

Facts and figures of international medical markets



Selected countries
worldwide



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Selected countries worldwide

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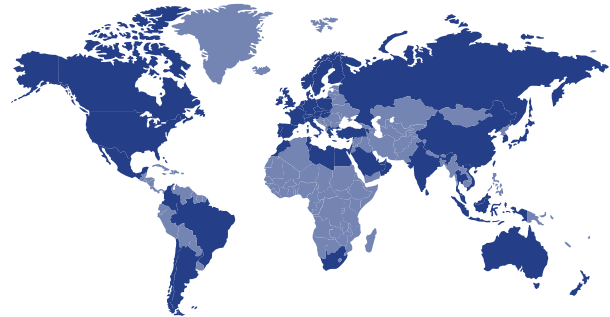
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Scope of analysis

What is presented?

- The first chapter of this study contains profiles of selected markets for medical devices. The analysis covers the **50 highest ranking countries** in health care expenditure per capita.
- Each country is analyzed with regard to demographics, data on the public and private sector, **information relevant for market entry**, current developments and trends, as well as an evaluation of sector attractiveness.
- Four exemplary country profiles portray the diversity of international markets. Additional profiles **can be purchased** separately.
- In the second chapter, more detailed information **from ongoing or recently concluded projects** is presented. This chapter also includes an example of consulting services by DTO Research and closes with a brief presentation of DTO Medical Markets.



Country profile – Australia



Demographic Data

Population:	24.5 Million (2017)
Health care expenditure:	4,708 USD per capita (2016)
Language:	English
Currency:	Australian Dollar (AUD)

Attractiveness of market entry

Public sector:	
Private sector:	
Value added services:	

National health care system and market trends

Public sector

- 28 hospitals with around 60,000 beds
- Each state as well as the ten territories that are centrally governed have an independent procurement system

Private sector

- 612 hospitals, including 326 outpatient clinics, with around 30,000 beds
- Procurement is mostly conducted through GPOs

Certificates and regulations

CE mandatory:	No
CE accepted:	Yes
FDA mandatory:	No
FDA accepted:	No
Others:	No

Preferred certificate:

Not specified

Certification body:

Department of Health

Development and demand

- Eleventh largest market for medical devices in the world
- Regulations largely comply with European legislation which may simplify product registration
- A trend towards limitation of suppliers puts pressure on prices
- An aging population promotes market growth

Market and competition

- Well developed market where large distributors such as Bunzl hold substantial market shares
- Tenders and long-term contracts make the market transparent
- About 80 per cent of products are imported from the USA, Europe or Japan

Country profile – Belgium



Demographic Data

Population:	11.4 Million (2017)
Health care expenditure:	4,840 USD per capita (2016)
Language:	Dutch, French, German
Currency:	Euro (EUR)

Attractiveness of market entry

Public sector:	
Private sector:	
Value added services:	

National health care system and market trends

Public sector

- 65 hospitals
- Driven by competitive prices
- Tendering is mandatory for volumes greater than 85,000 EUR
- Volumes greater than 200,000 EUR are to be tendered in all of Europe

Private sector

- 150 hospitals, mostly operated by charity organizations

Certificates and regulations

CE mandatory:	Yes
CE accepted:	Yes
FDA mandatory:	No
FDA accepted:	No
Others:	Yes

Preferred certificate:

CE

Certification body:

Federal Agency for Medicines and Health Products

Development and demand

- About 10 per cent of demanded products are produced locally
- Almost 100 per cent of the population has health care insurance
- Market growth in the last five years was 4 per cent annually on average

Market and competition

- Belgium mainly imports products from France, Germany, the UK, and the USA
- Due to its geographic location, many large manufacturers use Belgium as a distribution hub
- Around 800 local companies operate in the medical device market

Country profile – Brazil



Demographic Data

Population:	209.8 Million (2017)
Health care expenditure:	1,318 USD per capita (2014)
Language:	Portuguese
Currency:	Real (BRL)

Attractiveness of market entry

Public sector:	
Private sector:	
Value added services:	

National health care system and market trends

Public sector

- 2,303 hospitals with around 500,000 beds
- Tendering is mandatory for all volumes

Private sector

- 2,244 for profit and 1,688 nonprofit hospitals
- Many hospitals have less than 50 beds and are often, sometimes substantially, not used to capacity

Certificates and regulations

CE mandatory:	No
CE accepted:	Yes
FDA mandatory:	Yes
FDA accepted:	Yes
Others:	Yes

Preferred certificate:

Yes (national)

Certification body:

- Anvisa
- Inmetro

Development and demand

- Even though the market is slightly shrinking, most hospitals are sufficiently solvent
- The private sector is expected to grow
- Especially in metropolitan areas there is a growing demand for high quality medical products

