



MEDICAL EQUIPMENT (MED)

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Overview

Unit: USD Millions

	2011	2012	2013 (est.)	2014 (est.)
Total Market Size	4,093	4,264	4,690	5,159
Total Local Production	1,874	1,867	2,053	2,258
Total Exports	1,630	1,624	1,786	1,964
Total Imports	3,849	4,021	4,423	4,865
Imports from the U.S.	1,437	1,520	1,672	1,839
Exchange Rate: 1 USD	1	1	1	1

*The above statistics are unofficial estimates.

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unofficial Estimate

Total Exports: Global Trade Atlas

Total Imports: Global Trade Atlas

Imports from U.S.: Global Trade Atlas

Australia is the eighth-largest export market for U.S. manufacturers of medical technology products. Australia is a mature market for medical technology and there is demand for the full range of sophisticated medical equipment. The Australian population generally expects a high standard of medical treatment and there is a continuing need for state-of-the-art, high quality medical products.

The Australian market for medical technology represents a little less than two percent of the global market. Most of the medical equipment used in Australia is imported. The three major suppliers are the United States, the European Union, and Japan. Australia's spending on healthcare is approximately 9.3 percent of GDP, similar to Finland, Ireland, and Italy, but less than the United States (17.6 percent).

Many of the major U.S. manufacturers have local representation or subsidiaries in Australia. These companies include Bard, Baxter Healthcare, Boston Scientific, Cook Medical, Johnson & Johnson Medical, Medtronic, St. Jude Medical, Stryker, and Zimmer. Large, multinational firms dominate the Australian market. Small to medium-sized importers and distributors comprise the remainder of the industry.

Health provisions and funding comes from the public and private sectors. With Australia's government-funded healthcare scheme, the Government is the primary purchaser of medical equipment. The Federal and State governments fund approximately 69 percent of healthcare spending. The private sector funds the remaining 31 percent. Depending upon the type of products, public hospitals generally account for approximately 70 percent of purchases of medical equipment, with the remaining 30 percent from the private sector. The Medical Technology Association of Australia (MTAA) reports that approximately 50 percent of sales are to the public sector and 50 percent to the private sector.

The Therapeutic Goods Administration (TGA) regulates the medical equipment industry. Australia's regulatory framework is based on Global Harmonization Task Force (GHTF) and European Community guidelines. U.S. exporters must appoint an Australian representative/sponsor to obtain regulatory approval from the TGA. U.S.-manufactured medical devices require an EC Certificate from a European Union Notified Body. Alternatively, U.S. manufacturers can apply to the TGA for a Conformity Assessment Certificate.

Sub-Sector Best Prospects

The medical technology industry has consistently provided good prospects for U.S. exporters. U.S. medical technology is traditionally well received in Australia due to its perceived high quality. The market is sophisticated, mature, and quick to adopt new healthcare technologies. Importers seek to obtain cost-effective and innovative products that will improve patient outcomes and reduce healthcare costs.

Prices and volumes are influenced by government healthcare policies and provisions of public healthcare services. Products that serve Australia's ageing population are likely to experience growth. Diseases and illnesses for which incidence and prevalence rates are projected to increase include diabetes, cerebrovascular disease (stroke), ischaemic (coronary) heart disease, lung cancer, and musculoskeletal disorders.

Web Resources

Australian Therapeutic Goods Administration (TGA): <http://www.tga.gov.au>
Australian Department of Health and Ageing: <http://www.health.gov.au/>
Medical Technology Association of Australia: <http://www.mtaa.org.au>

U.S. Commercial Service
Level 59, MLC Centre, Martin Place, Sydney NSW 2000
Tel: 02-9373-9202 | Fax: 02-9221-0573 | E: office.australia@trade.gov | www.export.gov/australia