



# Austria: Healthcare Technology Market Brief 2014

Manfred Weinschenk  
Juli 2014

## AUSTRIA

Capital:	Vienna
Population:	8.4 million
GDP:	USD 416.4 billion (2013)
Currency:	Euro
Language:	German

## Summary

Austria is a dynamic EU member country with an affluent population of 8.4 million German speakers. Austria's manageable size and stable business environment make it an attractive market for U.S. exporters, as well as an attractive test market for U.S. firms with an eye toward expanding into neighboring Germany. Austria's historical and economic ties to the strong growth markets of Eastern and Southeastern Europe also make it a logical base for serving those markets. Currently 330 U.S. firms have subsidiaries, affiliates, franchisees, and licensees in Austria, of which about 150 have regional responsibilities for Central European, Eastern European, or Balkan countries. U.S. products and services maintain a good reputation in Austria.

In 2013, Austrian imports of medical equipment were approx. USD 1.9 billion. For 2014 we expect these imports to show an increase to almost USD 2 billion. Total demand for medical devices in Austria added up to USD 1.4 billion, while exports of this equipment amounted to USD 1.5 billion. Austria is a transit-trade country with strong trade relationships with Central, Eastern and Southeastern Europe, as well as the Near and Middle East. Re-exporting products is quite common here; hence the volume of imports exceeds the total market. Taking into consideration these re-exports, imports are expected to increase at an average annual real growth rate of 3%. The size of the market in Austria for medical equipment should also increase by about 3% annually over the next three years.

Presently, Austria provides its citizens with universal or nearly universal medical service. Participation in public health insurance programs is essentially mandatory. Some 6.7 million Austrians contribute to the public health insurance companies (Krankenkassen), providing health care coverage for these workers and their families, or about 8 million persons. Insurance costs are shared between employers and employees. Insurance for hospital treatment, however, falls short of the actual costs, and the difference has to be met from public funds.

## Market Entry

U.S. firms should plan their market entry very carefully. Given its location in the center of Europe and the size of its market, small enough to allow a quick overview, Austria stands out as a desirable, affluent pilot market for advanced U.S. products. The best strategy is to screen potential distributors and select a qualified local distributor. Austrian distributors are usually knowledgeable and experienced. They regularly call on hospitals, clinics, laboratories, and medical doctors with practices. The majority of distributors are fluent in English. They are also knowledgeable about EU approval procedures and will obtain approval for U.S. suppliers if needed.

To be successful, a U.S. supplier should discuss and agree on a marketing strategy with a prospective distributor. Once the agent or distributor is selected, it is preferable to maintain this relationship for a number of years. Abrupt changes in distribution patterns distract users from trusted suppliers and have been detrimental to U.S. suppliers who have taken such action in the past. It may take up to two years to introduce a new product due to the conservative and complex nature of the Austrian market.

## Current Market Trends

U.S.-made products that are on the cutting-edge will have great potential, as Austrians expect hospitals to have the latest technology. The trend, however, is to reduce the number of hospital beds and to close down

some hospitals altogether. Therefore American companies that are interested in hospital construction or in the sale of “routine” hospital equipment and supplies may find their prospects reduced over the next few years.

Projected growth rates for different imaging products vary considerably. The Austrian market for medical equipment is constantly evolving and utilizing increasingly sophisticated products.

Scanning units have benefited from technological improvements since their introduction about 30 years ago. Most suppliers now offer user-friendly features like image networking, which enable the user to digitally store and project high-quality images. These products should have very good prospects in the future.

Austria is an evolving market for echographic units. This ultrasound technique continues to gain popularity as the industry discovers new applications for it. Recent technological advances have enabled manufacturers to implement Doppler technology and sophisticated probes within their designs. There is also an increasing demand for all kinds of in-vitro products in Austria.

## **Main Competitors**

The great majority of medical equipment used in Austria is imported. U.S. manufacturers have seized a substantial share of the market and are now the second-largest supplier group, following German companies. German competition enjoys the advantages of geographic proximity, a common language, products with the same standards, no exchange rate problems, and duty-free access through Austria’s membership in the EU.

Germany supplied 34.5% of Austria’s imports of medical equipment in 2012. The United States ranked second with 16.7% among foreign supplier countries, followed by Switzerland with 6.4%, China with 3.3% and Japan with 2.9%. Multiple countries supply the balance.

Total Austrian imports of medical devices from the United States amounted to USD 310 million in 2013 and should reach USD 326 million in 2014. Sales of U.S.-engineered healthcare equipment are actually much higher than are reflected in official import statistics, because many products imported into Austria from Western Europe and from the Far East were made or assembled by subsidiaries of U.S. firms.

The Austrian market for medical equipment is sophisticated and well-served. Industry giants such as Siemens, Philips, Hitachi, and Toshiba are well entrenched. General Electric GmbH, Agilent Technologies Oesterreich GmbH, Nova Biomedical GesmbH, and Tyco Healthcare Austria GmbH are only a few of the Austrian subsidiaries of U.S. medical device suppliers. Against the heavy German competition in this market, American products can usually compete well on the basis of price and innovation.

## **Current Demand**

The following high-quality products and devices are currently in demand in Austria:

- Nuclear medical instruments (nuclear magnetic resonance scanners)
- Diagnostic apparatus including cardiology instruments, echocardiography systems, advanced electrocardiograph equipment, monitoring systems, ultrasound equipment, gynecology and urology diagnostic systems and endoscopes
- Scanners, computer tomography imaging systems, magnetic resonance imaging
- Dialysis equipment
- Pacemakers
- Sophisticated digitalized x-ray equipment
- Clinical laboratory equipment including blood cell counters, and blood gas analyzers
- In-vitro diagnostic products

The trend is moving toward miniaturization of electro-medical devices and nano-technology products.

## **Registration Process**

All U.S. medical devices have to be marked with the mandatory CE (Conformité Européenne) conformity mark. With the CE marking on a product, the manufacturer ensures that the product conforms with the essential requirements of the applicable EC directives. Deviating from sector directives regulating other

industrial goods, medical devices have to comply with “essential requirements” as described in Annex I of Directive 93/42/EEC. According to this, medical devices must not only be safe but must also function in a medical-technical way as described in the manufacturer’s “intended purpose.”

## **Barriers**

Austria is a highly developed open market with relatively liberal policies and sharp competition. There are no significant trade barriers or limitations on U.S. medical devices.

## **Trade events**

At present, there is no general medical fair planned in Austria. Some smaller specialized medical exhibitions are organized in connection with medical conventions. The great majority of Austrian medical importers/distributors regularly attend the most important European medical fair:

### **MEDICA**

November 12-15, 2014 and November 16-18, 2015  
Messe Duesseldorf GmbH, Duesseldorf, Germany  
[www.medica.de](http://www.medica.de)

Considered the world's most important and largest international fair for medical equipment, the annual MEDICA draws 132,000 trade visitors from 85 countries and 4,600 exhibitors from 66 countries.

## **Available Market Research**

Austria – Dental Industry Market Brief 2014

## **U.S. Commercial Service Contact Information**

*Name:* Mr. Manfred Weinschenk  
*Position:* Senior Commercial Specialist  
*Email:* [manfred.weinschenk@trade.gov](mailto:manfred.weinschenk@trade.gov)  
*Phone:* 43 (0) 1-313 39-2285