INFORMATION CONTACT:

CANADIAN CONSULATE GENERAL
300 South Grand Avenue
10th Floor, California Plaza
Los Angeles, California
U.S.A. 90071
Tel: (213) 346-2700
Fax: (213) 620-8827

PACIFIC NORTHWEST

Market Assessment

The medical devices market in the Pacific Northwest faces many of the constraints experienced by the industry nationally.

Hospitals are getting tougher in their buying decisions due to cost containment pressures. Medical equipment purchasing decisions are shifting from physicians and hospital buyers to managed care organizations.

Products that reduce labour costs, improve labour productivity, reduce patient hospital stays, or facilitate patient care in less expensive settings (i.e. home care) will remain strong in the coming years.

Laparoscopic and endoscopic surgery are strong growth areas, and the total cardiology devices market is expected to more than double over the next five years.

More independent physicians are leasing medical equipment because of the economic effects of the recession and tight lending policies. Medical equipment vendors have identified this trend and are actively marketing lower-cost equipment to independents.

According to 1992-93 statistics, there are 259 hospitals in the U.S. Northwest, distributed at follows: Washington, 110; Oregon, 73; Idaho, 49; and Alaska, 27.

Market Access

State regulations for medical devices (except X-ray equipment) are very broad or non-existent. According to a source in the Washington State Department of Health, the state allows hospitals to set standards for medical equipment, as long as the device complies with federal regulations.

X-ray equipment is regulated in each of the four Northwest states by the Radiation Control Section.

Contacts

Distributors

Biddle & Crowther Company
910 North 137th Street
Seattle, Washington
U.S.A. 98133
Tel: (206) 365-9900

Spokane Surgical Supply Co.
W. 1219 1st Avenue
Spokane, Washington
U.S.A. 99210
Tel: (509) 624-1212

Alaska Medical Products
1515 Tudor Road, Unit 11
Anchorage, Alaska
U.S.A. 99507
Tel: (907) 563-3080

Durr-Fillauer Medical Inc.
115 Grove Street
Boise, Idaho
U.S.A. 83706
Tel: (208) 344-8651

East West Associates
5132 Mahalo Drive
Box 11731
Eugene, Oregon
U.S.A. 97440
Tel: (503) 484-2882

Fairbanks Medical Supply Inc.
1005 Cushman Street
Fairbanks, Alaska
U.S.A. 99707
Tel: (907) 456-4126

National Healthcare and Hospital Supply Corp.
Five Oaks Industrial Park
5600 N.W. Five Oaks Drive
Hillsboro, Oregon
U.S.A. 97124
Tel: (503) 645-8866

<u>Group Purchasing Organizations</u>

Central Purchasing of Idaho
Box 4685
Boise, Idaho
U.S.A. 8371
Tel: (208) 322-0032

Health & Hospital Services Inc.
Sister of St. Joseph of Peace
1715 114th Ave. S.E.
Bellevue, Washington
U.S.A. 98004
Tel: (206) 454-8068

Healthlink
500 N.E. Multnomah
Portland, Oregon
U.S.A. 97232
Tel: (503) 239-1172

The Hillhaven Corporation
The Cornerstone Building
1148 Broadway Plaza
Tacoma, Washington
U.S.A. 98401-2264
Tel: (206) 572-4901

Hospital Shared Services Association
190 Queen Anne Avenue, N., 3rd Floor
Seattle, Washington
U.S.A. 98109
Tel: (206) 285-8882

Kaiser Permanente Northwest Region
3600 N. Interstate Avenue
Portland, Oregon
U.S.A. 97227
Tel: (503) 652-5720

Sisters of Providence
Province of St. Ignatius
West 101-8th Avenue
TAF-C9
Spokane, Washington
Tel: (509) 455-3256

Sisters of Providence
Sacred Heart Province
P.O. Box C-11038
Seattle, Washington
U.S.A. 98111
Tel: (206) 464-3982

FOR MORE INFORMATION CONTACT:

CANADIAN CONSULATE GENERAL
412 Plaza 600 Building
Sixth and Stewart Street
Seattle, Washington
U.S.A. 98101-1286
Tel: (206) 443-1777
Fax: (206) 443-1782

Section 3

Western Europe

Market Reports:

AUSTRIA, Vienna

BELGIUM, Brussels

DENMARK, Copenhagen

FRANCE, Paris

GERMANY, Bonn

ITALY, Rome

SPAIN, Madrid

SWITZERLAND, Berne

UNITED KINGDOM, London

AUSTRIA

Market Assessment

Canadian medical device manufacturers are viewed very favourably in Austria, and have been successful in selling dental, surgical and laboratory equipment and brain scan systems.

The Austrian market is very competitive; therefore, Canadian suppliers should concentrate on establishing niche markets with superior products or items not available from other countries.

Total annual investment in the medical and rehabilitation/home market is estimated at C$4 billion. Import statistics are not available; however, most imports are sourced from German, Italian, Swiss, and American suppliers.

Large international companies such as Siemens, Zeiss, Phillips, and Picker have established subsidiaries in Austria with local production facilities and distribution networks. Many subsidiaries also cover Eastern Europe.

The government runs 323 hospitals which provide more than 80,000 beds. Each of Austria's nine provinces has its own health administration and each district supports a health office. Health policy is the responsibility of the federal authorities, in close co-operation with the provincial governments.

Family guidance offices provide free counselling in all matters of family life and personal relationships. Large cities run several social services providing counselling and care for mothers, children, and those with drug or alcohol-abuse problems. In addition, regular medical examinations are conducted under preventive medicine and socio-medical programs.

Extensive information campaigns encourage people to become health conscious. Self-administered tests help detect cancer or diabetes, and broadly based vaccination schemes help reduce infectious diseases.

In principle, every registered Austrian and so-called "guest worker" is entitled to access these healthcare facilities. Costs are borne by the social insurance scheme, with membership compulsory for all white and blue collar workers, or in cases of hardship, by social welfare.

Business Environment

Canadians can quote in U.S. or Canadian funds. When approaching an Austrian company for the first time, it is advisable to send sales literature by mail and to indicate prices based on CIF North European ports (Hamburg) or, even better, CIF Vienna airport. Austrian buyers can then compute the onward freight and duty costs to the final destination. FOB Canadian quotations are usually neglected and left unanswered.

Buyers and Distribution Channels

Hospitals usually source medical devices through local agents representing foreign manufacturers. Very few purchases are made by a GATT tender. Local agents are preferred because they can usually handle service, repair and warranty requirements and are familiar with customs procedures.

After-sales service is a top requirement in this market and is another reason why Canadian companies should engage an Austrian agent or distributor to represent them.

Market Access

Austria is a member of the Paris Convention, the Patent Cooperation Treaty, the European Patent Convention, the Madrid Agreement on the International Registration of Trademarks, and the Berne and Universal Copyright Conventions.

Generally, most medical devices do not require certification. However, when Austria becomes a full member of the European Community, EC regulations will apply. All electrical equipment must be approved according to the Electrotechnical Law. Approval is the responsibility of the TUV Austria, Frugerstr.16, A-1015 Vienna. Tel: 1-514-070, Fax: 1-514-07240.

Promotional Activities

Importers/buyers/distributors visit the German fairs (MEDICA in Dusseldorf and INTERHOSPITAL in Hannover) to obtain the latest market information. The only appropriate Austrian fair is held bi-annually (November 1995). IKAL + Dental Wien attracts between 350 and 400 exhibitors and approximately 30,000 professionals. This fair ranks 10th in Europe and shows strong growth potential due to the opening of the former East European countries.

Contacts

The Austrian Federal Economic Chamber, a semi-official body to which, by law, all Austrian businesses must belong, has a sector called Photographic, Optical and Medical Demand, Wiedner Hauptstr. 63, A-1045 Vienna, Attention: Dr. Oskar Rick. Tel: 1-501-050, Fax: 1-502-06270.

Medical Equipment Importers/Agents

Braun B. Austria GmbH
In den Langackern 3-5
A-2344 Maria Enzersdorf
Tel: (2236) 865410 Fax: (2236) 88479

Comesa GmbH
Baldassg. 5
A-1210 Vienna
Tel: (1) 254-6000 Fax: (1) 254-600100

Drott M.R.KG
Industriestr. 135
A-1220 Vienna
Tel: (1) 233-5240 Fax: (1) 233-52431

Duschek A. GmbH.
Dr. Schoberstr. 32
A-1130 Vienna
Tel: (1) 883-112 Fax: (1) 882-57413

Habel Medizintechnik
Ignaz Kockstr. 14
A-1211 Vienna
Tel: (1) 396-6420 Fax: (1) 390-1245

Ing. K. Marholt Medizintechnik
Garnisong. 7
A-1090 Vienna
Tel: (1) 426-4920 Fax: (1) 430-18131

W. Pabisch GmbH & Co. KG
Baldassg. 5
A-1210 Vienna
Tel: (1) 255-6290 Fax: (1) 254-600100

Sanitas GmbH.
Hofhaymer Allee 15
A-5020 Salsburg
Tel: (662) 820-914 Fax: (662) 825-688

Sepro Krankenhausbedarf GmbH
Peintnerstr. 6a
A-4060 Leonding-Linz
Tel: (732) 670-098 Fax: (732) 674-492

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Lauenzerberg 2
A-1010 Vienna, Austria
Tel: (011-43-1) 533-3691
Fax: (011-43-1) 535-4473

BELGIUM

Market Assessment

Belgium is one of the most relevant markets in the EC for Canadian companies to enter and position themselves in the continental European market.

Canadian prospects in the coming years are extremely promising. Canadian firms have recently gained a high profile in the orthopaedic and physiotherapy sectors and have paved the way for other Canadian companies to make inroads in other subsectors of the medical devices industry. Between 1989 and 1991, Canadian medical device exports to Belgium showed explosive growth. In 1989, they grew by 39.4 per cent and in 1991 by 576.9 per cent. Currently, Canada's market share is just over 1 per cent.

Belgium is definitely the most important test market in the EC. Sales and marketing experience gained in Belgium will prove invaluable for future exports to the rest of the EC. It is said that if a product can be successfully launched in Belgium, it stands a good chance of success in other EC countries.

One of the smallest countries in the EC, Belgium accounts for 3.2 per cent of international trade and is the sixth largest importer in the EC. In recent years, Belgium's economy has far outpaced the European average.

Brussels has been designated the capital of the "new Europe," and the establishment of the "single European Market" allows Belgium to capitalize on the comparative advantages it draws from its geographic location in the heart of Europe's most densely populated and wealthiest region, its multilingual and cosmopolitan population, and the legendary openness of its economy.

Belgium boasts an extremely high standard of state-of-the-art medical technology. It is home to some of the leading university centres in the world, and these facilities often set the standard for hospital purchasing policies not only in Belgium, but in neighbouring countries.

The Belgian market for medical devices is approximately C$1 billion, and it is expected to grow annually by 10 per cent over the next few years. Although there is considerable local production, most is exported. Germany, France, Holland, Switzerland, the U.S., and Japan are the dominant players in the medical devices market which includes, medical instruments, orthopaedic instruments, X-ray material, pharmaceutical equipment, medical textiles, massage instruments, and respiratory equipment.

The best sales prospects are found in the subsectors of geriatrics, intensive care and rehabilitation. At the same time, the increase in nursing homes for the elderly and the new home-care market has witnessed impressive growth, and offers excellent marketing opportunities. Belgium's medical research institutes are constantly updating their technology and offer Canadians another avenue for sales.

Business Environment

Belgian healthcare services have a long-standing tradition of quality procurement policies. However, quality alone will not guarantee success. Belgium is a very service oriented market, and the service package offered during sales negotiations will often cinch the deal. Service packages should not only emphasize after-sales service, but also include openness to product modifications and delivery terms. The latter is becoming more important with many organizations moving to flexible procurement policies and requesting Just-in-Time (JIT) delivery delays. Product modifications can be very important both from a cultural viewpoint and to meet certain regulations enforced by national governments in accordance with EC directives.

Buyers and Distribution Channels

Most firms seeking to enter the Belgian market do so through a well-established importer who has excellent contacts with the purchasing boards of individual medical centres. The Canadian Embassy in Belgium, as well as the main medical trade organizations such as MEDITEK and UNAMEC can readily assist Canadian exporters in selecting an importer.

It is recommended that Canadian firms visit their Belgian clients at least once a year, accompanied by their local distributor.

To establish a permanent presence in the Belgian and European marketplace, some Canadian companies will choose to set up a manufacturing facility or establish a joint venture with a local firm. Preference is given to manufacturing business alliances, especially with young Belgian companies active in the diagnostics apparatus field.

Since a number of Belgian firms are seeking to penetrate the Canadian market before tackling the U.S., and much Canadian technology is idle due to lack of Canadian venture capital, this could be a high potential vehicle to introduce Canadian firms in the coming years.

Promotional Activities

A first and important promotional tool is the distribution of extensive product documentation packages. These packages should be bilingual Dutch/French, although for some products English/French may be acceptable.

Participation in national trade fairs is another excellent promotional activity. The most important fair is EXPOMED, and the Canadian Embassy offers excellent marketing opportunities through its large information booth. The INSTRURAMA fair for scientific, industrial and medical instrumentation can also introduce Canadian exporters to the market.

Companies willing to launch a marketing campaign might consider the following magazines distributed to the health care sector: "Het Belgisch Ziekenhuis" (The Belgium Hospital); "Hospitalia" and "Artsenkrant" (doctors journals); "Tempo Medical"; "Medisearch"; and "Belgisch Tijdschrift voor Radiologie" (the Belgian magazine for radiology).

Contacts

Trade Organizations

HOSPIBEL
Lakenweversstraat 21
B-1050 Brussels
Contact: Mr. Jan Geusens
Tel: (011-32- 2) 510.23.1 Fax: (011-32-2) 510.23.01

UNAMEC
Leuvensestraat 29
B-1800 Vilvoorde
Contact: Mr. Jean Pierre Ureel
Tel: (011-32-2) 251.05.09 Fax: (011-32-2) 252.43.98

MEDITEK
Brouwersvliet 15 - bus 7
B-2000 Antwerpen
Tel: (011-32-3) 231.16.60 Fax: (011-32-3) 233.76.60
Ministry of Public Health
Wetstraat 66
B-1000 Brussels
Tel: (011-32-2) 238.28.11

Trade Fairs

EXPOMED
(organized by UNAMEC, see above)

INSTRURAMA
Organized by UDIAS
Slegerslaan 203
B-1200 Brussels
Tel: (011-32-2) 771.39.12

Flanders Technology International
Jozef II Straat 30
B-1040 Brussels
Tel: (011-32-2) 218.12.10 Fax: (011-32-2) 218.03.50

Magazines

Het Belgisch Ziekenhuis
A.J. Slegerslaan 397 bus 12
B-1200 Brussels
Tel: (011-32-2) 762.31.90

Hospitalia
Guimardstraat 1
B-1040 Brussels
Tel: (011-32-2) 511.77.32 Fax: (011-32-2) 513.52.69

Artsenkrant
Chaussee de Waterloo 935-937
B-1180 Brussels
Tel: (011-32-2) 375.44.39 Fax: (011-32-2) 374.25.56

Tempo Medical
Avenue Bel Air 31
B-1180 Brussels
Tel: (011-32-2) 343.28.61 Fax: (011-32-2) 345.90.22

Medisearch
Van Elewijck Straat 334
B-1050 Brussels
Tel: (011-32-2) 762.66.96 Fax: (011-32-2) 762.93.15

Belgisch Tijdschrift Voor Radiologie
Avenue des Eglantines 10
B-1150 Brussels
Tel: (011-32-2) 771.68.68

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
2, avenue de Tervuren
1040 Brussels, Belgium
Kingdom of Belgium
Tel: (011-32-2) 735.60.40
Fax: (011-32-2) 732.67.90

DENMARK

Market Assessment

Denmark is an excellent starter market for Canadian suppliers of institutional medical devices. There are extensive similarities between Danish and Canadian business ethics and both countries share a "northern" heritage.

Denmark's public healthcare sector is well established and offers all citizens equal access to healthcare services independent of financial status.

The health scheme, to which all Danes contribute through their income tax, is operated jointly by the Department of Health and by the individual counties. With the exception of Denmark's largest hospital, the university hospital "Rigshospitalet," all major hospitals are operated under the jurisdiction of the counties.

Health expenditures in Denmark amount to 6.2 per cent of Gross Domestic Product (GDP), and are the lowest among the industrialized nations.

Denmark has a very strong medical device and pharmaceuticals industry and it is an important sector in the country's economy. Although Denmark's may never reach the overall level of German and British production, its medical technology output is among the highest in the world.

With the exception of X-ray equipment, Denmark has manufacturing capabilities in most medical device niche areas. Danish capabilities are divided into three main product groups: electro-medical products, disposables and rehabilitation equipment.

The country has a high export ratio of electro-diagnostic apparatus, instruments and appliances, and ranks fourth in world exports of disposables such as catheters, syringes, needles, etc. Denmark is the undisputable world leader in hearing aid exports, with a 30 per cent market share.

The medical devices market is expected to show moderate but stable growth for the next 4 to 5 years.

Business Environment

Danes generally share the same approach to business as Canadians, and enjoy doing business with Canadian suppliers. The U.S. has a significant presence in the healthcare sector, but Danish companies are growing increasingly wary of doing business with major U.S. corporations. There have been several examples of Danish importers introducing a U.S. product to the local market only to find that once the product was well established, the U.S. manufacturer moved into the country and set up their own wholly owned subsidiary.

Canadian companies will also find it relatively easy to do business in Denmark because of liberal trade practices and limited restrictions.

Buyers and Distribution Channels

Hospital and public sector procurement/purchasing has become more streamlined and cost conscious. Coupled with shrinking healthcare budgets, this has increased competition among Danish suppliers.

