



## Medical Equipment

# A Top Export Prospect for Dominican Republic

September 2014

### Overview

Unit: (Millions of U.S. Dollars)

|                        | 2012 | 2013 | 2014<br>(estimated) |
|------------------------|------|------|---------------------|
| Total Market Size      | 305  | 300  | 317                 |
| Total Local Production | 130  | 140  | 145                 |
| Total Exports          | 125  | 130  | 140                 |
| Total Imports          | 300  | 290  | 312                 |
| Imports from the U.S.  | 276  | 268  | 281                 |

Exchange rate: RD\$43.5 – U.S.\$1

Sources: - U.S. Census Bureau Statistics

The Dominican market for medical equipment is mainly supplied by imports, about 90 percent of which comes from the U.S. The import market is expected to grow 7 percent over the next two years and U.S. suppliers will continue playing a large role. The expected growth over the next years is mainly driven by increases in medical tourism services offered in the Dominican Republic, the requirements of the Dominican Social Security law requirements, the continuous growth of the number of hospitals (to cover the demand of the local population as well as of international visitors), and the constant need for medical products for a growing population which increases 2.9 percent annually.

The Dominican Republic has become a destination for preventive medicine, orthopedics, cosmetic surgical procedures, weight loss surgery, cardiology, organ transplant, oncology, eye surgery, and dental procedures. The medical community has begun to take advantage of the tourist flow, developing attractive packages for medical tourism. The leading private hospitals are certified by the Ministry of Health, which holds international recognition, and several are either accredited in the process of obtaining accreditation through the Joint Commission International.

Most medical equipment, supplies and hospital furniture obtained by these new private hospitals and clinics are coming from the United States. The Dominican market prefers U.S. sources if the prices are competitive. Among the factors that maintain and support American exports of medical equipment and supplies to the Dominican Republic are: the reputation as manufacturers of good quality, quick delivery time, proximity with the U.S. that reduces shipping charges, and small order accommodations. Also, many Dominican physicians are trained in the U.S. and are more comfortable and confident with U.S. products.

To succeed in the Dominican market for medical equipment, it is advisable to have a local distributor that can provide after-sales and leasing services, supports guarantees, and maintains inventories for parts and supplies. Exporting directly to private hospitals is extremely difficult and procurement practices in public hospitals indicate that all purchases must be done by a local company. These importers and distributors usually have sales agents who distribute the products to small retailers throughout the country. Local distributors also conduct promotional activities directed to encourage physicians and nurses to use and recommend their products.

In the Dominican Republic there is extensive production of surgical instruments and supplies and medical devices. However, 98 percent of this production is exported through the Free Trade Zone (FTZ) Program. Import statistics reflect large importations of parts for medical equipment, which are then reassembled in the FTZs for re-export.

### Sub-Sector Best Prospects

- Electro-medical equipment: electro-surgical instruments, electro-diagnostic apparatus
- Homecare equipment (for respiratory and sleep related illnesses)
- Surgical Instruments
- Disposable supplies
- Daily living aids
- Mobility products, and
- Hospital furniture

### Opportunities

The implementation of Social Security Law No. 87-01 will continue to influence changes in the structure and cost of the Dominican Republic's health care system. The increase in medical tourism also represents opportunities for American exporters of all types of medical equipment and hospital furniture.

### Web Resources

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Dominican Ministry of Public Health: <http://www.sespas.gov.do>  
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