Market and competition

- The market is decentralized and organized on state-level (26 states)
- Product registration via Anvisa is quite complicated and may result in extensive toll charges
- Market is comprised of local products as well as European and US-American companies

Country profile – Spain



Demographic Data

Population:	46.4 Million (2017)
Health care expenditure:	3,248 USD per capita (2016)
Language:	Spanish
Currency:	Euro (EUR)

Attractiveness of market entry

Public sector:	
Private sector:	
Value added services:	

National health care system and market trends

Public sector

- 350 hospitals with around 108,000 beds
- Tenders are decentrally organized and widely regarded as time-consuming and complicated

Private sector

- 433 hospitals with around 160,000 beds

Certificates and regulations

CE mandatory:	Yes
CE accepted:	Yes
FDA mandatory:	No
FDA accepted:	No
Others:	Yes

Preferred certificate:

CE

Certification body:

Spanish Agency for Medicine and Health Products (AEMPS)

Development and demand

- Especially the public sector is driven by competitive prices and struggles with shrinking budgets
- 85 to 90 per cent of procurement is conducted through the public tendering system
- Market growth is moderate at 2 per cent annually on average

Market and competition

- In submarkets with less complex products (e.g. gloves) there is a strong tendency towards imports from Asia
- The market is characterized as conservative; innovations may take time to yield profit
- Most imports come from Germany and the USA, followed by France, Italy, Switzerland, and the UK

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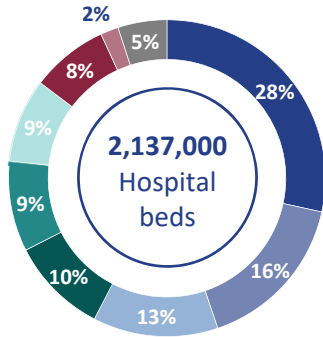
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Mapping of group purchasing offices (GPOs) in the USA

Market shares of GPOs according to hospital beds 2016



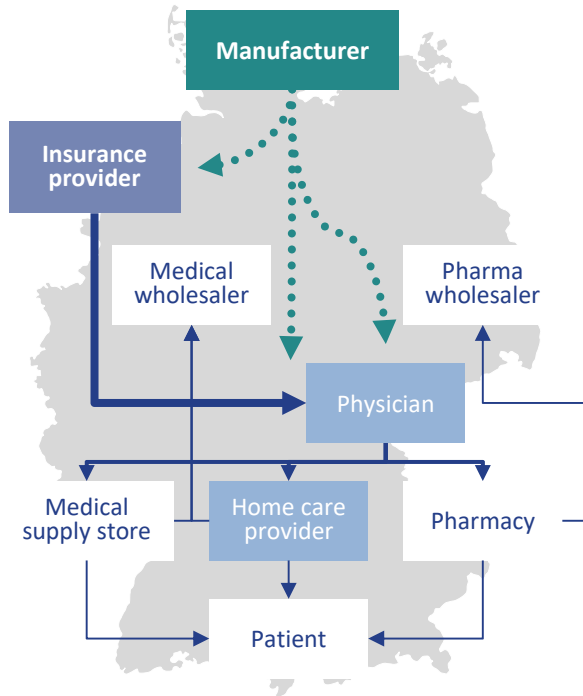
GPO	Hospital beds
	607,000
	350,000
	273,000
	212,000
	197,000
	183,000
	169,000
	38,000
Others	107,000



- In summary, there are 813,000 hospital beds in the USA as of 2016. Thus, every hospital cooperates with two to three GPOs on average.
- A foreign manufacturer of medical devices that aims at potentially covering the entire US-American market has to consider a cooperation with at least one of the portrayed GPOs. This may require a local manufacturing site.
- The GPO market is highly competitive and fluctuates strongly. The current market leader did not exist until 2015. It was founded as a combination of three former GPOs. Since then, the market leader acquired two of its largest competitors.

Comparison of German and Swiss home care markets

Influencer analysis for medical consumables



Orienting business towards central Europe brings the challenge of **diverse health care systems**. As an example, the German and Swiss home care markets are analyzed with the focus on relevant influencers.

- The German market is **strictly financially regulated** by insurance providers who also incorporate medical competencies. Insurers permanently monitor the economic efficiency of physicians and subsequent therapeutic institutions. They frequently adjust financial processes and selectively audit physicians, making **insurers the strongest influencers in Germany**.