Several hospitals have established direct purchasing mechanisms and/or tendering procedures to bypass sales intermediaries who, in many cases, charge premiums on institutional medical devices.

Danish manufacturers are open to reciprocal marketing agreements; they are interested in identifying complementary products to market through their existing European distribution channels.

Canadian companies interested in establishing working arrangements, strategic alliances, etc., with the Danish medical devices industry must take an aggressive and active approach in making contact. It is imperative that the Canadian company carefully document the advantages to the Danish firm of any joint venture or strategic alliance.

It is recommended that Canadian exporters focus on Danish companies new to the medical devices market rather than on well established firms which already have well-performing international sales and marketing networks.

Market Access

Denmark takes a liberal approach to approval and certification of medical devices. However, with the establishment of the Single European Market, certification will become a marketing prerequisite for Canadian exporters.

Notified bodies within the EC will undertake testing and certification. Approved products will carry the "CE" mark. Quality assurance systems will be certified according to the EN 29000 series of standards (ie. ISO 9000).

Contacts

Major Hospital Supply and Rehab Product Importers/Distributors

Simonsen & Weel's Eftf
Erik Husfeldtsvej 2
DK-2630 Taastrup
Tel: 43 71 81 11 Fax: 43 71 89 00
(Hospital products, instrumentation)

NC Nielsen Hospitalsudstyr
Sønder Ringvej 39
DK-2600 Glostrup
Tel: 42 45 67 00 Fax: 42 45 67 01
(Hospital products, instrumentation)

Meda
Dynamovej 11
DK-2730 Herlev
Tel: 42 84 42 11 Fax: 42 84 51 99
(Hospital products/supplies, laboratory supplies)

Kirudan A/S
Nyholms Alle 30
DK-2610 Rødovre
Tel: 31 44 22 22 Fax: 31 44 02 26
(Hospital products, disposables)

Otto Broe A/S
Formervangen 9
DK-2600 Glostrup
Tel: 42 45 07 00 Fax: 42 45 65 34
(Disposables)

Neba
Baldersbuen 17
DK-2640 Hedehusene
Tel: 46 59 01 77 Fax: 46 59 01 97
(Rehabilitation products)

Faborg Rehab Technic I/S
L Frandsensvej 8
DK-5600 Faaborg
Tel: 62 61 79 53 Fax: 62 61 75 53
(Rehabilitation products)

Morgens Kjaerulff Aps
Ørkebyvej 6
DK-5450 Otterup
Tel: 64 82 15 35 Fax: 64 82 14 49
(Hospital and rehabilitation products)

Kebo Care A/S
Brydehusvej 23
DK-2750 Ballerup
Tel: 44 68 18 00 Fax: 44 68 02 02
(Rehabilitation products)

Santax A/S
Dalgas Avenue 40
DK-8000 Aarhus
Tel: 86 14 35 00 Fax: 86 14 83 44
(X-ray/ultrasound instrumentation)

H Meyland-Smith Aps
Industrivej 27
DK-9830 Taars
Tel: 98 96 19 85 Fax: 98 96 19 86
(Rehabilitation products)

Industry/Trade Organizations

KIRUMED
(The Danish Medical Utensils and Surgical Products Importers Association)
Nyholms Alle 22
DK-2610 Rødovre
Tel: 31 41 44 22 Fax: 31 41 44 15
Contact: Mr. Sven Justesen

DADIF - Dansk Diagnostika-og Laboratorieforening
(Danish Diagnostics Industry and Trade Association)
Borsen
DK-2717 Copenhagen K
Tel: 33 91 23 23 Fax: 33 32 52 16
Contact: Ms. Malene Tving Jensen

Hjaelpemiddelinstittutet
(Danish Centre for Technical Aids for Rehabilitation and Education)
Gregersensvej 7
DK-2630 Taastrup
Tel: 42 99 33 22 Fax: 42 52 70 72

Danish Rehabilitation Group
Nygade 1B, P.O. Box 98
DK-8600 Silkeborg
Tel: 86 81 38 88 Fax: 86 81 31 14

Danish Forening for Medicinsk Udstyr
(Danish Medical Device Association)
Strødamvej 50A
DK-2100 Copenhagen Ø
Tel: 31 20 15 15 Fax: 31 20 15 11
Contact: Mrs. Ditte Norgaard-Anderson

Care Denmark
(Danish Society of Healthcare Industries)
Confederation of Industries
DK-1787 Copenhagen V
Tel: 33 77 33 77 Fax: 33 77 33 00

Sundhedsstyrelsen
(National Health Service)
Frederikssundsvej 378
DK-2700 Brønshøj
Tel: 45 44 39 22 Fax: 44 94 77 23

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Kr. Bernikowsgade 1
DK-1105
Copenhagen K, Denmark
Tel: (011-45-33) 12-22-99
Fax: (011-45-33) 14-05-85

FRANCE

Market Assessment

In 1990, healthcare expenditures in France amounted to approximately C$110 billion, or 9 per cent of Gross Domestic Product. Medical device imports for the same year totalled nearly C$2 billion. The U.S. (25 per cent) and Germany (20 per cent) are the major suppliers, followed by Japan 513. per cent), Italy (7 per cent), Benelux (6 per cent), the U.K. (5 per cent), and The Netherlands (4 per cent).

On average, over 50 per cent of all equipment used in French hospitals is imported. The medical devices market is divided into six categories:

- biomedical material and equipment
- techno-surgical equipment
- functional exploration material
- biomedical analysis and exploratory research equipment
- consumable/disposable products
- biomedical imagery equipment.

Biomedical material and equipment and biomedical analysis and exploratory research equipment show the greatest growth potential. And although the techno-surgical equipment and biomedical imagery equipment sectors also show growth potential, development is unstable.

Despite budgetary and regulatory constraints, the market continues to expand at an average annual rate of 10 per cent. For example, healthcare expenditures (medicine and medical equipment) have increased from 10 to 15 per cent of household budgets over the last decade, and could reach 20 to 25 per cent in the near future.

The government also appears to be co-ordinating its efforts to encourage local production by way of investment, and research and development support.

Healthcare methods are also changing. There is a thrust toward preventive medicine and home care. Accordingly, traditional equipment has given way to new diagnostic, monitoring and analysis apparatus.

Research in the biomaterials has also increased sharply, resulting in more sophisticated and better-performing prostheses and greater development of implants.

Business Environment

Hospitals rarely pay their suppliers within the 45-day contractual period, and in many instances payment is not made for 90 to 120 days. As well, hospitals do not automatically pay any "interest due," suppliers must claim for it.

Market Access

The French medical/surgical and biomaterials market is highly legislated. Before these products can be marketed, they must be standardized, registered in the government's "Tarif Interministériel des Prestations Sanitaires" (TIPS) and approved by the social security system.

Regulations are fairly fastidious and few manufacturers are prepared for what is often a lengthy and complicated process.

Buyers and Distribution Channels

Hospitals, the main buyers and users of medical devices, are subject to strong regulatory and cost constraints which affect their choice of equipment. Public budgetary rationalization has necessitated some difficult decisions regarding quality and cost. As a result, new concepts such as single-use equipment, have become widespread.

Tender calls for public hospital purchases are governed by the Procurement Code. However, each unit or purchasing service has adapted the Code to suit its own requirements. In the case of equipment purchases, the tender process is systematic, but the choice of suppliers is often determined before the tender call. For suppliers, this means significant commercial involvement and intensive contact with the purchasing services.

The French supply network is fragmented and consists of between 200 and 250 small and medium-sized distributors, most of which are organized regionally. This distribution structure makes the French market highly attractive and easy to penetrate.

Generally, end users are open to foreign suppliers, and market development is not limited to the French borders. German companies have made major inroads in the medical devices market and have acquired a reputation for innovation and quality. American suppliers are strengthening their positions in promising niche markets.

At the same time, however, there has been an increase in the number of specialized distributors seeking to develop new products with local and foreign manufacturers. Strategic alliances or joint ventures are seen as strong possibilities for market penetration.

On the downside, market penetration is hindered by product adaptation and standardization requirements. The first problem depends on the ability of manufacturers to innovate to meet market demands, while the latter should be solved with the creation of a single European Market.

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
35, avenue Montaigne
75008 Paris, France
Tel: (011-33-1) 44.43.29.00
Fax: (011-33-1) 44.43.29.98

GERMANY

Market Assessment

Germany's medical technology industry enjoys a reputation for quality, precision and performance worldwide. Its wide-ranging manufacturing structures include consumer and investment goods and durables ranging from anaesthesia, respiration and inhalation appliances to gas supply systems, sterilizers, operating theatre equipment, infusion and transfusion appliances, wheelchairs, implantation devices, orthopaedic appliances, optical devices for medical applications such as endoscopes and laser equipment, dental-medical equipment and instruments, rehabilitation appliances, as well as a host of instruments and appliances for surgical and diagnostic purposes. With an annual turnover of C$3.5 billion, medical technology is the strongest of Germany's precision-engineering and optical industries.

The German electromedical industry accounts for 18 per cent of production worldwide, with exports consistently in the 60 to 70 per cent range. In 1990, German medical device and equipment production totalled C$3.3 billion, with exports claiming C$2.2 billion. For the same year, imports topped C$1 billion, an increase of 6.5 per cent over 1989.

The U.S. remains the top foreign medical equipment supplier (20.9 per cent), followed by The Netherlands (19.8 per cent) and Japan (19.2 per cent).

The German market is receptive to high-quality, technically advanced diagnostic and treatment equipment, particularly where there is no domestic production. The future belongs to innovations and newly developing technologies such as laser-optics in vascular surgery, urology, gastrology, dermatology and neuro-surgery, new diagnostic services, as well as new artificial implants and components. More modern equipment will also be required in the fields of micro-surgery, bio-medicine and radiology.

New-to-the-market companies must offer very specialized products and services not yet available from such industry giants as Siemens, Hewlett-Packard and Hellige of the Litton Group, if they are to gain a foothold in the market.

Business Environment

Canadian exporters should consider the following criteria when seeking to enter and succeed in the challenging German market:

- Trade literature should be in German. At the minimum, inserts for catalogues should be translated. Instructions must be in German and all packaging must conform to German labelling requirements.
- Canadian manufacturers should provide adequate after-sales servicing facilities in the largest German cities, or select agents with these capabilities.
- It is recommended that Canadian companies select and work closely with a German agent/distributor. Agents are very useful in sorting through local requirements and are a good source of information about market conditions, product trends and industry developments.
- Canadian companies should work closely with their agent and keep him/her well informed about any new product developments.

  Plan on visiting the market at least twice yearly.

Market Access

Although testing and certification is not always mandatory, it is strongly recommended for medical equipment exports to Germany. In the case of government approval, this is best accomplished through an authorized agency which can prepare all documentation, test reports, etc. for presentation to the appropriate government officials.

As the EC moves closer to a single European Market, the harmonization of standards will dictate the type of products that may be sold on the German market, as well as point to new areas for product development and customization. The single European Market could present trade barriers to manufacturers outside the EC who are not sufficiently well prepared. The sale of medical devices that do not have the CE mark will be prohibited.

Tariffs must be paid on all goods imported into the EC. These tariffs add to the commercial price of the product. Manufacturers based in the EC are exempt from these tariffs and have the option of marketing their products at a lower price.

Promotional Activities

Medical Trade Shows and Fairs

MEDICA
Organized by Duesseldorfer Messe GmbH
Canadian Representative: ITCS Industrial Trade and Consumer Shows
20 Butterick Road
Toronto, Ontario M8W 3Z8
Tel: (416) 252-7791 Fax: (416) 252-9848
Held annually in November
Electrical, medical-technical and laboratory equipment, diagnostic products, therapeutic and auxiliary agents, biotechnological products.

INTERHOSPITAL
Organized by Duesseldorfer Messe GmbH
Canadian Representative: ITCS Industrial Trade and Consumer Shows
Held bi-annually (spring 1995)
Electromedical equipment and systems, medical and laboratory technology, medical consumables, fittings and accessories.

REHA
Organized by Duesseldorfer Messe GmbH
Canadian Representative: ITCS Industrial and Consumer Shows
Held bi-annually (October 1995)
Rehabilitation aids for everyday use in the home, equipment for personal care and hygene, walking and mobility aids, orthopaedic equipment, physiotherapy and occupational therapy equipment.

ANALYTICA
Organized by Muenchener Messe und Ausstellungs Gmbh
Canadian Representative: Unilink
5 Donalda Crescent
Agincourt, Ontario MIS IN5
Tel: (416) 291-6359 Fax: (416) 291-0025
Held bi-annually (May 1996)
Equipment for analysis, laboratory installations and apparatus, laboratory data acquisition and processing, medical diagnostics (in vitro).

INTERFAB
Organized by NuernbergMesse GmbH
Messezentrum
D-8500 Nuernberg 50
Tel: (0911) 86 06 0 Fax: (0911) 86 06 2 28
Held bi-annually (May 1996)
Medical technology products, products and services for hospitals, nursing homes and physicians.

BIOTECHNICA
Organized by Deutsche Messe AG
Canadian Representative: Co-Management Service Inc.
366 Adelaide Street East, Suite 339
Toronto, Ontario M5A 3X9
Tel: (416) 364-5352 Fax: (416) 364-6557

Therapy Week
Organized by Karlsruher Kongreb und Ausstellungs-Gmbh
Postfach 12 08
D-7500 Karlsruhe 1
Tel: (0721) 37 20 0 Fax: (0721) 37 20 348
Held annually (June 1995)
Bandaging materials, technical-medical products, medicinal baths.

International Dental Show - IDS
Organized by Messe- und Ausstellungs
Canadian Representative: Canadian German Chamber of Industry and Commerce
480 University Avenue, Suite 1410
Toronto, Ontario M5G IV2
Tel: (416) 598-3355 Fax: (416) 598-1840
Held bi-annually (April/May 1996)
Materials and equipment for dental surgery and dental technicians.

Orthopadie & Reha-Technik International
Organized by Bundesinnungsverband fuer Orthopaedic-Technik
Postfach 10 06 51
D-1000 Dortmund 1
Tel: (0231) 57 93 21/22 Fax: (0231) 57 17 72
Held bi-annually (May 1996)
Orthopaedic technology, rehabilitation aids, medical stores and technology.

Contacts

FOR INFORMATION ABOUT TESTING PROCEDURES, CONTACT:

TUV Rheinland
Canada Office
2901 Bayview Avenue, Suite 208
Toronto, Ontario M2K IE6
Tel: (416) 733-3677 Fax: (416) 733-7781

Industry Contacts

Bundesgesundheitsamt
(Federal Health Office)
Thielallee 88-92
1000 Berlin 33
Tel: (030) 83 080 Fax: (030) 83 082 741

Physikalisch-Technische Bundesanstalt
(Federal Bureau for Physical-Techncial Equipment)
Bundesallee 100
3300 Braunschweig
Tel: (0531) 59 21 Fax: (0531) 59 24 006

Trade Organizations

ZMT-Zentralvereinigung Medizintechnik e.V.
(Central Federation for Medical Equipment)
Sachsenring 89
Handelshaus
5000 Koeln 1
Tel: (0211) 32 70 54 Fax: (0211) 32 70 58

Bundesverband des Sanitaetsfachhandels - BVS
(Federal Association of the Sanitary Health Trade)
Sachsenring 89
Handelshaus
5000 Koeln 1
Tel: (0221) 32 70 52 Fax: (0211) 32 70 58

Trade Publications

MTD - Medizin-Technischer Dialog
(Medical Technical Dialogue)
MTD - Verlag Gmbh & Co.
Information KG
Postfach 42
7989 Amtzell
Tel: (07520) 66 11 Fax: (07520) 6 9 11
MTD is published 10 times yearly and is considered the leading publication for the medical equipment trade (in German).

Medical focus
Vogel Verlag KG
Postfach Wuerzburg 1
Tel: (0931) 41 80 Fax: (0931) 41 62 91
Medical focus is circulated worldwide to qualified individuals such as hospital administrators and directors, medical department heads, chief medical officers, purchasing authorities, etc. It is an illustrated trade journal with a reader service and informs the medical industry about new products for hospitals. Published six times a year. Subscription C$50

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Postfach 12 02 40
53044 Bonn, Germany
Tel: (011-49-228) 968-0
Fax: (011-49-228) 968-3900

Street address:
Friedrich-Wilhelm-Strasse 18,
53113 Bonn, Germany

ITALY

Market Assessment

The Italian market for medical devices is valued at over C$1 billion, but is expected to decline in real terms due to tightening budgets and new purchasing controls. However, some market segments are expected to grow in excess of 5 per cent annually. These include cardiovascular devices, nuclear medicine, bone densitometers, computer-based axial tomography (TAC), anaesthesia equipment, infusion pumps, surgery tables, and operating theatre lamps.

Italy has significant import/export activity in medical devices: 82 per cent of consumption is imported and 45 per cent of local production is exported.

The medical devices market has been marked by acquisitions and mergers; smaller companies have been forced to merge with larger groups to reduce the impact of research and development, and the cost of new product development.

Corporate spending for medical device R & D is approximately C$100 million, 40 per cent of which is earmarked for cardiovascular devices.

The public sector dominates health services: there are over 370,000 beds in 1,200 hospitals and more than 370,000 professionals (physicians, nurses, technicians) in the healthcare field.

Business Environment

The Italian medical device market structure requires a capillary distribution network, generally at the regional level because the purchase decision is decentralized.

Local health units are notorious for late payment; it can take from 1 to 3 years before suppliers receive payment. New registrations take 12 to 18 months depending on the product. Canadian suppliers are urged to approach the market through joint ventures and acquisitions.

