



ITALY BEST PROSPECT INDUSTRY SECTOR PROFILE

Sector Name: **MEDICAL EQUIPMENT**

ITA Industry Code: MED

The Italian National Healthcare Service (Servizio Sanitario Nazionale - SSN) is by far the major healthcare provider in Italy. The Ministry of Health, through triennial national health plans, establishes the fundamental objectives of healthcare, including preventive care, therapy and rehabilitation. It defines the level of healthcare guaranteed to all citizens and issues guidelines for the organization, delivery and funding of healthcare services paid by the SSN. The 20 Italian Regions, which have the primary role in setting and implementing healthcare policies, are responsible for developing regional health plans and for organizing and delivering healthcare services through local "Health Units". The SSN receives its funding through the National Health Fund, appropriated every year through the Government of Italy's budgetary legislation.

Public healthcare accounts for 75 percent of total expenditures for medical equipment and products, with the balance being spent by private healthcare facilities. In addition, the SSN purchases a significant portion of healthcare services from private providers. The SSN has jurisdiction over 196 large hospitals and 600 medium and small size hospitals, which are managed by 197 Local Health Authorities. The total number of beds in the public sector is 220,932. In addition, public healthcare manages 7079 outpatient facilities, 1506 residential facilities for the elderly and 4794 other healthcare facilities.

Private healthcare service providers account for 640 private and independently operated clinics, with a total of 60,000 beds. The latest trend shows an increase in the number of private healthcare facilities in comparison with public hospital increases.

The Italian market for medical equipment relies heavily on imports. Major suppliers are the United States and Germany. Generally speaking, domestic production is limited of sophisticated and hi-tech medical equipment and products, or those items for which investment in R&D is of critical importance (exceptions being radiology and ultrasonic equipment, for which local production is good). Recently, the SSN implemented a policy of increasing capital goods expenditure in order to update a large percentage of obsolete medical equipment. As a result, the market for medical equipment has improved and the future is more promising in terms of business opportunities. Prices are considered to be the primary factor in purchasing decisions. In addition, in accordance with EU-wide certification requirements, most medical products and equipment need to have a CE mark.

Data Table:

(USD Millions)	2001 (actual)	2002 (actual)	2003 (estimated)
Total Market Size	2,512	2,975	3,557
Total Local Production	1,075	1,267	1,516
Total Exports	262	309	366
Total Imports	1,699	2,011	2,407
Imports from the U.S.	934	1,126	1,347
Exchange rate \$1=euro	1.117	1.057	0.877

The above statistics are unofficial estimates.