BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

China imaging market to reach a $2.5 Bn by 2016

31 July 2012 | News | By BioSpectrum Bureau

China imaging market to reach a $2.5 billion by 2016

Singapore: According to Millennium Research Group (MRG), the global authority on medical technology market intelligence, the Chinese government's large investment in bridging the gap in healthcare quality between rural and urban hospitals will be the largest driver of growth in the Chinese diagnostic imaging market.

Domestic competitors will maintain a strong presence, particularly in lower-end X-ray and ultrasound systems, while consumer preference for known brand names will support sales by multinational manufacturers. The overall Chinese diagnostic imaging market will grow modestly to reach a value of more than $2.5 billion by 2016.

As part of the Chinese government's $125 billion New Medical Reform Plan, intended to provide affordable healthcare to the entire population by 2020, it will invest money to upgrade lower-tier rural hospitals, as well as constructing new facilities. As a result, higher-tier hospitals will be able to replace their outdated systems, while smaller, less affluent hospitals will be able to purchase systems for the first time, particularly more advanced diagnostic imaging systems such as computed tomography (CT), magnetic resonance imaging (MRI) and nuclear medicine systems. This will represent a significant sales opportunity for manufacturers of such systems.

Each of the top three multinational competitors in China, GE Healthcare, Siemens Healthcare and Philips Healthcare, has shares in each of the market's segments: MRI, CT, X-ray, ultrasound and nuclear medicine. As a result, they can leverage their position to raise brand awareness and establish strong customer relationships. Wealthy urban Chinese show a strong preference for known international brands, and this influences hospital system purchases.

Michelle Chan, analyst, MRG, said that, "The Chinese government also has an implementation initiative for positron emission tomography (PET)/CT systems. They plan to increase licensing and install many new PET/CT systems by 2016. This initiative will initially be limited by the need to establish a radiopharmaceutical supply chain. Once that infrastructure is in place, we can expect to see a rapid increase in sales, probably by 2015."