Contacts

Agents/Distributors of Medical Devices

Amplifon S.P.A.
Via G. Ripamonti, 133
20141 Milano
Tel: 02/574721 Fax: 02/57300033
Products: hearing aids, audiology instrumentation, electrical safety measurements and instrumentation.

Biomedical International di A
Via Palombarese, 708
00010 S. Lucia di Mentana RM
Tel: 06/9050319 Fax: 06/9050809
Products: materials, devices and technical services to hospitals, X-ray and electronic tubes for medical use.

Carex European Group S.P.A.
Via XXV Luglio, 11
41037 Mirandola MO
Tel: 0535/26688 Fax: 0535/21083
Products: blood filtration, infusion, dialysis and blood heating equipment.

Dideco S.r.l.
Via Statale Nord, 88
41037 Mirandola MO
Tel: 0535/29811 Fax: 0535/25229
Products: cardiopulmonary (heat exchangers, arterial filters, oxygenator), aphaeresis (cellar separators, plasma-donation equipment), self-transfusion apparatus.

Faset S.P.A
Fabbrica Apperecchi Scientifici
Elettromedicali e Termali
Via Carlo Goldoni, 13
20090 Tressano S/Naviglio MI
Tel 02/48400362 Fax: 02/48400360
Products: aerosol/inhalation therapy, gynaecological equipment, accessories for centralized systems such as surgical exhausters, oxygen and therapeutic gases, therapeutic and hydro-therapeutic devices.

Levi Medica s.r.l.
Via Trionfale, 13592
00135 Roma RM
Tel: 06/3710356 Fax: 06/3760037
Products: mechanical heart valves and accessories, biological heart valves, valved conduits and accessories, vascular grafts and patches, biological, vascular, heart and ventricular assist devices, bio-impedance cardiovascular monitors and accessories, cardiac output computers and accessories, radiation-resistant surgical gloves, blood electrolyte analyzers and accessories, catheters, pressure cuffs for blood and/or saline bags, patient electrical safety testers and accessories.

Officina A. Scafoletti s.r.l.
Via Silicella, 55
00169 Roma
Tel: 06/261834 Fax: 06/261342
Products: rehabilitation devices and orthopaedic wheelchairs (foldable, electronic, motorized, etc.).

Officine Ortopediche Rizzoli S.P.A.
Via SS Annunziata, 13
40136 Bologna
Tel: 051/6441111 Fax: 051/580333
Products: standard and customized orthopaedic products including stabilizers for paraplegic walking and lower-limb prostheses.

Remco Italia S.P.A.
Strada Rivoltana Nuova, 53
20060 S. Pedrino di Vignate MI
Tel: 02/9567042 Fax: 02/9566013
Products: electrocardiographs and portable electrocardiographs, out-patient monitoring systems and deflectometers.

SIAS. S.P.A.
Via ca'dell'Orbo, 32/3
40050 Villanova di Castenaso BO
Tel: 051/781549 Fax: 051/6053014
Products: injectors for limphography and angiography systems, mobile units for cardiology, surgery, orthopaedics, first-aid and urology.

Simed s.r.l.
Via R. Giuffrida Castorina, 21n
91528 Catania
Tel: 095/441299 Fax: 095/441608
Products: Siemens and Olympus devices, hospital communication devices, consumer products used for anaesthesia and intensive care, disposable materials for cardiological angiology.

Unisan s.r.l.
Via Colombo, 638
Civitanova Marche MC
Tel: 0733/70650 Fax: 0733/70650
Products: anatomic orthopaedic shoes

Vassilli s.r.l.
Via Irpinia, 1-3-Z.a.i.
35020 Saonara PD
Tel: 049/8790800 Fax: 049/644646
Products: wheelchairs, beds and other assist devices for the disabled, medical and hospital furniture, equipment for physiotherapy, assist devices for the bathroom.

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Via G.B. de Rossi 27
00161 Rome, Italy
Tel: (011-39-6) 445981
Fax: (011-39-6) 44598754

SPAIN

Market Assessment

North American medical devices are highly regarded in Spain for their reliability and advanced technology. The best sales opportunities in this market lie in high technology products.

Spain's healthcare system services almost 40 million people, 90 per cent of whom are covered by the Spanish social security system. About 10 million Spaniards are covered by private health insurance and many of them are also covered by the social security system.

Per capita consumption of medical equipment in Spain is only half that of other European countries. Much of the equipment in large hospitals is obsolete, but is replaced only when absolutely necessary.

Medical equipment consumption is concentrated in the public sector: the National Institute of Health (INSALUD) accounts for 70 per cent, while military and prison hospitals, medical school clinics, local, provincial and autonomous government hospitals account for another 20 per cent. Private, profit-oriented health centres consume 10 per cent, but depend partially on the public sector through agreements with INSALUD whereby the latter hires their services for patients covered under social security.

Business Environment

Product literature in Spanish is preferred, but Spanish distributors will usually co-operate in having it translated.

It may take Spanish distributors 9 to 14 months to receive payment for public purchases. Because of the distance from Canada, Spanish distributors require a larger stock of equipment and spare parts for Canadian exports than for equipment imported from Europe. An agreement to share the additional inventory costs may be beneficial.

Medical device imports include:

- electrodiagnostic devices
- syringes, needles, catheters
- artificial kidneys
- orthopaedic devices and prosthesis
- odontology devices
- bandages
- X-ray, alpha, beta and gamma ray devices
- respiratory therapy devices
- endoscopes
- ophthalmology devices
- transfusion devices
- anaesthesia instruments and devices

Buyers and Distribution Channels

Public sector purchases are made at the regional level through public tenders, selective tenders and direct assignment, with each institution making its own purchases. For larger orders, buyers tend to deal directly with the manufacturer or importer; for small orders, they deal with regional representatives. Canadian companies wishing to bid on contracts must have established representation in Spain prior to bidding. Canadian exporters are advised to seek national coverage when appointing a representative or establishing their own sales network.

Typically, imports are carried out by small specialized importers/distributors, local subsidiaries of foreign manufacturers or domestic manufacturers who wish to broaden their lines with compatible products. Most distributors are located in Madrid or Barcelona; they generally use commissioned agents who cover all provinces.

It is important that agents visit medical centres frequently to establish solid working relationships with the chief of service and/or other purchasing officers, as well as with physicians, to familiarize them with the company and its products.

Market Access

As of 1995, all medical products must be certified by:

- Self-certification - at the company's risk
- Certification of the company's premises - very expensive
- Certification of product - analysis of product(s) by a certified laboratory at a cost of between $8,000 and $15,000; takes approximately one year.

Medical devices must be authorized by the Ministry of Health through dossier approval, usually submitted by the manufacturer's importer/distributor. This requirement creates delays and application backlogs. It does not allow for an adequate supply of modern products or the legal possibility to quote on public or private tenders.

Healthcare products in the registration process can be imported if the company meets the following requirements:

- documented proof of registration application;
- P.M.A. certificate, free sales certificate or equivalent from country of origin;
- documented proof confirming therapeutic interest in the product issued by the purchasing hospital or physician;
- list of hospitals where the product will be used (for implants only).

Promotional Activities

Major Trade Shows

V Congreso Federacion Espanola de Medicina del Deporte
(Sports Medicine Congress)
Pamplona, Spain

Feria Internacional de Protesis Dental
(International Dental Prosthesis Trade Show)
Barcelona, Spain

ORPROTEC
(Orthopaedics and rehabilitation)
Valencia, Spain
November 1995

Contacts

Major Buyers

Abbott Laboratories, S.A.
Josefa Valcarcel, 48
28027 Madrid

Acodec S. Coop. Ltda.
Avda. del Cid, 88
09005 Burgos

Avances en Techologua Medicina, S.A.
Milanesado, 4-6
08017 Barcelona

Becton Dickinson, S.A.
Division Productos Medicos
Apartado 31091
28080 Madrid

Distribuciones y Equipamientos Hospitalarios, S.L.
Calle Valcavero, 10 Poligono Industrial
45007 Toledo

Ditas S.A.
Gran Via Carlos III, 86 bajos
08029 Barcelona

German
Trueba, 12
2001 San Sebastian

Instrumentos de Optica, S.A.
San Romualdo, 26, Edif. Astygi
28037 Madrid

Izasa, S.A.
Aragon, 90
08015 Barcelona

La Casa del Medico S.A.
Atocha, 113
28012 Madrid

Matachana
Alta Tecnologia Hospitalaria
Almogavares, 174-76
08018 Barcelona

St Electromedicina, S.A.
Bergos, 55 bis
08017 Barcelona

Suclinsa
Tomas Redondo, 1
28033 Madrid

Suministros Hospitalarios
Olvido, 64
08026 Barcelona

Industry Contacts

AFEMEDIC
(Spanish Medical Device and Instrument Manufacturers Association)
Montesa, 34 esc. dcha.
28006 Madrid
Tel: (011-34-1) 401-4166

FENIN CATALUNYA
(National Federation of Scientific, Medical, Technical and Dental Instrument Companies)
Plaza Cardona, 11, 1 2a
08006 Barcelona

INSALUD
(National Institute of Health)
Alcala, 56
28014 Madrid
Tel: (011-34-1) 231-6552

PUNTEX
(Publishes a medical equipment suppliers directory and monthly magazine on health-related issues)
Calle Mare de Deu del Coll, 14
08023 Barcelona

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
35 Nunez de Balboa,
28001 Madrid
Kingdom of Spain

Mailing address
Apartado 587
28080 Madrid
Kingdom of Spain
Tel: (011-34-1) 431-4300
Fax: (011-34-1) 431-2367

SWITZERLAND

INSTITUTIONAL MEDICAL DEVICES

Market Assessment

Canada has established a reputation in Switzerland as a reliable exporter of high-quality medical products and equipment. With over 30 per cent of the market, Canada is the leading supplier of alpha, beta, gamma radiation equipment for medical and surgical use.

Major Canadian exports to Switzerland are prosthetic equipment and supplies (C$1.2 million), electro-diagnostic equipment and X-ray apparatus, syringes, and ophthalmologic and rehabilitation equipment.

There are no official statistics for the medical device sector in Switzerland, but industry sources estimate the medical equipment, instruments and supplies market at C$900 million.

Imports cover approximately 80 to 90 per cent of requirements. Local manufacturing capability includes bio-medical, hospital and cardiovascular equipment. Among the major products manufactured locally are prosthetics, orthopaedics, pacemakers, breathing and pulmonary devices, sophisticated instrumentation, dental supplies and artificial teeth, as well as soft goods, stockings and dressings.

Germany, the U.S., France, and Scandinavia are the major suppliers. Disposable items such as rubber gloves, masks and caps are imported mainly from Asia.

The Swiss healthcare system is highly decentralized. There are 427 public hospitals, most of which are administered by the 26 cantons or by local municipalities. In addition, a total of 416 private hospitals, clinics and medical homes cater to the needs of a demanding local and international clientele, and serve as a training ground for physicians.

Little new hospital construction is expected. Renovation, modernization and enlargement of existing facilities and investment in private medical facilities is expected to continue, however. The trend is to concentrate services to reduce costs. For example, intensive care, respiration and newborn services would be available only at cantonal hospitals, rather than at regional facilities.

The health sector faces acute personnel shortages, particularly in nursing. The tight labour situation augers well for automated labour-saving procedures, home healthcare and computerization.

Switzerland's 6.9 million inhabitants make it a good, strategically placed test market for breaking ground elsewhere in Europe. The country's liberal trade and investment policies favour access for a host of medical products and technologies. Good sales prospects exist for:

- anaesthetic equipment
- cardiology instruments
- gas chromatographs
- X-ray equipment
- scanners, computer tomographs
- nuclear magnetic resonance diagnostic equipment/imaging systems
- nuclear medical instruments
- neurological equipment
- electromyographs
- perinatal instruments
- specialized surgical instruments
- prosthetics and artificial organs
- orthopaedic goods
- dressings
- rehabilitation equipment
- heart/lung machines, respirators, lung function testing machines
- specialty disposables and supplies (if competitively priced)
- ophthalmic goods
- dental metals, alloys and materials
- CAD/CAM techniques and electronic micro-motor controlled drills and polishers
- diagnostics, medical computers and software.

Business Environment

Major foreign manufacturers such as Siemens, Hewlett-Packard, Baxter, and Toshiba have established subsidiaries or sales agencies in Switzerland, and Swiss companies are on the look out for possible direct investment abroad. European competitors have the advantage of being close to the market and are able to offer prompt service, tariff preferences and lower transportation costs.

Foreign suppliers must be quick in responding to requests, offer competitive prices and support distributors with training programs and marketing aids tailored to the European and Swiss markets.

Canadian exporters may quote in Swiss francs, Canadian or U.S. funds, preferably CIF Swiss border/airport.

English is acceptable as a language of business, in addition to French and German. Promotional material may be in English, although German and French translation would be advantageous.

Commission rates average 35 per cent. Margins can vary from 30 to 50 per cent between the manufacturer/foreign supplier and the distributor/wholesaler level, and are about 40 per cent between the distributor and retail level. Payment terms are usually net 30 days.

Buyers and Distribution Channels

Purchasing of medical devices is usually done by individual institutions through distributors. Only a few large distributors carry several lines of medical/hospital equipment in Switzerland. Companies tend to specialize to remain competitive. In the case of dental products, there are "dental depots" (dealers of dental material, instruments and supplies at the regional or local retail level sell to dentists, technicians, hygienists, clinics, pharmacies, drugstores, and laboratories). The largest is Medidenta, St. Gall, which represents some Canadian firms and maintains a warehouse of over 30,000 items. Medidenta has six subsidiaries throughout Switzerland; one of their major distributors is R. Vix AG in Basel which also represents Canadian exporters.

Swiss companies are also open to joint ventures.

Market Access

Most hospital and medical equipment, instruments and supplies (including dental) are covered by item 9018 of the Swiss Customs Tariff. Import duties range from Sw.Fr. 140 to 220 for each 100 kilos of weight. A turn-over tax of 9.3 per cent is also levied, calculated on the landed value of the import (including duty). There is also an additional statistical fee of 3 per cent of the amount of duty.

There are no restrictions or specific barriers affecting the importation of Canadian medical devices. However, approval procedures for healthcare products must be observed.

The International Electrotechnical Commission (IEC) issued new guidelines and standards in 1988 (IEC 601: Medical Electrical Equipment) which are valid in Switzerland. Information on the guidelines and standards can be obtained through the Standards Council of Canada in Ottawa.

Electro-medical equipment is subject to approval by the Swiss-Electrotechnical Union (SEV): P.O. Box CH-8034 Zurich. Tel: 011/41//1/384 91 11, Fax: 011/41/1/422 14 26. Foreign companies can now register directly.

Radiological and nuclear medical instruments and devices must be approved by the Federal Health Agency, Bollwerk 27, Ch-3001 Berne. Tel: 011/41/31/ 61 69 98, Fax: 011/41/31/61 68 96.

Therapeutic products must be approved by the IKS (Intercantonal Office for the Control of Medicines), Erlachstrasse 8, CH-3000 Berne 9. Tel: 011/41/31/ 24 36 51, Fax: 011/41/31 24 06 54.

Promotional Activities

Highly recommended is "Hospimed," a comprehensive directory covering Germany, Austria and Switzerland. This publication contains information on all medical products and services, as well as companies, institutions and associations. It is available from: Hospimed Informations AG, Ludwigstrasse 6, D-8400 Regensburg. Tel: +49/941/56 08 83, Fax: +49/941/56 04 39.

Buyers read specialized magazines such as the American "BBI" and "Clinical Laboratory Instruments" (Brussels) to obtain the latest information on medical technology, and also visit trade fairs. In Switzerland, the major hospital and medical equipment and supplies trade fair is IFAS (November, 1994). IFAS attracts about 30,000 medical professionals from Switzerland and neighbouring countries. The Canadian Embassy in Berne participates at IFAS with an information booth.

In the dental sector, DENTAL (1995) is the major show in Switzerland.

A good source for information on medical conventions and exhibitions in Switzerland and other European countries is: AKM AG, Clarastrasse 57, CH-4005 Basel.
Tel: 011/41/61/691 8888, Fax: 011/41/61/691 8189.
AKM publishes a newsletter and calendar listing medical exhibitions/fairs.

Contacts

Associations

VESKA
(Swiss Association of Hospitals)
Mr. Nils Undritz, Secretary General
Rain 32
CH-5001 Aarau
Tel: 011/41/64/ 24 1222 Fax: 011/41/64/22 3335

FAS
(Swiss Association of Medical and Hospital Equipment)
Mr. Nicolas Markwalder, Secretary
Monbijoustrasse 8
CH-3011 Berne
Tel: 011/41/31/ 26 4424 Fax: 011/41/31/26 4620

ASMED
(Swiss Association for Medical Products)
Mr. Hermann Kunz, Secretary
Huebwiesenstrass 19
CH-Geroldswil
Tel: 011/41/1/ 748 3934 Fax: 011/41/1/ 748 3557

Major Importers/Distributors

Hausmann Spitalbedarf AG
Zurcher Strasse 204
CH-9014 St. Gallen
Tel: 011/41/71/28 35 35 Fax: 01/41/71/ 28 54 75
Products: hospital equipment, diagnostic apparatus, cardiovascular products, implants, medical supplies, rehabilitation equipment.

Binder-Rehab
Heim- und Spitalbedarf AG
Durisolstrasse 12
CH-5612 Villmergen
Tel: 011/41/57/ 22 08 22 Fax: 011/41/57/ 21 81 91
Products: rehabilitation and hospital equipment.

BIMEDA AG
Kasernenstrasse 1
CH-8184 Bachenbulach
Tel: 011/41/1/860 97 97 Fax: 011/41/1/860 95 45
Products: home healthcare and hospital equipment and supplies.