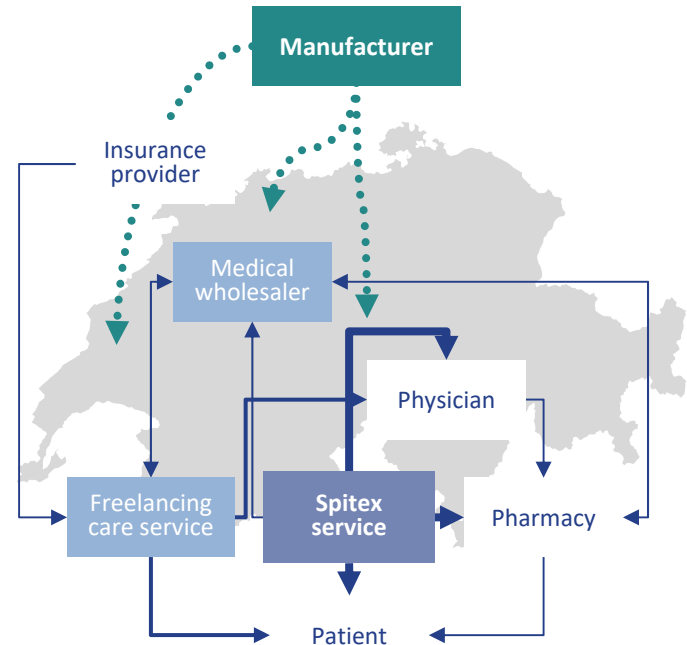
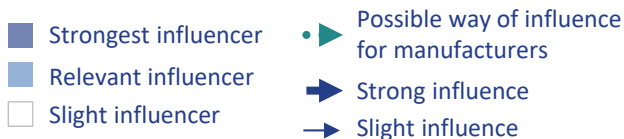


Comparison of German and Swiss home care markets

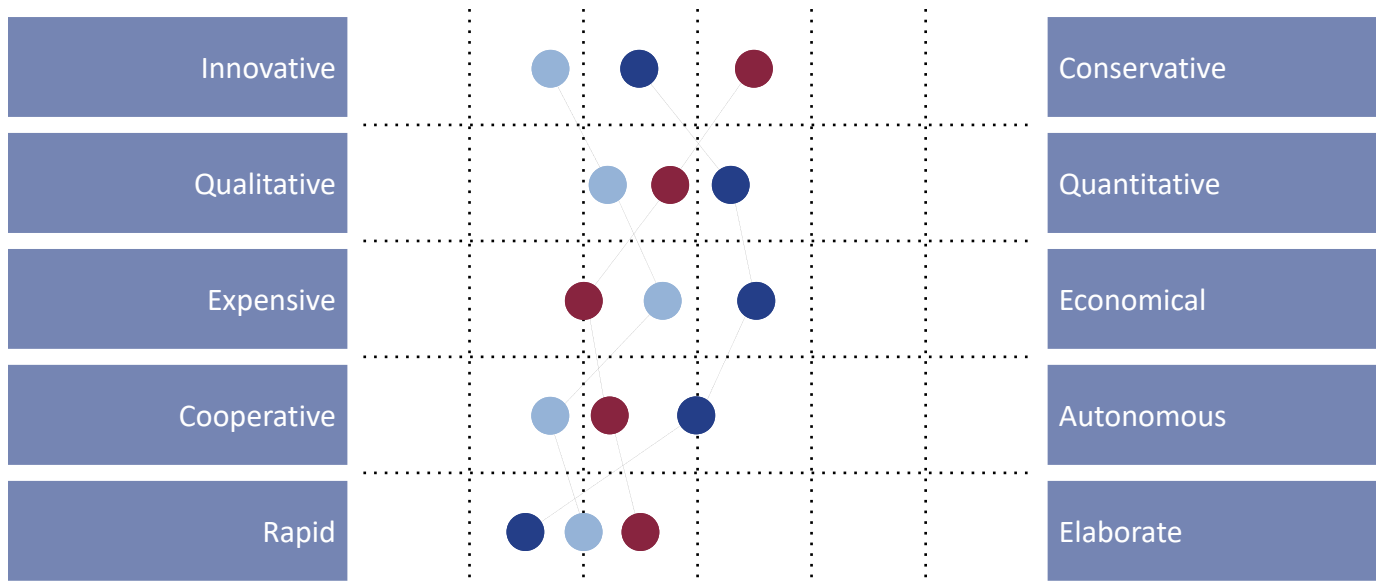
Influencer analysis for medical consumables

Different cultures and national legislations significantly influence the dynamics of a market. The leading question of an influencer analysis is: **Who controls the market?**

- Switzerland is far **more liberal** when it comes to financial constraints. Here, the strongest influencers are the home care institutions with the **most elaborate medical competencies**, that is, Spitex services. They consult physicians, pharmacies, as well as medical wholesalers and have immediate influence on prescriptions. Depending on the medical field, there are also freelancing care services – often fewer than Spitex services – that have the same strength of influence in the respective region.