Dr. Blatter AG
Box 2068
CH-8604 Volketswil
Tel: 011/41/1/ 945 18 80 Fax: 011/41/1/ 946 02 95
Products: rehabilitation, invalid, gymnastics and training aids, physio/ergotherapy apparatus.

Grauba AG
Box 236
CH-4008 Basel
Tel: 011/41/61/ 35 26 66 Fax: 011/41/61/ 35 06 33
Products: patient lifting devices, therapy tables and eating aids.

H. Froehlich AG
P.O. Box 1125
CH-8700 Kusnacht
Tel: 011/41/1/ 910 16 22 Fax: 011/41/1/ 910 63 44
Products: rehabilitation equipment (including wheelchairs), orthopaedics, hospital and medical equipment.

Med AG
P.O. Box 2936
CH-8050 Zurich
Tel: 011/41/1/ 312 51 53 Fax: 011/41/1/ 312 51 14
Products: intensive care products, spirometers, soft goods, medical equipment.

Medexim AG
Solothurnerstrasse 180
CH-2540 Grenchen
Tel: 011/41/65/ 55 22 37 Fax: 011/41/65/ 55 27 07
Products: rehabilitation, medical and hospital equipment, joint supports, anatomic models.

Mediwar AG
Spital-,Heim-,und Arztbedarf
P.O. Box 825
CH-8055 Zurich
Tel: 011/41/1/ 462 18 11 Fax: 011/41/1/ 451 20 41
Products: instruments, apparatus and furniture for homes and hospitals, rehabilitation equipment and lifts, medical equipment and supplies.

Meyer Medical
Lauetstrasse 39
CH-8112 Otelfingen
Tel: 011/41/1/ 844 47 87 Fax: 011/41/1/ 844 25 40
Products: hospital/home equipment, lifts, patient aids, special furniture, medical equipment and supplies.

Ormed AG
P.O. Box 87
CH-9464 Lienz
Tel: 011/41/71/ 79 21 21 Fax: 011/41/71/ 79 21 63
Products: orthopaedic rehabilitation products and services, CPM equipment, splints.

Bieber Rehab AG Bern
Lorrainestrasse 52
CH-3000 Berne 11
Tel: 011/41/31/ 41 22 23 Fax: 011/41/31/ 41 66 36
Products: rehabilitation aids.

Promefa
Kasernenstrasse 1
CH-8184 Bachenbulach
Tel: 011/41/1/ 860 44 50 Fax: 011/41/1/ 860 44 54
Products: rehabilitation equipment.

A complete list of importers/distributors and major hospitals is available from the Canadian Embassy in Berne.

HOME HEALTHCARE MEDICAL DEVICES

Market Assessment

Canadian products are well known in the Swiss home healthcare medical devices market. Of particular note are wheelchairs and wheelchair seating accessories and hardware.

The total market for home healthcare medical devices is approximately C$450 million, about half the market demand for medical equipment. In 1992, the Federal Office for Social Insurance paid about C$110 million for rehabilitation aids. While sales of general medical equipment have reached a plateau, the rehabilitation and home healthcare market is growing. The growth reflects an aging population characteristic of most developed countries, and the trend toward both transferring patients earlier from hospital to home and nursing patients at home rather than in hospital.

Home healthcare and rehabilitation aids (rehabilitation aids comprise over 10,000 products not including soft goods and medical supplies) are required for a variety of applications, from treating sports injuries to equipping medical facilities and nursing homes to filling prescriptions made by the country's more than 10,000 physicians. An acute medical personnel shortage has created a strong demand for novel products and labour-saving devices. These include:

- disposables;
- ambulance equipment;
- decubitus cushions, prevention inserts and aids, incontinence products;
- dressing aids, elastic bandages, belts and stockings, rib bandages;
- armboards, leg and arm supports, patient helpers for beds mobility aids, wrist and heel supports;
- bathroom equipment;
- hospital and nursing home supplies;
- hydrotherapy, physical and oxygen therapy, occupational therapy equipment, aerosol therapy devices, home phototherapy appliances;
- post surgical breast products, fitting forms, aids, brassieres;
- security and safety devices, alarms for the disabled and elderly;
- wheelchairs, seating devices, standing boards, power-drive and raise chairs, walkers, rollators, traction tables, electrical patient hoists, wheelchair ramps and accessories, canes and crutches, eating utensils;

- beds for the elderly and disabled, bedsheet elevators, bedpans, mobile commodes, positioning pillows, patient transfer systems;
- acupuncture devices, chiropractic and diabetic products, diathermy equipment;
- pediatric home appliances, dialysis equipment and supplies, prosthesis and implants;
- continuous passive motion (CPM) for knees, orthopaedic aids and appliances, plastic and foam finger, leg and hand splints, cervical and lumbar treatment devices;
- home healthcare and rehabilitation training aids; and
- drug, alcohol and other substance-abuse rehabilitation devices and programs.

Approximately 80 per cent of home healthcare medical devices are imported, with the remaining 20 per cent covered by local production. Swiss producers concentrate on niche markets, speciality products and conventional equipment such as beds and wheelchairs. Up to 40 per cent of local production is exported, mainly to other European countries. Imports come mainly from neighbouring countries such as Germany, France, the U.K., and Scandinavia.

Rehabilitation and home healthcare medical devices come under the general term "Spitex" (for care outside hospitals). Private and co-operative insurance plans differ greatly in reimbursing the cost of devices under the "Spitex" concept. The various associations active in the "Spitex" sector have created the FST (Swiss Foundation for Electronic Aids) which maintains a permanent exhibition of electronic aids and publishes a magazine.

Business Environment

(See "Institutional Medical Devices")

Buyers and Distribution Channels

Generally, there are no retail chains that sell home healthcare medical devices. The exception, however, is smaller items such as cervical collars, hand splints, dressings, etc., which are sold at pharmacies or at orthopaedic stores. There are several importers/distributors who deal in the wholesale and retail trade. Some are very specialized and sell only one or two products.

Normally, firms handling rehabilitation equipment import directly and sell on a wholesale or retail basis. Some have permanent showrooms. The Swiss Federation for Consultations on Aids for the Handicapped and Elderly maintains a permanent display (EXMA) of all products available on the Swiss markets, including both local production and imports.
(Also see "Institutional Medical Devices")

Market Access

(See "Institutional Medical Devices")

Promotional Activities

Buyers visit specialized trade shows and read specialized journals to learn about the latest home healthcare medical technology. The major trade shows are: MEDICA, held annually in Dusseldorf; INTERHOSPITAL, held bi-annually in Hanover (spring 1995); REHA, held in Dusseldorf; PROLIFE (International Trade Fair for Rehabilitation Aids and Home Health Care), held bi-annually in Zurich (1995); and IFAS, held in Zurich (November 1994).

The leading journals are "Vivre Mieux," "Hospitalis," "Optima," and "Physiotherapeut ."

Contacts

Associations

PRO INFIRMIS
(Swiss Association for the Handicapped)
Dr. Juliana Schwager-Jebbink, Secretary
Feldeggstrasse 71
CH-8032 Zurich
Tel: 011/41/1/ 383 05 31 Fax: 011/41/1/ 383 30 49

PRO SENECTUTE
(Swiss Foundation for the Aged)
Dr. Ulrich Braun, Secretary
Lavaterstrasse 60
CH-8027 Zurich
Tel: 011/41/1/ 201 30 20 Fax: 011/41/1/ 202 14 42

SAHB
(Swiss Federation for Consultations on Aids for the Handicapped and Elderly)
Mr. Adrian Kempf, Manager
Dunnernstrasse 32
CH-4702 Oensingen
Tel: 011/41/62/ 76 27 67 Fax: 011/41/62/ 76 33 58

(Also see "Institutional Medical Devices")

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Kirchenfeldstrasse 88
CH-3005 Berne 6, Switzerland

Mailing address:
P.O. Box 234 CH-3000
Berne 6, Switzerland
Tel: (011-41-31) 352-63-81
Fax: (011-41-31) 352-73-15

UNITED KINGDOM

INSTITUTIONAL MEDICAL DEVICES

Market Assessment

The British institutional medical devices market is estimated at C$380 million for capital equipment and C$1.75 billion for disposable items. The U.K. has a substantial domestic medical devices industry (C$2.3 billion) which supplies 55 per cent of market demand.

Medical device manufacturers in the U.K. range from internationals (3M Health Care, Eli Lilly, Smiths Industries Medical Systems) to medium-sized specialist firms to small companies of less than 10 employees.

Imports supply 45 per cent of market demand and comprise mainly syringes, electro-medical equipment, bandages, etc. Recent and projected growth ares include autoclaves, heat-resistant dishes, utensils, etc. The U.S., Germany, Ireland, Holland, and France are the dominant suppliers.

Canadian companies are preferred over American, but there is some concern about "reliability of Canadian supply" because of the distance factor. Although Canada is not a major supplier, many Canadian companies have established themselves in the market. They include: ISG Technologies (imaging equipment); Pro-Lab Diagnostics; Med-I-Pant (incontinence wear); Promatek Industries (motion-analysis systems); and Unitron (specialty hearing aids).

Buyers and Distribution Channels

The National Health Service (NHS) accounts for 90 per cent of expenditures in the institutional field.

The NHS is a very complex body which makes purchases at any of several levels. Over the past five years, it has undergone extensive restructuring and is still in the throes of change. The government is attempting to introduce market forces by allowing selected hospitals to become "NHS Trusts." Originally, this encompassed a relatively small group, but has been expanded and will eventually include 95 per cent of public hospitals and community services.

Trust status allows the institution to purchase its own supplies; however, in many cases, hospitals still prefer to use the NHS purchasing system, as it can yield considerable savings through bulk purchasing.

The National Purchasing Unit (NPU) within the NHS Supplies Authority (NHSSA) is responsible for buying some small but predominantly high-cost items. NPU officers have special relationships with major suppliers; each officer undertakes to "manage" a number of suppliers.

National Purchasing Unit
NHS Supplies Authority
Apex Plaza, Forbury Road
Reading, Berkshire RGI IAX
Tel: (011/44) 734 595085

Within the NHSSA, six newly created NHS Purchasing Divisions also procure medical devices for some hospitals. At the hospital level, many individuals and groups may be involved in purchasing policy (i.e. finance director, laboratory and scientific officers, central sterile services departments, etc.).

If the hospital is an "NHS Trust," it may decide to purchase directly from a supplier or sign a purchasing contract with their NHS Purchasing Unit. Contacts for the regional offices are as follows:

North West Purchasing Division
NHS Supplies Authority
Lister Road
Runcorn W7A ISW
Tel: (011/44) 928 563411 Fax: (011/44) 928 580053

South East Purchasing Division
NHS Supplies Authority
St. Barnabas Close
Allington, Maidstone
Kent ME16 OLW
Tel: (011/44) 622 690699 Fax: (011/44) 622 688326

Central Purchasing Division
NHS Supplies Authority
West Way, Cotes Park Industrial Estate
Alfreton
Derbyshire DE55 4QJ
Tel: (011/44) 773 608844 Fax: (011/44) 773 604829

South and West Purchasing Division
NHS Supplies Authority
Lister House, Ham Green
Pill
Bristol BS20 OHW
Tel: (011/44) 275 375591 Fax: (011/44) 275 375151

North Thames Anglia Purchasing Division
NHS Supplies Authority
Olding Road
Bury St. Edmunds
Suffolk IP33 3YE
Tel: (011/44) 284 702677 Fax: (011/44) 284 766719

North East Purchasing Division
NHS Supplies Authority
4th Floor, Windsor House
Cornwall Road
Harrowgate
North York HG1 2PW
Tel: (011/44) 423 564554 Fax: (011/44) 423 534510

The dramatic restructuring of the NHS has had an extensive effect on the purchase of supplies. The only way to keep abreast of developments is to ally oneself with a British company which has good contacts.

U.K. medical device manufacturers are open to joint ventures, providing the product is unique and is not available elsewhere.

Business Environment

U.K. manufacturers tend to employ their own sales force. Foreign suppliers who do not have British subsidiaries or a joint-venture partner usually work through a distributor.

Distributors tend to buy from the manufacturer and sell again with a mark-up, as opposed to acting as commission agents. For disposables, commission ranges between 80 and 150 per cent; for capital equipment it is usually between 30 and 50 per cent. Larger companies have higher mark-ups. Sales to the NHS are likely to be priced 10 to 20 per cent lower than to private hospitals.

Market Access

According to the EC Active Implantable Medical Devices Directive which took effect January 1, 1993, most powered implantable devices must carry the "CE" mark and provide instructions as to their use. They must also meet safety and efficacy requirements in their design, construction and materials used, and be designed and manufactured subject to independent check. This directive will be extended to other medical devices on January 1, 1995, although there will probably be a three-year transitionary period.

Intellectual property protection is rigorous in the U.K. Canadian manufacturers are advised to seek European patent protection.

Currently, there are no significant environmental regulations concerning medical devices, but there is the possibility of an EC directive which would limit packaging material and require manufacturers to take greater responsibility in managing their packaging once it becomes waste.

The Medical Devices Directorate of the Department of Health operates a Manufacturer Registration Scheme, similar to ISO 9000. It is voluntary and designed to verify the quality of manufacturing processes. If a Canadian company wants to register, it must have a U.K. representative and be inspected (at its own expense) by the directorate's personnel or its authorized deputies. The scheme is intended to run until the end of the three-year transitionary period to EC standards; after that time European standards EN 46001 and EN 46002 will apply.

For British standard testing, contact:

British Standards Institute
Maylands Avenue
Hemel Hempstead
Herts. HP2 4SQ
Tel: (011/44) 442 230442 Fax: (011/44) 442 231442

For details about the Manufacturer Registration Scheme, contact:

Medical Devices Directorate
Department of Health
14 Russell Square
London WCIB 5EP
Tel: (011/44) 71 6366811 Fax: (011/44) 71 6378990

Promotional Activities

The Investment/Strategic Alliances section of the Canadian High Commission in London is actively pursuing joint ventures in the medical and biotechnical areas. Information regarding Canadian companies active in the medical devices sector has been distributed to potential U.K. partners, and material on the Canadian industry is published regularly in "Clinica." The major industry trade fairs are held in Germany, i.e. MEDICA (Dusseldorf, November) and INTERHOSPIAL (Hannover, April/May).

The major trade fairs in the U.K. for medical devices are:

Health Care
Birmingham
Annually, September
Contact: Blenheim Events: Tel: (011/44) 81 742 2828
Fax: (011/44) 81 747 3856
Hospital equipment, supplies and services

National Association of Theatre Nurses Annual Congress and Exhibition
Harrogate
Annually, October
Contact: National Association of Theatre Nurses
22 Mount Parade
Harrowgate
North Yorkshire HGI IBX
Tel. and Fax: (011/44) 423 531613

Contacts

Association of British Health Care Industries
Consort House
26-28 Queensway
London W2 3RX
Tel: (011/44) 71 221 4612 Fax: (011/44) 71 229 4708

British Surgical Trade Association
1 Webbs Court
Buckhurst Avenue
Sevenoaks
Kent TNI3 ILZ
Tel: (011/44) 732 458868 Fax: (011/44) 732 459225

HOME HEALTHCARE MEDICAL DEVICES

Market Assessment

The market for home healthcare medical devices in the U.K. is estimated at C$400 million. Recent and projected growth areas are incontinence wear and equipment for the elderly.

Devices such as blood-pressure monitoring kits are not commonly bought privately. The majority of home healthcare devices are items such as wheelchairs, aids for the disabled/elderly and athletic support devices.

Boots, Lloyds Chemists (and its subsidiaries) and John Bell & Croydon are the country's major buyers of home healthcare devices. The country of origin does not influence buying decisions; however, if all factors are equal, consumers tend to buy British-made products.

Home healthcare products are normally sold through specialty retail stores and pharmaceutical chains. Manufacturers may approach these outlets directly; however, it is more common to sell through an intermediary.

Retailers typically add 33 per cent to their costs to break even, but in some cases, speciality bandages, for example, the markup is as high at 150 per cent.

Promotional Activities

The relevant international trade show for home healthcare devices is NAIDEX which is held annually in September at the Wembly Exhibition Centre in London. The show features equipment and services for the disabled and elderly. Contact: Reed Exhibitions; Tel: (011/44) 08 92 544027, Fax: (011/44) 08 92 541023.

FOR FURTHER INFORMATION CONTACT:

CANADIAN HIGH COMMISSION
Macdonald House
One Grosvenor Square
London WIX OAB
Tel: (011-44-71) 258-6600
Fax: (011-44-71) 258-6384

Section 4

Latin America & the Caribbean

Market Reports:

***BAHAMAS, BELIZE, CAYMAN ISLANDS, TURKS & CAICOS**

COSTA RICA, San José

CUBA, Havana

EL SALVADOR, San Salvador

JAMAICA, Kingston (responsible for *)

MEXICO, Mexico

PANAMA, Panama

TRINIDAD & TOBAGO, Port of Spain

BAHAMAS, BELIZE, CAYMAN ISLANDS, TURKS & CAICOS

Market Assessment

The territory covered by the Canadian High Commission in Jamaica also includes the Bahamas, Belize, Cayman Islands, and Turks & Caicos.

Medical device imports for these four countries is approximately US$7.7 million (CIF value) annually and is distributed as follows: Bahamas, US$3.0 million; Belize, US$2.2 million; Cayman Islands, US$1.5 million; and Turks & Caicos, US$1.0 million.

The U.S. is the major supplier of medical devices and products in all four markets, and many American firms have established excellent relationships with local buyers.

Buyers and Distribution Channels

Public and private hospitals in these markets import medical devices directly. Canadian firms are encouraged to attempt market penetration by establishing direct contact with the hospitals, providing them with company and product details and requesting information on tender opportunities. Canadian companies may also wish to investigate the possibility of appointing an agent in Florida to represent them in the region.

Buyers indicate that distance and freight charges (which inflate CIF quotations) are the main reasons for their limited interest in Canadian suppliers.

Although quality and price are the two major factors which influence procurement managers' purchasing decisions, after-sales service, quick response to enquiries and fast delivery dates also weigh heavily in procurement decisions.

Business Environment

The typical order from these markets is small, so Canadian firms may wish to arrange for consolidation of shipments through freight forwarders.

Medical devices are often purchased by direct payment, sight draft or Letter of Credit. Open account is, however, most common for well established trading relationships. Terms of delivery are usually FOB Miami and quotations should be in U.S. funds. Commission rates for capital equipment is typically 5 to 8 per cent; for disposable items, it is 3 per cent of the CIF value.

Promotional Activities

Buyers depend on U.S. suppliers, catalogues, magazines, journals, seminars, conferences, and trade shows (particularly the South Eastern Hospital Conference and HIDA Trade Show) for information on new products and technology.

Contacts

Bahamas

Mr. Virgill Storr
Administrator
Princess Margaret Hospital
Shirely Street, P.O. Box N3730
Nassau, Bahamas
Tel: (809) 322-2861

Sandilands Rehabilitation Centre
Foxhill Road, P.O. Box FH 14-4383
Nassau, Bahamas
Tel: (809) 324-6881

Mr. Barry Rassin
Administrator
Doctors Hospital (1986) Ltd.
P.O. Box N972
Nassau, Bahamas
Tel: (809) 322-8411

Lyford Cay Hospital
Bahamas Heart Institute
P.O. Box N7776
Nassau, Bahamas
Tel: (809) 362-4025

Centreville Surgicentre
P.O. Box N3723
Nassau, Bahamas
Tel: (809) 322-7853

Belize

Public Hospital
Belmopan, Belize
Tel: 08-22263

Corozal Hospital
Santa Rita Hill
Corozal, Belize
Tel: 04-2207

Myoon Clinic Ltd.
40 Eve Street
Belize City, Belize
Tel: 02-45616

Cayman Islands

Ms. Faith Scott
Executive Officer
Faith Hospital
P.O. Box 85, Stake Bay
Cayman Brac, Cayman Islands
Tel: (809) 948-2243

Ms. Orilee Ebanks
Administrator
George Town Hospital
George Town, Cayman Islands
Tel: (809) 949-8600

Dr. R. Carlson
Cosmetic Hospital International
Cayman Clinic
Box 881GT
George Town, Cayman Islands
Tel: (809) 949-5986

Cayman Mammography Ltd.
P.O. Box 1047G
Selkirk Plaza, West Bay Road
George Town, Cayman Islands
Tel: (809) 949-7331
Cayman Medical and Surgical Centre
P.O. Box 404, West Bay Road
George Town, Cayman Islands
Tel: (809) 949-8150

Professional Medical Centre
P.O. Box 273, Walkers Road
George Town, Cayman Islands
Tel: (809) 949-6066

<u>Turks & Caicos</u>

Public Hospital
Grand Turk, Turks & Caicos
Tel: (809) 946-2040

Providenciales Health and Medical Centre
Leeward Highway, Airport Road
Providenciales, Turks & Caicos
Tel: (809) 946-4201

FOR FURTHER INFORMATION CONTACT:

CANADIAN HIGH COMMISSION
30-36 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

Mailing address
P.O. Box 1500
Kingston 10, Jamaica, W.I.
Tel: (809) 926-1500
Fax: (809) 926-1702

COSTA RICA

Market Assessment

Although Canada does not have a strong presence in the Costa Rican medical devices market, importers have expressed interest in learning about Canadian products and in establishing business links.

The national healthcare institution, CAJA Costarricense de Seguro Social, accounts for 90 per cent of the medical devices market. However, it should be noted that 29 of the hospitals administered by CAJA are plagued by serious staffing and infrastructure problems. The problem is twofold: the lack of resources to buy equipment and the improper assignment of resources.

For example, because of bureaucratic delays in the tendering system, 50 per cent of the medical equipment budget was recently used for other purposes. Medical sector experts believe that the only solution is to reform the organization and administration of the social security system, which is highly politicised.

There is no local production of medical devices in Costa Rica; major suppliers are Holland, the U.S., Germany, and Japan.

Buyers and Distribution Channels

Procurement for healthcare facilities covered by CAJA Costarricense de Seguro Social are by public tender. Local agents and representatives are the preferred means of distribution. Quotes should be in U.S. funds, and promotional material in Spanish.

Market Access

There are no tariffs on institutional medical equipment, and no specific environmental regulations.

Promotional Activities

Local buyers depend on agents and suppliers for information on the latest in medical device technology, and are interested in receiving information on Canadian products.

Contacts

There is no specific association representing the medical device industry; however, there is a general association called Camara de Representantes de Casas Extranjeras (CRECEX), P.O. Box 3738, 1000 San Jose, Costa Rica, Tel: (506) 24-69-44, Fax: (506) 34-25-57, Attention: Mr. Walter Marin, Executive Director.

The major importer of medical devices is Alquileres Montes de Oca S.A., Calle del Pacifico, San Jose, Costa Rica, Tel: (506) 22-27-26/22-42-45,
Fax: (506) 22-27-26.

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Cronos Building
Calle 3 y Avenida Central
San José, Republic of Costa Rica

Mailing address:
Apartado Postal 10303-1000
San Jose, Costa Rica
Tel: (011-506) 55-3522
Fax: (011-506) 23-0609

CUBA

Market Assessment

Cuba has always considered the institutional medical devices market a top priority. Traditionally, the healthcare sector has been used to highlight the social achievements of the Cuban Revolution. Although annual volumes have declined considerably because of severe economic hardships, institutional medical device imports are still assigned priority status.

In 1992, medical device imports totalled approximately C$20 million, although they were originally set at C$40 million for the year.

Disposable items such as syringes, needles and surgical gloves offer the best sales prospects. The total annual market for disposable items is estimated at approximately C$2-3 million.

Sweden, Holland, Germany, Japan, and Austria are the major suppliers of the Cuban medical devices market, and have capitalized on the country's requirements for hospital equipment and devices. Cuba was able to implement a large medical equipment acquisition program until the mid-1980s, by taking advantage of attractive medium- and long-term commercial credit facilities offered by its main suppliers, Toshiba, Hitachi, Siemens, and Phillips, all of which established sales and technical support offices in Havana.

Generally, local users consider Canadian products to be of very high quality. The excellent quality of Canadian products coupled with Canadian exporters' commitment to the market have contributed to a high level of respect. However, Canadian prices are perceived as uncompetitive.

Buyers and Distribution Channels

Medicuba, the state trading agency, handles all healthcare imports, while Ensume (Medical Supplies Enterprise) controls local distribution via its sister companies located in each provincial capital. Imports are made on an as-needed basis for high-priority products and equipment and for items for which allocation of foreign exchange is most likely to be approved.

Until the onset of Cuba's economic crisis, there was a well-defined and regular tendering process. Medicuba makes small but frequent purchases for immediate delivery, thereby favouring firms with local representation.

As the country moves toward decentralization, major hospitals and research institutes, particularly those in Havana, are now permitted to request prices directly from foreign suppliers and to conduct initial technical discussions.

With the disintegration of the former USSR and the collapse of COMECON (with which Cuba conducted approximately 85 per cent of its trade), Cuba's economy has suffered badly, to the point where the government has expressed interest in forming joint ventures with foreign partners.

Companies interested in exploring this avenue should contact the Commercial Division of the Canadian Embassy in Havana. Initial discussions are held with Medicuba, as well as with the management of the plant under consideration. It should be noted that joint venture negotiations are subject to time-consuming legal practices, and ultimately require the approval of the Council of Ministers.

Business Environment

Since most Cubans possess an acceptable knowledge of English, price quotations and product information can be submitted in English. However, Spanish is preferred.

When contract negotiations are conducted directly between the local importer and the exporter, hardly any commission is paid.

Medicuba buyers negotiate payment terms by irrevocable, confirmed Letter of Credit, payable at sight.

Market Access

Technically, import duties are not applied as most import programs are conducted by the Cuban government by its trading agencies. Non-tariff barriers would be reflected in this policy to source local products whenever possible.

Cuba normally follows Canadian and U.S. standards. ISO norms are widely used. Hospital equipment imports should be accompanied by a letter of origin.

Promotional Activities

Cuban importers depend on suppliers and technical seminars which are occasionally held in Havana under the sponsorship of selected exporters, and foreign or domestic trade shows for the latest information on the medical device industry.

Technical product information is usually stored in a medical publication library in Havana, and suppliers provide product information directly to the hospital for which the material is of interest.

Since 1983, Cuba has been organizing a bi-annual trade fair "Salud para Todos" (Health for All). The next fair takes place in April 1995 at Havana's exhibition centre, Pabexpo. Many Canadian firms have been active at 'Health for Al,' and the Canadian Embassy has an information booth at the show, with product brochures from many Canadian companies on display.

Canadian suppliers are encouraged to participate in Health for All. It has proven an excellent, cost-effective gateway to the Cuban healthcare market for both established and new suppliers.

The Embassy also recommends participation in the Havana International Fair which alternates with "Health for All". Visits to local buyers are more important than ever, since Cubans cannot afford to travel out of the country.

Contacts

Orlando Romero
Director
Medicuba
Monte No. 1
La Habana Vieja
Havana, Cuba
Fax: 35-8516

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Calle 30, No 518,
Miramar, Havana,
Republic of Cuba

Mailing address:
Commercial Division
P.O. Box 500 (HVAN)
Ottawa, Ontario
KIN 8T7
Tel: (011-53-7) 33-2516/17/27, 33-2382, 33-2752
Fax: (01153-7) 33-2044/33-1069

EL SALVADOR

Market Assessment

In 1991, the market for medical products and equipment in El Salvador amounted to US$114.5 million of which imports accounted for US$110 million.

Tariff rates are decreasing, thereby forcing local manufacturers to become more efficient. The government hopes to allocate more resources to the health sector and build more hospitals, and importers are expanding their product lines to capture a greater share of the market at both the local and Central American levels. In view of these economic policies, medical device imports are expected to rise.

There is very little local production; the U.S., Germany and Japan are the main source of imports. Canadian companies have not yet penetrated the Salvadorian medical devices market to any significant extent, but buyers have expressed interest in sourcing high-quality, competitively priced products in Canada.

Disposable products rank among the top imports (49.4 per cent), followed by laboratory products (17.3 per cent), medical equipment maintenance products (12.2 per cent), optical products and equipment (7.6 per cent), radiology products and equipment (6.2 per cent), general medical products (3.4 per cent), and orthopaedic and traumatology equipment and products (1.4 per cent).

Buyers and Distribution Channels

Traditionally, the Ministry of Health has been responsible for procurement of medical devices for public healthcare facilities. However, this policy is slowly changing.

The government has short-term plans to allow each region of the country to make its own purchases, thereby freeing the government to concentrate on planning, supervision and regulation of state health centres.

There are a variety of commercial relationships between Salvadorian private enterprises and foreign companies. These include:

- Exclusive dealers. Exclusivity may extend to all Central American countries.
- Independent distributors. Trademark rights without exclusivity.
- Intermediaries. Act as communication channels between the foreign producer and local consumers.
- Exclusive representative. Multinational enterprise establishes itself in El Salvador to sell its trademark products directly to customers or users without an intermediary.
- Exclusive representatives of multinational enterprises. The representative sells to wholesalers and large institutions; in some cases, they give local distributors exclusive rights to a product in order to take advantage of the distribution channels the latter already has in place.

For purchases by public institutions, price is the major determining factor since funds are limited; however, private institutions' purchasing decisions are based mainly on quality considerations.

Commitment to the market is crucial to a good and lasting relationship between Salvadorian importers and foreign suppliers. Any Canadian company hoping to penetrate this market should be prepared to visit the Salvadorian dealer at least once a year, as well as to offer training in the handling and use of new medical equipment.

Contacts

The following associations represent firms that import and produce medical devices.

Asociacion Savadorena de Industriales (ASI)
Calle Roma y Calle Liverpool, Col. Roma
Apartado postal (06) 48
San Salvador, El Salvador
Tel: 23-77-88, 23-70-33 Fax: 23-29-94

Camara de Comercio e Industria de El Salvador
9a Avenida Norte y 5a Calle Poniente
Apartado postal 1640
San Salvador, El Salvador
Tel: 71-20-55 Fax: 71-44-61

Corporacion de Exportadores de El Salvador (COEXPORT)
Condominio y Calle Mediterraneo Edificio A-23
Col. Jardines de Guadalupe
San Salvador, El Salvador
Tel: 23-18-88 Fax: 98-09-51

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
13 Calle 8-44, Zona 10,
Edyma Plaza, 8th Floor
Guatemala City 01010
Republic of Guatemala, C.A.

Mailing address:
P.O. Box 400
Guatemala City,
Republic of Guatemala, C.A.
Tel: (011-502-2) 336102/04
Fax: (011-502-2) 336189

JAMAICA

Market Assessment

The Jamaican government is in the process of upgrading and refurbishing much of the country's healthcare facilities. However, although these projects present good opportunities for Canadian suppliers, they are almost entirely dependent on loans from international financial institutions such as the World Bank and InterAmerican Development Bank (IADB).

Invitations to bid are issued periodically and information is made available to Canadian firms through the regional offices of the international trade centres.

For example, a recent tender for an IADB-financed project called for approximately 6,000 individual items, including radiographic/fluoroscopic imaging systems, electrodiagnostic equipment, sterilizers, medical gases and vacuum support hardware, laboratory and pharmacy systems and equipment, examination lights, physical medical systems, and general medical systems and equipment.

Procurement of all medical devices under these internationally funded projects for public hospitals is managed by the Projects Division of the Ministry of Health.

In 1992, Jamaican medical device imports were valued at US$7.8 million. Disposable items, including syringes, gauze, bandages, surgical gloves, thermometers, etc., account for 20 to 25 per cent of the market. Except for hearing aids, all medical devices are imported. Capital Hearing Services, an affiliate of the Jamaica Association for the Deaf, assembles hearing aids imported from Starkey Labs Canada Ltd.

Jamaica imports 63 per cent of its medical devices from the U.S., 15 per cent from the U.K., 1.5 per cent from Canada, and the remainder from Asia and Europe.

Buyers and Distribution Channels

Jamaican public sector buyers have very little funds for capital expenditures. Typically, they procure disposable items from local distributors, through the government medical stores.

Local industry is not on the leading edge of medical device technology, but importers are interested in exploring possible business relationships, and are willing to carry competitive Canadian products. The Commercial Division of the High Commission in Kingston can assist in identifying qualified prospects and arranging appointments for business visits.

Business Environment

The most common terms of payment are Letter of Credit, sight draft, terms draft, and open account. Suppliers are advised to investigate the credit rating of prospective clients prior to extending credit facilities. CIF Kingston quotations (in English) in American or Canadian funds are required.

Market Access

In Jamaica, the rate of import duty on medical devices/equipment is 10 per cent (CIF value).

There are no specific environmental regulations governing medical waste packaging or disposal, and no local certification requirements.

Promotional Activities

Generally, public sector buyers do not have sufficient funds to attend trade fairs. However, sponsorship programs by foreign firms/governments provide some assistance. Two Jamaican representatives attended the 1992 South Florida Healthcare Conference in Miami in response to invitations from the Canadian High Commission in Jamaica. The conference provided Canadian participants with an opportunity to meet potential clients from Florida, Jamaica and Trinidad.

Local buyers depend on catalogues, magazines, journals, seminars, conferences, and trade shows for information on new products and technology.

Contacts

Projects Division
Ministry of Health
3a Dumfries Road
Kingston 10, Jamaica
Tel: (809) 968-1482

Island Medical Stores
17 Bell Road
Kingston 11, Jamaica
Tel: (809) 923-4964

Dr. Barry Wint
Chief Medical Officer
Ministry of Health
10 Caledonia Avenue
Kingston 5, Jamaica
Tel: (809) 926-9220

FOR FURTHER INFORMATION CONTACT:

CANADIAN HIGH COMMISSION
30-36 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

Mailing address:
P.O. Box 1500
Kingston 10, Jamaica, W.I.
Tel: (809) 926-1500
Fax: (809) 926-1702

MEXICO

Market Assessment

Over the past decade, Canadian exports of medical devices to Mexico have increased significantly from C$392,000 in 1988 to C$1.6 million in 1992. Opportunities for Canadian exporters are expected to expand in response to the government's commitment to provide healthcare services to a wider population and to liberalize trade policies.

Over the past few years, Mexico's medical devices market has grown rapidly at an average annual rate of 27 per cent.

Imports play a major role in apparent consumption. In some market segments, medical equipment imports cover total demand, in the absence of any domestic production.

In 1992, medical device imports represented 37 per cent (US$203 million) of a total consumption supply of US$561 million. Exports are expected to continue to outpace local production as end-users push for more technically advanced and higher-quality equipment.

The U.S. is the major supplier of the Mexican medical devices market, although its market share has declined from 71 per cent in 1989 to 59 per cent in 1992.

The U.S.'s success is largely due to its proximity to the market, as well as its reputation for quality products and after-sales service. German (17 per cent) and Japanese suppliers (10 per cent) are gaining ground due to aggressive market penetration. Switzerland, France and Italy each have a 2 per cent market share.

Medical devices which have good sales potential in Mexico include ultrasound, respiration therapy, electro-cardiography, electrosurgery, laser, resuscitation, X-ray, and blood transfusion and IV equipment, incubators, anaesthesia and surgical needles, otorhinolaryngology units, intravenous catheters, ophthalmological instruments, syringes, vascular access sets, catheters, surgical thread, surgical blades, and abdominal pads.