DTO Consulting services – semantic differentials

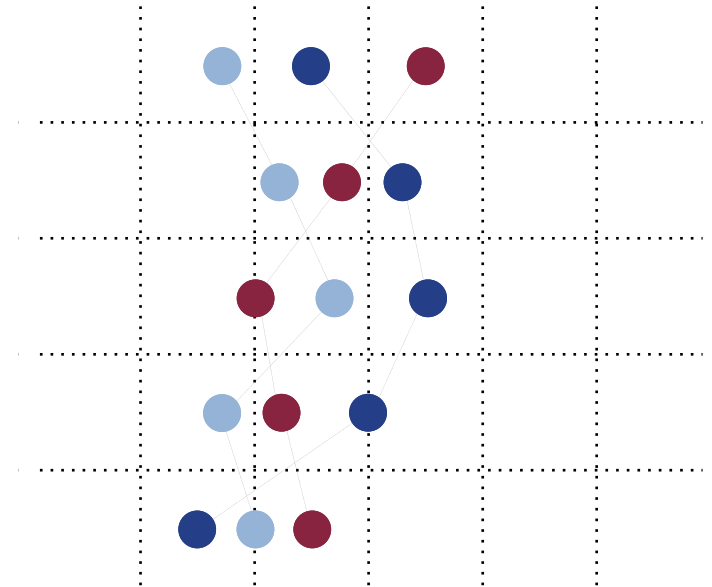


n = Number of interviewees

DTO Consulting services

How do we consult?

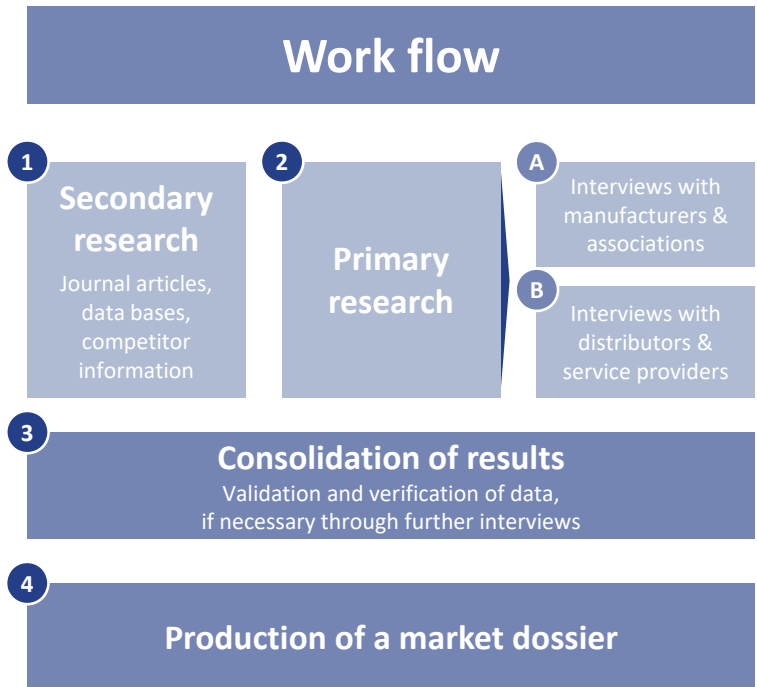
- Our consulting approach serves as the **foundation** in which raw data and market intelligence can become valuable strategic insight.
- We understand ourselves as being a **market expert** who is available to its clients whenever necessary – instead of leaving clients alone with raw data.
- Doing so, we advise our clients **from start to finish**. This includes the cooperative design of a study, frequent communication during the study, and strategic workshops once the study or important subsections are concluded.
- Consulting services by DTO Research include dynamic **SWOT-analyses**, semantic differentials, risk-potential-analyses or profit/loss forecasts.
- The **precise scope** of consulting services is developed individually with our clients, a priori or in respect to preceding data analyses.



Methodology and data collection

How do we acquire information?

- On average, **50 to 100 market experts** are interviewed by DTO Research for each analyzed market.
- Interviews are conducted face-to-face, via telephone, or webcam **by DTO Research consultants**. All information is gathered and analyzed in-house with the focus on qualitative validity. Our consultants are capable of proficiently communicating in more than ten languages.
- Interviewees are **manufacturers**, associations, distributors, external consultants, service providers, physicians, and insurers.
- All interviews follow a semi-structured questionnaire, always with room for a more detailed approach if reasonable. Doing so, we account for individual competencies of respondents which allows a **reliable in-depth analysis**.
- All raw data collected during a study is made available to a client in order to create maximum **transparency**.



Team presentation



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Testimonials





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