Buyers and Distribution Channels

The Ministry of Health (Secretaria de Salud-SS) and the Mexican Social Institute (Instituto Mexicano del Seguro Social-IMSS) are the largest purchasers of medical devices. Buyers consider leading edge technology, quality, price, financing, availability of spare parts, technical support and after-sales service when purchasing medical devices.

With the establishment of NAFTA, it is possible that Canadian and U.S. manufacturers may establish joint ventures with local companies or establish assembly facilities in Mexico to produce more technically advanced medical devices.

In selling to Mexico, Canadian companies are advised to visit the market personally and engage the services of a local agent/distributor who is familiar with local business customs. Invariably, a local resident agent/representative is required to sell to Mexican health agencies.

Canadian manufacturers are also encouraged to consult the comprehensive market study "Medical Equipment and Supplies," available through "InfoEx" Ottawa, for further information and marketing contacts in Mexico.

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
Calle Schiller No. 529,
Colonia Rincon del Bosque,
11580 Polanco,
Mexico, Mexico

Mailing address:
Apartado Postal 105-05
11580 Mexico, Mexico
Tel: (011-525) 724-7900
Fax: (011-525) 724-7982

PANAMA

Market Assessment

Although the institutional medical devices market in Panama is not significant, the Colon Free Zone is the second largest free trade area in the world, and serves as a distribution and warehouse centre for hundreds of manufacturers selling into South and Central America.

There is no local production of institutional medical devices and the main suppliers include the U.S., Germany, Colombia, and Spain.

Business Environment

Canadian exporters should quote in U.S. funds and send promotional material in Spanish and English.

Buyers and Distribution Channels

In Panama, an agent is necessary to conduct business; direct distribution is the most common distribution channel.

Promotional Activities

Local buyers receive product information directly from their agents and exporters, and are interested in obtaining promotional material from Canadian medical device manufacturers.

EXPOMEDICA is one of the most important medical device and equipment trade fairs, and provides distributors, agents and wholesalers with information on current medical products and technology. EXPOMEDICA is held every two years (1995) at the Atlapa Convention Centre.

Contacts

Camara de Comercio de Panama
P.O. Box 74 Zone 1
Ciudad de Panama, Panama
Tel: (507) 25-08-33/25-36-53

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
(see Costa Rica)

TRINIDAD AND TOBAGO

Market Assessment

The institutional medical devices market in Trinidad-Tobago is estimated at C$10 million for capital equipment and C$6 million for disposable items. Most imports are sourced from American, European and Japanese companies. Many of these suppliers have established local agents with equipment maintenance capability.

Local buyers look favourably on Canadian suppliers because of their high level of after-sales service.

The government's proposal to build several new hospitals should result in the procurement of approximately C$3 to C$4 million in medical devices and equipment. A recent purchase included C$2 million for medical instruments and C$0.3 million for medical furniture.

The home healthcare medical devices market is valued at approximately C$4 million, with wheelchairs and physiotherapy devices among the best sales prospects.

The U.S., U.K., Switzerland, Germany, and Japan are the dominant foreign suppliers.

Business Environment

Prices should be quoted in Canadian currency. Typical commission rates and payment terms are 5 to 15 per cent for institutional medical devices and 25 to 40 per cent for home healthcare medical devices.

Buyers and Distribution Channels

The National Hospital Management Committee (Ministry of Health) is responsible for procuring medical devices for government healthcare facilities. Procurement is by open tender 90 per cent of the time.

For home healthcare medical devices, Canadian suppliers should seek the services of a local agent/distributor to represent them in the market.

Market Access

Local certification requirements (ISO 9000) were introduced in 1993.

Promotional Activities

Local buyers depend on two U.S.- based medical journals "Medical Product Sales" and "Hospital Purchasing News" for the latest in medical device technology.

EXPO is the largest Caribbean trade show for medical device products and is held bi-annually in Port of Spain. The next trade fair is scheduled for spring 1996. As well, buyers from Trinidad and Tobago source medical devices at American trade shows.

For agents who represent home healthcare medical devices, NAIDEX (held annually in London in September) and MEDICA (Dusseldorf, November 1994) are among the top trade fairs.

Contacts

The Permanent Secretary
Ministry of Health
Barataria, Trinidad, W.I.

FOR FURTHER INFORMATION CONTACT:

CANADIAN HIGH COMMISSION

Huggins Building
72 South Quay,
Port-of-Spain,
Republic of Trinidad

Mailing address:
P.O. Box 1246
Port-of-Spain,
Republic of Trinidad
Tel: (809) 623-7254
Fax: (809) 624-6440/624-4016

Section 5

Asia Pacific

Market Reports:

AUSTRALIA, Canberra

HONG KONG, Hong Kong

INDONESIA, Jakarta

JAPAN, Tokyo

MALAYSIA, Kuala Lumpur

SINGAPORE, Singapore

SOUTH KOREA, Seoul

THAILAND, Bangkok

AUSTRALIA

HOME HEALTHCARE MEDICAL DEVICES

Market Assessment

As Australia looks for ways to cut its universal healthcare costs and relieve pressure on hospital beds, Canadian export-ready companies will have an excellent opportunity to enter the home healthcare market on the ground floor.

Australia is facing the greying of its population. Current estimates show that, despite accounting for less than 10 per cent of the population, those over 65 consume 40 per cent of all healthcare expenditures. By 2001, it is estimated that the "senior" population will account for nearly 50 per cent of the A$20 billion annual healthcare budget.

As the aging population puts pressure on the country's universal healthcare program, the government is looking at introducing Australians to home healthcare.

Although Canada has not been a major player in the Australian medical devices market, which is dominated by the U.S., U.K., Japan, and Germany, the introduction of home healthcare would present aggressive Canadian medical device companies with an opportunity to get a toehold in the market while still in its infancy.

However, it should be noted that although it appears the time is right to introduce Australians to home healthcare, Canadian companies will find it a challenging market until the government firmly establishes home healthcare policy.

With the Australian government's attention being directed towards health promotion, there could be a strong market for home testing kits that monitor pregnancy, bowel cancer and high blood pressure, for example.

Market Access

Nearly all products for home healthcare use must be registered with the Commonwealth Department of Health through the Medical Devices and Dental Products Branch.

Products are registered on the National Register of Therapeutic Devices; some products may require pre-market evaluation or must meet with the appropriate Australian standards.

Therapeutic products are categorized as "designated" (I.U.D. contraceptive devices, intraocular lenses, pacemakers, etc.) or "non-designated" (bandages, sutures, etc.) devices. The former must be evaluated prior to registration whereas the latter are simply listed. There is an annual fee to cover registration and evaluation costs.

Canadian companies that wish to list with the registry must have an Australian sponsor/agent. Local agents should be familiar with Australian requirements for medical devices.

Test certificates from the Canadian Standards Association or approval from Canadian or U.S. health authorities do not automatically guarantee entry into the Australian market. Further testing may be required.

Promotional Activities

HOSPMEDEX
Total Concepts Exhibitions Pty Ltd.
49 Hume Street
Crows Nest, N.S.W. 2065
Tel: (02) 436-3266 Fax: (02) 439-7040

MEDITEX
BPI Exhibition
162 Goulbourn Street
Darlinghurst, N.S.W. 2010
Tel: (02) 266-9799 Fax: (02) 267-1223

Pharmacy Fair
Pharmacy Guild of Australia
79 Lithgow Street
St. Leonards, N.S.W. 2065

Aides and Appliances Expo
Tamworth Base Hospital and Health Services
P.O. Box 83
Tamworth, N.S.W. 2340

Contacts

New South Wales Department of Health
Physical Aids for the Disabled Programme
McKell Building, Rawson Place
Sydney, N.S.W. 2000
Tel: (02) 217-5878

National Register of Therapeutic Goods
Department of Community Services and Health
GPO Box 9848
Canberra, ACT 2601
Tel: (062) 860-249 Fax: (062) 816-946.

Pharmacy Guild of Australia
79 Lithgow Street
St. Leonards, N.S.W. 2065
Tel: (02) 438-3333 Fax: (02) 439-5625

FOR FURTHER INFORMATION CONTACT:

CANADIAN CONSULATE GENERAL
Level 5, Quay West
111 Harrington Street
Sydney, N.S.W.,
Australia 2000
Tel: (011-61-2) 364-3000
Fax: (011-61-2) 364-3098

HONG KONG

Market Assessment

The Hong Kong medical devices market presents good opportunities for Canadian exporters, particularly in the areas of rehabilitation equipment, hospital furniture and operating theatre equipment. In addition, procurement is underway for two new, 1,500-bed hospitals.

The institutional medical device market in Hong Kong is estimated at C$1.40 billion (70 per cent of the total 1993/94 budget) for capital equipment and C$0.60 billion (30 per cent of the total 1993/94 budget) for disposable items.

Over the last several years, the home healthcare market -- valued at approximately C$2 million -- has grown by nearly 15 per cent annually. Opportunities are strongest for rehabilitation products, medical-use furniture, respiratory products, self-diagnostic equipment, and first aid products such as stretchers.

Hospitals in Hong Kong fall into one of three categories: government (wholly government funded), subvented (partially government funded) and private. There are 36 government and subvented hospitals with approximately 23,000 beds.

The Government Supplies Department is responsible for co-ordinating procurement in government hospitals. Tenders are prepared and released to local bidders for purchases between C$3,3000 and C$216,667 per order. Tenders for purchases over C$216,667 are released to foreign bidders through the GATT system.

Subvented and private hospitals are responsible for their own purchase requirements, either by tender or direct order.

Nearly all institutional and home healthcare medical devices are imported. The exceptions are furniture and disposable items, including hospital beds, wood/steel furniture, 30 per cent of which are manufactured locally by small companies employing between 2 and 20 workers.

Buyers depend on local agents/distributors, as well as technical journals, symposia, and trade commissions for information on the latest medical technology. Trade fairs are uncommon; symposia are normally organized for medical specialists, with information disclosed to the medical community only.

The top three suppliers of the institutional and home healthcare medical devices markets in Hong Kong are the U.S., U.K. and Taiwan, followed by Japan, Holland, Germany, and Denmark. Major imports include rehabilitation equipment, respiratory products, ostomy products, ultrasound scanners, haematology analyzers, and self-diagnostic kits.

Business Environment

To be successful in this market, Canadian exporters must ensure that products are market-oriented and priced competitively. Follow-up after initial contact with potential buyers is also essential. Buyers also look for suppliers that can offer product training, prompt delivery and service support.

Prices should be quoted in U.S. currency. Payment terms could vary from open account (normally US$10,000/ order for new purchases with buyer's bank reference up to US$100,000/order for regular purchase) to Letter of Credit. Net prices ex-factory or FOB Hong Kong will be quoted by manufacturers for agency mark-up.

It is essential that a binding contract be established between the local distributor(s)/agent and manufacturers.

Buyers and Distribution Channels

Canadian companies should secure a local agent to represent them in Hong Kong. The major agents are:

- 3-MED Medical Supplies Company Limited
- Anchor Medical Services Limited
- Blooming Company
- Fitness Concept Limited
- Goodman Health Care Limited
- Goodwin Health Care Limited
- Hong Kong Oxygen & Acetylene Company
- J & L Medical Company Limited
- Jardine Danby Limited
- Medisport Limited
- Multilink International Limited
- Wellchem Pharmaceutical

Market Access

Intellectual property protection exists in Hong Kong but is weak in China. Environmental regulations for medical products are under development.

Although certification is not mandatory except for X-ray, radioactive and pharmaceutical products, it could help in promoting buyers' confidence. Local agents and buyers usually check products against certification standards such as FDA, BS, IEC601 and JIS.

Promotional Activities

Buyers "shop" at INTERHOSPITAL in Hannover, Germany and the medical show in Atlanta, Georgia. Canadian exporters should also consider advertising in the following medical business periodicals:

- *Asian Hospital*, Hong Kong
- *Rehabaid*, Hong Kong
- *International Hospital Equipment*, Belgium
- *Homecare*, California, U.S.A.
- *McKesson Home Health Care*, California, U.S.A.

Contacts

For information on certification of X-ray, radioactive an pharmaceutical products, contact:

Government Supplies Department
Procurement Division
12 Oil Street
North Point, Hong Kong
Telex: 61675 HKGSD HX Fax: 807-2764

FOR FURTHER INFORMATION CONTACT:

COMMISSION FOR CANADA
G.P.O. 11142
Hong Kong, Hong Kong
Tel: (011-852) 847-7414
Fax: (011-852) 847-7441/810-6736

INDONESIA

Market Assessment

In the last decade, improved healthcare facilities have lowered mortality rates in Indonesia. However, despite these improvements, most health facilities are ill-equipped; larger hospitals are overutilized, and smaller hospitals are underutilized.

The government's current five-year plan emphasizes the consolidation of underutilized facilities and the improvement of equipment at remote facilities. Therefore, export opportunities in the Indonesia medical devices market will depend directly on government initiatives over the next few years. Canadian firms are encouraged to visit the country and meet personally with physicians and Ministry of Health personnel to promote their products, and to register their products with the Ministry of Health.

To date, Canadian exporters have met with limited success in this market, mainly due to uncompetitive pricing.

The major suppliers of the Indonesian institutional and home healthcare markets are: Eschmann, Waldmann (Germany); Odam, MMS (France); Hitachi Chest Corporation (Japan); and Biomet and Topox Corporation (U.S.).

Market Access

The Indonesian government imposes a 10 to 20 per cent tariff on hospital and medical equipment.

Contacts

Ministry of Health
Jl. H.R. Rasuna Said Blok x.5, Kav. 4-9/8th Floor
Juningan
Jakarta, Selatin
Tel: (6221) 520-1588

Association of Indonesian Medical Doctors
Jl. Sam Ratulangi 29
Jakarta, Pusat
Tel: (6221) 327-499

Indonesia Development News
Sjamsoe Soegtio, Editor
Tel: (6221) 387-7412/3 Fax: (6221) 384-7603

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
5th Floor, Wisma Metropolitan 1
Jalan Jendral Sudirman Kav 29
Jakarta 12084, Republic of Indonesia

Mailing address:
P.O. Box 8324/JKS.MP
Jakarta 10110, Republic of Indonesia
Tel: (011-62-21) 525-0709
Fax: (011-62-21) 571-2251

JAPAN

Market Assessment

Canada is gradually increasing its share of Japan's medical devices market. Since 1992, for example, there have been major sales of Canadian imaging systems and peritoneal dialysis machines to Japan.

In 1991, Japan's medical instruments and equipment market was valued at over ¥1.3 trillion. Imports comprise 25 per cent of the total market, with the U.S. by far the leading supplier (61 per cent), placing well ahead of Germany (12 per cent), the U.K. (5 per cent), Switzerland (4 per cent), Ireland (3 per cent), Sweden (3 per cent) and Holland (2 per cent).

The healthcare industry is considered a growth market with imports expected to continue to rise.

According to a 1990 survey, medical instruments most widely owned by hospitals and clinics include ultrasound scanners, upper digestive tract fibrescopes, electro-encephalographs, electrocardiographs, X-ray machines, and pneuma-oxygenator.

The home healthcare industry is very large in Japan, and includes products that are not approved as medical devices. Because it is targeted at ordinary consumers, the home healthcare medical devices market has attracted both large and small companies from various industries, including major general manufacturers of household electrical goods, manufacturers of health devices and home-sales companies.

Products in the home healthcare category include electrically operated massagers, low-frequency and ultra short-wave therapeutic devices, electrical bubble-generating devices for bathtubs, and thermal treatment devices.

Buyers and Distribution Channels

In Japan, an import permit is required to import medical instruments and equipment. At the end of 1991, 883 companies had import permits.

Firms that import medical devices include:

- general trading companies or their subsidiaries
- specialist trading companies
- subsidiaries of foreign manufacturers
- joint ventures
- domestic manufacturers of medical instruments
- medical-instrument wholesalers
- companies that have entered the market from other industries

In recent years, general trading companies have organized their medical-instruments divisions into separate subsidiaries. General trading companies prefer to import large-scale items such as major laboratory testing equipment and are not adept at handling smaller disposable items.

There are approximately 20 specialist trading companies that handle a full range of medical instruments. The major companies include:

- Riko Shoji
- Niko Bio Science
- Amco
- IMI
- Sakura Seiki
- Nagase Sangyo
- Japan Focus
- Pasco

Specialist trading companies typically import medium-sized medical equipment such as laboratory testing machines and assaying equipment. The companies mentioned above also serve as domestic sales agents for more than 10 overseas suppliers.

Japan's major domestic medical instruments manufacturers typically have a trading division for purchasing and selling products in addition to those they manufacture. Like trading companies, they depend on overseas suppliers as sources of new technologies or for products to fill market needs. Manufacturers that handle imported products include Terumo, Nippon Koden, Fukuda Denshi, and Atom.

Japan's distribution modes are determined by product. For example, large-scale equipment is distributed mainly by direct sales, laboratory testing equipment by direct sales and wholesalers, disposable products by wholesalers, and dental instruments by dental-instrument wholesalers.

The distribution system for medical home healthcare products varies widely. Some manufacturers sell directly or supply products on an OEM basis; others sell through agents or wholesalers.

Major electrical appliance manufacturers such as Hitachi, Matsushita and Sharp distribute through their affiliated sales companies. These products are sold at large electrical, chain and department stores and at shops specializing in health equipment.

Manufacturers and suppliers specializing in therapeutic instruments for home care tend to distribute through wholesalers, home sales, mail-order companies and co-op stores. Home sales and mail orders represent 40 per cent of all retail sales. More expensive items tend to be sold through these channels. Recently, there has also been an increase in sales through large electrical stores and supermarkets/home centres

Market Access

Although foreign manufacturers can obtain a permit to import directly into Japan, to do so, it is necessary to have a representative who resides in the country. Therefore, it is normal to entrust import formalities to a domestic importer.

In addition to handling all administrative details, importers are also familiar with the provisions of the Drugs, Cosmetics and Medical Instruments Law, and can work through the regulations. They can also obtain import approval for new products. In response to requests from the U.S. and Europe, the Ministry of Health and Welfare has adopted a policy to eliminate domestic testing of imported medical instruments and equipment if the items pass quality tests in the exporting country. This policy is aimed at promoting importation of foreign-made medical instruments.

Promotional Activities

Most of the major local manufacturers do not advertise, as they feel their products are targeted at a limited and well-defined market. Detailing activities by manufacturers' representatives and sales engineers are the main vehicle to communicate about products to potential users. Advertising is limited mainly to print media such as medical journals and other professional publications. However, firms selling therapeutic instruments for home use advertise on television and in newspapers and weekly magazines.

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
7-3-38 Akasaka
Minato-ku
Tokyo 107, Japan
Tel: (011-81-3) 3408-2101
Fax: (G3 System) (011-81-3) 3470-7280/3479-5320

MALAYSIA

Market Assessment

The current Sixth Malaysian Plan (1991-1995) calls for upgrading and rehabilitation of 13 general and district hospitals. Approximately C$352 million has been set aside to provide specialist services in medicine, surgery, paediatrics, and obstetrics and gynaecology. A further C$676 million has been allocated to new hospital construction and medical equipment purchases, while C$76.5 million has been earmarked for the construction of new district hospitals.

Yearly expenditures on medical equipment are M$240 million, 80 per cent of which is spent by the government and 20 per cent by the private sector.

With the government's emphasis on improving and expanding healthcare facilities, there is considerable potential for Canadian suppliers in the institutional medical devices market. Best sales prospects include X-ray facilities, laboratory services, surgical equipment, electro-medical equipment, electro-cardiographs, and monitoring equipment.

Currently, imported medical devices include ultrasound equipment, surgical and orthopaedic instruments, patient monitoring systems for intensive care, automatic haematology analyses, automatic liquid handling systems, and CT scanners.

Traditionally, the government has been the major purchaser of medical devices, but in recent years the private sector has begun to build specialist clinics to meet the demand for specialized treatment. The government actively encourages private-sector participation in health care; currently there are approximately 15 private-sector hospitals in Malaysia with another 6 under construction.

The U.S., U.K., Germany, Australia, and Japan dominate the Malaysian medical devices market because of their reputation for high-quality, specialized technological products. Together, they account for 80 per cent of all imports Canada's share of the market is approximately 2 per cent.

Although Malaysia has begun production of some medical devices, mainly disposable accessories such as surgical blades, forceps, scissors, etc., the country lacks the technology and skilled labour to produce sophisticated equipment, and is entirely dependent on imports to meet domestic demand.

Buyers and Distribution Channels

Individual state hospitals are allocated a yearly budget for purchases of basic supplies and equipment. However, major purchases are put out for tender (invitation by open advertisement), and awarded on the recommendations of the Planning, Computer, Contract and Technical committees of the Ministry of Health.

Private sector hospitals have greater flexibility in purchasing. A committee comprising a specialist, physicians, nurses, and administrators evaluate the short-listed quotations and make the final selection.

For the most part, sales into the Malaysian market are made through a local distributor who should be registered with the Ministry of Health and dedicated to the development of the client-distributor relationship. It is also strongly recommended that the company have Malaysian content of which 30 per cent be owned by Bumiputeras (ethnic Malays). Although not an absolute requirement, Bumiputera companies are awarded a 10 per cent price advantage during government tenders.

Market Access

In Malaysia, a vigilant legal system regulates all business practices. There are currently no regulatory requirements for registration of medical devices and equipment; all medical equipment is recognized as long as it conforms to ISO, British or German standards. It appears, however, that the government will soon move to regulate the medical and healthcare industry.

Contacts

The following companies are the major players in the Malaysian medical devices industry:

Antah Sri Radin
3 Jalan 19/1
46300 Petaling Jaya
Selangor, Malaysia
Tel: (603) 756-7677 Fax: (603) 756-7390
Products represented: ultrasound equipment, surgical/diagnostic instruments, orthopaedic instruments/implants.

Schmidt Scientific
12th Floor, Wisma Mirama
Jalan Wisma Putra
50460 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel: (603) 242-7122 Fax: (603) 248-5143
Products represented: monitoring systems, non-invasive blood pressure monitoring, non-invasive diagnostics, automatic haematology analyzers, blood component technology equipment, automatic liquid handling systems, continuous passive motion units for post-surgery joint mobilization.

Jensen & Jensen
5, Jalan Bersatu 13/4
46200 Petaling Jaya
Selangor, Malaysia
Tel: (603) 756-2933 Fax: (603) 757-0642
Products represented: ICU monitoring systems.

George Kent (Malaysia)
2 Lorong 119/1A
46300 Petaling Jaya
Selangor, Malaysia
Tel: (603) 755-2455 Fax: (603) 756-6281
Products represented: urological and endoscopy instruments, blood transfusion apparatus.

HISCO
1, Lorong SS13/6A
Suband Jaya Industrial Estate
47500 Petaling Jaya
Selangor, Malaysia
Tel: (603) 733-4236 Fax: (603) 733-6281
Products represented: ultrasonic and ultraviolet equipment, surgical and diagnostic electro-medical apparatus.

General Electric Company Malaysia
Wisma GEC
Jalan 215, Templer
46050 Petaling Jaya
Salangor, Malaysia
Tel: (603) 791-1388 Fax: (603) 791-1886/792-1350
Products represented: CT scanners, radiotherapy and nuclear equipment.

Meditel Electronics
12A, Jalan 13/4
46500 Petaling Jaya
Selangor, Malaysia
Tel: (603) 794-1648 Fax: (603) 794-1652
Products represented: CT scanners, ICU monitoring systems.

Laboratory Equipment
8 Jalan SS15/8
Subang Jaya
47500 Petaling Jaya
Malaysia
Tel: (603) 733-4900 Fax: (603) 733-9750
Products represented: wide range of lab equipment such as Ph meters, microscopes, etc.

Gloverin
Lot 3, Jalan PJS 11/16
Bandar Suneay
46150 Petaling Jaya
Selangor, Malaysia
Tel: (603) 734-3562 Fax: (603) 733-7731
Products represented: package deal supplying medical equipment and supplies to both government and private hospitals.

For marketing intelligence on the medical devices market, write to:

Statistics Department
Wisma Statistik
Jalan Cenderasari
50514 Kuala Lumpur
Malaysia
Price: C$7.50

FOR FURTHER INFORMATION CONTACT:

CANADIAN HIGH COMMISSION
P.O. Box 10990
50732 Kuala Lumpur
Federation of Malaysia
Tel: (011-60-3) 261-2000
Fax: (011-60-3) 261-3428/261-1270

SINGAPORE

Market Assessment

In relation to other Southeast Asian countries, Singapore has a fairly advanced healthcare system. There are 20 public and private-sector hospitals, and two new hospitals are planned for completion by the end of 1994.

In 1991, the Singapore government committed over US$100 million to medical-related infrastructure projects, including upgrading several present hospitals and replacing outdated medical equipment. In order to satisfy the growing demand for high-quality healthcare facilities, both public and private hospitals are planning to increase their investment in medical equipment.

The best sales prospects are cardiology equipment, electro-medical apparatus and parts, advanced patient monitoring equipment, surgical and medical instruments and apparatus, and advanced cardiac output computers. Potential areas of growth include pulmonary, cardio-therapy, renal and imaging equipment.

The move towards privatization of government hospitals offers an open market to a larger number of suppliers. And where, historically, cost has been integral to the purchasing decision, the emphasis is now on the effectiveness of equipment.

Most medical equipment used in Singapore is imported. The U.S., Japan and Germany are the top suppliers, mainly due to their well established presence in the country and quality after-sales service.

Buyers and Distribution Channels

The key customers in Singapore for medical equipment are government and privately owned hospitals, healthcare centres, university medical centres, private physicians, and clinical laboratories.

Local representation is considered essential to success in the Singapore medical devices market. In most cases, a local agent or distributor approaches private end-users directly to promote the sales of products which they represent.

In the case of government hospitals, the purchase of medical equipment is centralized at the Biomedical Engineering Department, which buys equipment through the open tendering system.

The government encourages foreign companies to establish sub-contracting and regional service operations as a prelude to assembly and manufacture of specialized products locally.

Market Access

Medical device imports are free of any duties in Singapore. There is no testing or evaluation of imported medical equipment, but the Biomedical Engineering Department of the Ministry of Health tests medical equipment to be used in government health facilities.

Contacts

Ministry of Health
College of Medicine Building
16 College Road
Singapore 0316
Tel: (011-65) 320-9079 Fax: (65) 224-1677
Attn: Dr. Tan Chor Hiang
Director (Planning)

Singapore Medical Association
Outram Road
Singapore 0316
Tel: (011-65) 223-1264

Association of Private Practioners
Ground Floor, Housemen's Quarters
College Road
Singapore 0316
Tel: (011-65) 223-0316

FOR FURTHER INFORMATION CONTACT:

CANADIAN HIGH COMMISSION
IBM Towers, 14th Floor,
80 Anson Road,
Singapore 0207, Republic of Singapore

Mailing address:
P.O. Box 845
Singapore 9016, Republic of Singapore
Tel: (011-65) 225-6363
Fax: (011-65) 225-2450; 226-1541 (Commercial)

SOUTH KOREA

Market Assessment

With an annual growth rate of 41.8 per cent between 1987 and 1991, and a forecasted growth rate of between 10 and 15 per cent to 1996, the Korean medical devices market presents strong potential for Canadian suppliers.

In 1991, the medical devices market was valued at C$668 million, 71.7 per cent of which was satisfied by imports. By 1996, the market is expected to top C$860 million. As the trend to consolidating small and medium sized hospitals into larger, modernized facilities continues and as life expectancy and bed nights per patient continue to increase, the demand for imported medical devices will also continue to grow.

Products with excellent sales potential include surgical instruments, orthopaedic instruments and implants, oxygenator, diagnostic apparatus, anaesthesia apparatus and oxygen tents, infant incubators and respirators, volume controlled respirators, intermittent positive pressure breathing units, medical and dental X-ray and nebrilizers, blood gas analyzers, ultrasonic diagnostic and therapeutic equipment, MRI equipment, CT scanners, pulmonary function analyzers, automated blood chemistry analyzers, automated blood cell counters, cardiac pacemakers, heart-lung machines, and patient monitoring systems.

The strength of Korea's domestic medical devices industry lies mainly in disposable items, with syringes, sutures and latex gloves accounting for the majority of local production and exports.

With a 45 per cent market share, Japan is the principal supplier of medical devices to South Korea, mainly due to competitive pricing, product exposure, after-sales service capabilities, availability of parts, and training facilities for South Korean equipment operators.

For example, Hitachi, Toshiba and Shimadzu account for 45 per cent of all diagnostic image equipment imports, while Nihon Kohden and NEC-Sanei supply 30 per cent of all patient monitoring systems.

The U.S. is the second largest supplier with a 39 per cent market share. American firms are well known for their state-of-the-art equipment, which has a reputation in Korea for reliability, accuracy and durability.

Canadian medical device firms that have already established themselves in the U.S. should be able to use their links to U.S. hospitals and medical university installations to advantage in South Korea.

Business Environment

Although quality and durability are slowly being factored into Koreans' purchasing decisions, price remains the prime consideration.

Generally, imports are financed through an at-sight Letter of Credit. Canadians are advised to be wary of buyers who suggest delayed methods of payments, particularly for initial transactions.

Due the high cost of financing, few agents or distributors are able to maintain substantial inventories, and are unable to take advantage of credit terms which a supplier may offer.

Buyers and Distribution Channels

Local presence in any form is essential for success in this market. Although few Canadian companies will want to open their own office in Korea, an effective agent is necessary to secure sales. Agents have proficiency in the Korean language (English is understood but not widely spoken), are able to respond quickly to inquiries and make regular and consistent sales calls necessary to generate sales.

An agent should already represent complementary products. A small turnover will increase the agent's markup and reduce the competitiveness of the supplier's products. Similarly, if the products are too diverse, the agent will divide his efforts among too many different industries and fail to serve any of them effectively.

Among domestic manufacturers there is an extreme shortage of expertise and resources to meet the rising demand for advanced medical equipment. Because local competition in most areas is limited, Canadian companies would have considerable advantage over their domestic counterparts.

An aggressive, competitive and competent Canadian company allied with a strong local partner in a joint venture could very easily become a major player in this industry within a very short time.

Although generally capable, the medical devices industry has met with little success in transferring leading-edge technology and a Korean company's ability to absorb a particular technology should be carefully considered. The government further encourages technology transfer to Korea for certain medical devices by offering Korean partners low-interest loans, tax reductions and other non-financial considerations.

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
10th Floor, Kolon,
45 Mugyo-Dong, Jung-Ku
Seoul 100-170, Republic of Korea

Mailing address:
P.O. Box 6299
Seoul 100-662, Republic of Korea
Tel: (011-82-2) 753-2605/8; 753-7290/3
Fax: (011-82-2) 755-0686

THAILAND

Market Assessment

Thailand supports both private and public sector medical facilities. Private sector hospitals offer mainly curative medicine and are concentrated in the Bangkok metropolis. Among private healthcare facilities there are 258 general and 43 specialized hospitals.

In the metro Bangkok area, there are 5 university hospitals, as well as 22 special institutions and 32 general hospitals. There are also 72 provincial and 680 district hospitals throughout Thailand, in addition to 17 regional referral centres.

Buyers and Distribution Channels

Physicians' preferences play a major role in medical equipment procurement policy. Generally, senior physicians at individual hospitals specify the type and source of medical devices which they require and submit their preferences to the Regional Hospital Division of the Ministry of Public Health which is responsible for overseeing all purchases.

Price is a critical factor in public hospital purchases.

In large private hospitals procurement procedures are very formalized, with a consultive committee, consisting of a physician, chief medical officer and a representative from the purchasing office, making the final decision. In many cases, the hospitals are contacted directly by the agent/supplier.

In smaller private hospitals, physicians network to find reliable equipment sources and then pass their requirements to a purchasing unit which then sends the request to a local supplier or agent.

Price, financial terms, guarantees, and after-sales service figure prominently in purchasing criteria.

Contacts

Ministry of Public Health
Provincial Hospitals Division
Office of the Permanent Secretary for Public Health
Wang Devavesm
Samsen Road
Bangkok 10200
Tel: (011-66-2) 281-6560 Fax: (011-66-2) 282-2889

Bangkok Medical Trader Association
1/14 Krung Kasem Road
Bangkok 10100
Tel: (011-66-2) 222-4339

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
The Bonmitr Building,
12th Floor, 138 Silom Road,
Bangkok 10500, Kingdom of Thailand

Mailing address:
P.O. Box 2090
Bangkok 10500, Kingdom of Thailand
Tel: (011-66-2) 237-4126
Fax: (011-66-2) 236-6463

Section 6

Africa and the Middle East

Market Reports:

KENYA, Nairobi

MOROCCO, Rabat

SOUTH AFRICA, Pretoria

KENYA

Market Assessment

Canadian healthcare products and services are highly regarded in Kenya. However, because there is little knowledge about Canada's export capability, Canada does not have a strong presence in this market.

With the exception of disposable syringes, there is no domestic production of medical devices. Germany, the U.K., Japan, India, and South Korea are the major suppliers of the medical device market which is valued at approximately C$8 million.

Of the approximately 39,400 hospital beds in Kenya, 70 per cent are provided by the public sector and 10 per cent by the private sector. Individual institutions are responsible for purchasing; however, purchases by government hospitals/institutions above C$100 are through open tender.

Buyers rely on overseas technical journals and trade fairs to supply information on the latest technology.

Business Environment

Canadian exporters are encouraged to approach the Kenyan medical device market through local agents/distributors, and to consider joint ventures.

Market Access

Medical devices are exempt from import duties and also zero rated for value-added tax purposes. Kenya has a national patents office to protect intellectual property. The Kenya Bureau of Standards provides local certification requirements, and the Director of Medical Services, Ministry of Health, P.O. Box 30016, Nairobi, oversees the regulatory certification process.

Promotional Activities

Increased exposure is vital to Canada's success in this market. Therefore, the Canadian High Commission in Nairobi will propose a Kenyan mission to Canada in the future.

Contacts

Agents/Distributors

Mr. J. Kimeria
Invalid Equipment
P.O. Box 48840
Nairobi

Mr. James Waiboci
Anant (Africa) Ltd.
P.O. Box 44581
Nairobi

Mr. Chris Gitonga
Kencity Pharmacy (1977) Ltd.
P.O. Box 52078
Nairobi

Mr. R.C. Shah
Bakpharm Ltd.
P.O. Box 53442
Nairobi

Mr. George McKnight
Nairobi Dental Supply Co. Ltd.
P.O. Box 40875
Nairobi

Mr. Matthew Ndirangu
Batian Dental Supply Ltd.
P.O. Box 54105
Nairobi

Labomet Ltd.
P.O. Box 46676
Nairobi

Nairobi Enterprises Ltd.
P.O. Box 43472
Nairobi

Dental Distributors Ltd.
P.O. Box 41873
Nairobi

Medipharma Ltd.
P.O. Box 12822
Nairobi

Major Hospitals/Institutions

Ministry of Health
Medical Supplies Unit
P.O. Box 20750
Nairobi

Department of Defence
Ulinzi House
P.O. Box 40668
Nairobi

Professor Julius Meme
Kenyatta National Hospital
P.O. Box 14037
Nairobi

Mrs. B. Diamond
Nairobi Hospital
P.O. Box 30026
Nairobi

Mr. Dharna
Aga Khan Hospital
P.O. Box 30270
Nairobi

M.P. Shah Hospital
P.O. Box 14497
Nairobi

Guru Nanak Memorial Hospital
P.O. Box 36612
Nairobi

Mater Misericordiae Hospital
P.O. Box 30325
Nairobi

FOR FURTHER INFORMATION CONTACT:

CANADIAN HIGH COMMISSION
Comcraft House, Hailé Sélassie Avenue,
Nairobi, Republic of Kenya

Mailing address:
P.O. Box 30481
Nairobi, Kenya
Tel: (011-254-2) 214-804
Fax: (011-254-2) 226-987/216-485

MOROCCO

Market Assessment

The overall budget of the Ministry of Public Health for 1994 is approximately C$500 million of which C$98 million is devoted to capital expenditures. The growth areas are believed to be radiology, cardiology, ortho-rhino-laryngology (ORL), gastrology, fibroscopy and laboratory equipment.

Domestic production of medical equipment is quite limited. Only beds, technical equipment and some basic radiology equipment are produced locally, while 95 per cent of the medical equipment is imported. There are only four local industries. One in radiology, one in bedding and two in technical equipment. The Ministry does not import directly from foreign suppliers but rather operates by way of local distributors of medical equipment who take charge of supply.

Most of the imports are from Europe: furnishings from France and instruments from Germany, Holland and Italy. Japan supplies radiology equipment, and the United States, laboratory equipment. About three-quarters of the Health Ministry's budget is supplied by the World Bank.

No local certificates are required. However, the Ministry of Public Health has the responsibility to ensure that the equipment is already approved. ISO standards will be required shortly and the Ministry of Public Health is on the verge of creating a standardization service. Morocco also has laws on the protection of intellectual property. A patent must be obtained by anyone opening a business fund. In order to participate in tender calls, bidders must supply administrative documents such as tax collection attestations, proof of insurance, bank statements, etc. A number of multinationals are quite active in the medical equipment sectors.

Business Environment

Morocco has a university hospital in Rabat (Ibn Sina) and one in Casablanca (Ibn Rochd), and about 100 hospitals dispersed throughout its cities and towns. There are also 1,200 dispensaries and health centres in the rural zones. The total number of beds is about 27,000. Each hospital has at least 15 specialized services such as surgery, resuscitation, traumatology, oncology, nephrology, endocrinology, ophthalmology, transfusion, ORL, dermatology, psychiatry, pneumology, gastrology, gynaecology, and cardio-vascular.

The hospitals obtain supplies directly from the Ministry of Public Health, which is responsible for the purchase of equipment. Each hospital sends an estimate of its requirements to the Ministry of Public Health, which distributes the budget to the various hospitals and health centres according to priorities. The Equipment Division of the Ministry of Public Health makes between six and eight tender calls per year, two or three of them international. The Ministry may consult directly when only one supplier exists for a given item.

There is very little trade between Morocco and Canada in medical equipment and little awareness of Canadian supplies either in the public or private sectors. Local representatives are not well informed about Canadian health technologies and Canadian companies must be technically and commercially more aggressive. Canada's presence in Morocco is quite recent and involves mainly pharmaceutical products. In all, Canada has helped to train medical personnel, for example, by way of an exchange between the Canadian Institute of Health Adminstration and the Moroccan Ministry of Public Health

Foreign suppliers are moderately satisfied with the after-sale service usually provided by local distributors, except in the case of some radiology equipment, where excellent after-sale service exists.

The most common form of payment is an irrevocable letter of credit. Distributors' commissions are about 25 per cent. Customs tariffs are around 35 per cent, except for certain items such as instrumentation, which are tax-free. The tax is quite low on some equipment, i.e. 12 per cent on radiology equipment. There are no quotas. Local companies are open to partnership, especially in radiology, laboratory and cardiology.

Buyers and Distribution Channels

Moroccan distributors of medical equipment have available catalogues on new technologies which the buyers use for reference.
The best-known national catalogues are:
- UGAP (French)
- Made in Europe
- International Hospital Equipment (American)

Buyers are also kept informed of new technologies by taking part in numerous events such as the medical fairs in Morocco (Medical Expo), and in France (Hospital Expo and Intermedica), as well as by attending seminars, medical congresses and open houses. In order to increase their market share, foreign companies emphasize direct contact with Moroccan medical personnel and participate in local medical congresses.

Contacts:

There are no professional associations of suppliers and/or importers of medical equipment.

FOR FURTHER INFORMATION CONTACT:

CANADIAN EMBASSY
13 bis, rue Jaafar As-Sadiik
Rabat-Agdal
Kingdom of Morocco

Mailing address:
C.P. 709
Rabat-Agdal
Kingdom of Morocco
Tel: (011-212-7) 67-28-80
Fax: (011-212-7) 67-21-87

SOUTH AFRICA

Market Assessment

The market for medical devices is estimated at US$ 250 million, with an annual growth rate of 5 per cent. With up to 15 major suppliers offering medical equipment and products, as well as over 60 agents and distributors, the South African market is sophisticated and extensive, and offers over 500 trade names from which to choose.

Local manufacture is limited to hospital furniture, medical disposables, orthopaedic products, and other general medical equipment.

The United States is the main supplier of this market (30 percent), followed by Germany (25 per cent), Japan (20 per cent), and the U.K. (10 per cent).

U.S. suppliers with subsidiaries in South Africa include: Abbott Laboratories, Johnson & Johnson Professional Products, Meditech, 3M South Africa, and S.A. Cynamid. Hewlett-Packard operates through the local company Hi Performance Systems, and General Electric through its agents Bromat Medical (Pty) Ltd.

Best sales prospects include: ambulatory ECG recorders; ambulatory blood pressure monitors; cerebral function monitors; diagnostic ultrasound equipment; ECG cardio-pulmonary equipment; electro-consulsant equipment; heart-lung machines; mobile diagnostic equipment; and pre-packaged medical disposables.

Buyers and Distribution Channels

There are more than 80 medical equipment suppliers in South Africa. Ten are foreign subsidiaries, and of these five are American. Another 10 are local manufacturers and the balance are agents and distributors.

State-owned hospitals usually invite tenders, while private hospitals, clinics, individual physicians, and hospitals run by mining companies normally buy from agents and distributors. All end-users insist on after-sales service from locally based technicians.

Canadian companies that wish to be on the mailing list for notification of tenders, should write to the following:

Natal Region:

Regional Head
Procurement Administration
P.O. Box 9082
Pietermaritzburg 3200
South Africa
Tel: (011-27-331) 42-8191 Fax: (011-27-331) 42-6737

Transvaal Region:

Regional Head
Procurement Administration
Private Bag X49
Pretoria 0001
South Africa
Tel: (011-27-12) 324-1560 Fax: (011-27-12) 323-4669

Cape Region:

Regional Head
Procurement Administration
Private Bag X9118
Cape Town 8000
South Africa
Tel: (011-27-21) 26-1550 Fax: (011-27-21) 23-9611

Promotional Activities

There are no large medical equipment trade shows or exhibitions, but rather a number of specialized medical conferences and seminars accompanied by exhibits by local and foreign companies.

Contacts:

Department of National Health and Population Development
Private Bag X828
Pretoria 0001
South Africa
Tel: (011-27-12) 325-5100 Fax: (011-27-12) 325-5706

Department of Health Services and Healthcare
Private Bag X730
Pretoria 0001
South Africa
Tel: (011-27-12) 28-4634 Fax: (011-27-12) 326-8860

Scientific and Industrial Research Medical Centre
P.O. Box 395
Pretoria 0001
South Africa
Tel: (011-27-12) 841-4309 Fax: (011-27-12) 86-1865

The Day Clinic Association
P.O. Box 17517
Hillbrow 2038
South Africa
Tel: (011-27-11) 643-8011 Fax: (011-27-11) 484-3289

National Association of Private Hospitals
P.O. Box 456
Stellenbosch 7600
South Africa
Tel: (011-27-2231) 71-323 Fax: (011-27-2231) 99-634

The Medical Association of South Africa
P.O. Box 20272
Alkantrant 0005
South Africa
Tel: (011-27-12) 47-6101 Fax: (011-27-12) 47-1815

The South African Medical Industries Manufacturers' Association
P.O. Box 933
Pretoria 0001
South Africa
Tel: (011-27-12) 327-1487 Fax: (011-27-12) 327-1501

Provincial Hospitals and Health Administrations

Cape Province
P.O. Box 2060, Cape Town 8000
South Africa
Tel: (011-27-21) 483-3911 Fax: (011-27-21) 24-2985

Orange Free State
P.O. Box 517, Bloemfontein 9300
South Africa
Tel: (011-27-051) 405-4818 Fax: (011-27-051) 30-4958

Natal
Private Bag 9051
Pietermaritzburg 3200
South Africa
Tel: (011-27-331) 95-2111 Fax: (011-27-331) 42-6744

Transvaal
Private Bag X221
Pretoria 0001
South Africa
Tel: (011-27-12) 201-2367 Fax: (011-27-12) 323-4018

For further information on the South African healthcare market contact:

CANADIAN EMBASSY

5th Floor, Nedbank Plaza
Corner of Church and Beatrix
Streets
Arcadia, Pretoria 0007
Republic of South Africa

Mailing Address
P.O. Box 26006
Arcadia, Pretoria
Republic of South Africa
Tel: (011-27-12) 324-3970
Fax: (011-27-12) 323-1564

CANADIAN HIGH COMMISSION

Trade Office (Healthcare)
10 Arnold Street, 1st Floor
Johanesburg
Republic of South Africa

Mailing address:
P.O. Box 1394, Parklands, 2121
Johanesburg
Republic of South Africa
Tel: (011-27-11) 442-3130
Fax: (011-27-11) 442-3325

Section 7

Market Overview
Opportunity Requirements

World Overview Opportunity Requirements

for

Medical Devices and Home Healthcare*

1. ALGERIA -

   Growing need for medical care
   Population expected to reach 32 million by the year 2000
   Financial situation expected to start improving after 1995

2. ARGENTINA -

   Disposable medical supplies
   Patient monitoring equipment
   Laboratory equipment

3. AUSTRALIA -

   Medical instruments
   Artificial body parts and joints, orthopaedic/fracture appliances, hearing aids and other bodily implants
   Electromedical equipment and apparatus
   X-ray and radiation apparatus

4. AUSTRIA -

   Electromedical apparatus
   Electro-diagnostic apparatus

5. <u>BELGIUM</u> -

Electro-diagnostic apparatus
Infant care equipment
Cardiology equipment

6. <u>BRAZIL</u> -

Medical imaging equipment
Electro-diagnostic apparatus
Disposable medical products
Implants/prosthesis

7. <u>BULGARIA</u> -

Diagnostic equipment/monitoring
Hospital equipment/beds - carts
Used hospital equipment of all types
Disposables

8. <u>CHILE</u> -

Electromedical equipment
Hypodermic syringes and parts
Anesthesia and resuscitation equipment
Cardiovascular equipment

9. <u>CHINA</u> -

MRI (magnetic resonance imaging)
Cat scanners
Ultrasonic devices
Monitoring equipment

10. <u>COLUMBIA</u> -

Electromedical equipment

11. CZECH REPUBLIC

Cardiological/cardiovascular equipment
Diagnostic equipment
Anesthesia and resuscitation equipment
Patient monitoring systems/apparatus
Surgical equipment

12. DENMARK

Computerized diagnostics systems
Laser surgical equipment
Scanners 10

13. DOMINICAN REPUBLIC

Surgical/medical instruments
Electromedical equipment
X-ray and radiation equipment

14. ECUADOR

Electromedical equipment
MRI (magnetic resonance imaging) equipment
Scanners
Digital angiographers
Diagnostic equipment

15. EGYPT

Dialysis equipment
Medical lasers

16. FINLAND

Medical electronics
MIS (Mini Invasive Surgery) equipment
    Insufflators
    Video endoscopes
Cardiology equipment

17. FRANCE

Medical imaging equipment
Medical prosthesis

18. GERMANY

High quality, advanced diagnostic and treatment equipment
Innovative technologies: laser optics, new diagnostic devices and artificial implants and components
Modern equipment for micro-surgery, bio-medicine, and radiology

19. GREECE

Surgical appliances and supplies
Surgical/medical instruments
Electromedical equipment

20. GUATEMALA

Syringes, suture needles and parts,
    catheters, drains, sonds, cannulae
    anesthetic instruments and appliances
Hospital, veterinary and other clinic furniture,
    beds, chairs, desks, etc...
Parts of medical, surgical or laboratory sterilizers
X-ray apparatus for medical use, ultrasonic scanning
    apparatus and other electro-diagnostic apparatus

21. HONDURAS

Surgical equipment
Basic medical supplies

22. HONG KONG

Physiotherapy equipment
Rehabilitation equipment
Plastic surgery instruments
Diagnostic equipment

23. HUNGARY

Electromedical diagnostic equipment

24. INDIA

Diagnostic equipment
Surgery equipment and supplies
Imaging products/equipment
Electronic treatment devices

25. INDONESIA

Cardiovascular equipment
Surgical instruments and appliances
Radiology equipment
Hypodermic syringes and parts

26. IRELAND

Medical Instruments
Disposable medical products
Electromedical apparatus

27. ISRAEL

Surgical equipment
Diagnostic equipment
Cardiology equipment

28. ITALY

Ultrasonic medical equipment
Patient monitoring equipment
Electrosurgery and laser equipment
Diagnostic imagining equipment
Anesthesia and resuscitation

29. JAPAN

Diagnostic imaging equipment
Dental equipment and supplies
Implantable devices
Home health care products
Emergency medical equipment

30. KENYA

Diagnostic equipment

31. KOREA

Diagnostic imaging equipment
Surgical/therapeutic laser equipment
Aids for the disabled
Contact lenses and solutions

32. MALAYSIA

Microscopes and parts
Cardiology equipment
Diagnostic equipment

33. MEXICO

Medical and surgical instruments
(pliers, scissors, scallops, etc.)
Electromedical and medical apparatus
(electroencephalographs, cardioscopes, stethoscopes, patience monitoring systems, etc.)
X-ray equipment and parts
Catheters
Prosthesis and orthopaedic supplies (artificial teeth, eyes, joints, hearing aids, bone plates, screws, nails, internal fixtures and devices, etc.)
Ultrasound equipment
Respiratory therapy apparatus
Dental equipment, instruments and supplies
Surgical needles
Medical and surgical appliances and supplies
(diagnostic reagents, sterile surgical catgut, first aid kits, clothing, bandages, band-aids, etc.)
Ophthalmology equipment, instruments and supplies
Hospital and operating room equipment
(surgical tables, stretcher beds, wheel chairs, surgical lamps, etc.)
Syringes 6.4
Electrocardiographs
Incubators

34. MOROCCO

Medical diagnostic equipment
Electro-diagnostic apparatus

35. NETHERLANDS

Rehabilitation equipment
Disposables
Medical imaging and bio-medical equipment

36. NEW ZEALAND

Operating theater equipment
X-ray equipment
Diagnostic equipment

37. NORWAY

Orthopaedic devices
Surgical instruments

38. PANAMA

Disposable medical products
Diagnostic equipment

39. PERU

General medical equipment
Surgical equipment
Diagnostic electronic equipment

40. PHILIPPINES

Medical, surgical instruments and appliances
Medical supplies
Electro-diagnostic apparatus
X-ray equipment

41. POLAND

Emergency medical equipment
Diagnostic equipment
Surgical and medical apparatus

42. PORTUGAL

Patient monitoring systems and apparatus
Orthopaedic apparatus

43. ROMANIA

Basic medical supplies
Diagnostic equipment
Surgical equipment
Hospital disposables
Patient monitoring systems

44. RUSSIA

Radiology equipment
Diagnostic equipment

45. SAUDI ARABIA

Disposables
Electro-medical apparatus

46. SINGAPORE

Ophthalmological equipment
Orthopaedic equipment
General hospital equipment
Diagnostic equipment
Medical disposables

47. SOUTH AFRICA

Intensive care equipment
Diagnostic ultrasound equipment

48. SPAIN

Electromedical apparatus
Heart prosthesis
Cardiographs
Orthopaedic prosthesis

49. SWEDEN

Cardiological equipment
Ultra/medical imaging equipment
Laser based surgical equipment

50. SWITZERLAND

Home healthcare, outpatient equipment
Advanced diagnostic equipment (scanners, imaging systems, NMR - Nuclear Magnetic Resonance scanners)
Monitoring and intensive care equipment
Cardiology equipment
Clinical laboratory equipment
Disposables, surgical consumables

51. TAIWAN

Diagnostic equipment

52. THAILAND

Diagnostic equipment
Electromedical equipment

53. TURKEY

Diagnostic equipment
Medical electronics
Radiology equipment
Home/infant care

54. UKRAINE

Postnatal and fetal monitoring equipment
Computerized tomography (CT)
Magnetic resonance imaging systems (MRI)
Ultra-low field magnetic resonance systems
Mammography
Surgical, orthopaedic, urological equipment
Disposable medical supplies
Hospital furniture and equipment

55. UNITED ARAB EMIGRATES

Medical products
Diagnostic equipment
Orthopaedic equipment
Lasers

56. UNITED KINGDOM

Electro-diagnostic
Single use devices
Orthopaedic devices
Therapeutic respiratory devices

57. VENEZUELA

Surgical equipment and supplies, disposables, instrumentation, etc.
Electromedical apparatus: patient monitors, ultrasound, diagnostic, ophthalmological, respiratory, X-ray
Cardiological apparatus (electrocardiographs, pacemakers and valves)

* *Source: National Trade Data Bank*

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