



Quick Review

Medical Device Industry

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Iran is the fifth largest market in the Middle East and Africa region. Health expenditure in local terms continues to increase year-on-year due to the Iranian government's commitment to make investment in the sector, as the establishment of a growing number of hospitals and healthcare centers is projected in the development plans. Likewise, population increase, a changing epidemiological profile, low domestic production of hospital consumables and a proportionally low per capita expenditure on medical devices all represent further opportunities for market expansion.

In local currency terms, imports raised by 57.7% to 20,805.1 billion rials in 2014. Imports have grown positively but fluctuated in recent years.

In the 2009-14 period, imports rose by a CAGR of 28.7%. By product area, 2009-14 CAGRs ranged from 41.6% for patient aids to 16.9% for diagnostic imaging. In US dollar terms, imports grew by 9.8% to reach \$805.4 million in 2014. Imports have fluctuated in recent years.

The CAGR for the 2009-14 period was 6.3%. By product area, the 2009-14 CAGRs ranged from 16.9% for patient aids to -3.5% for diagnostic imaging.

In 2014, the leading supplier was the Netherlands, providing \$179.3 million, equal to 22.3% of the total shipped. Other leading suppliers included Germany (15.2%), China (11.2%) and South Korea (8.4%).

The EU-28, as a whole, accounted for 64.2% of total imports in 2014

Iran is not a major exporter of medical devices. In local currency terms, exports totaled 332.4 billion rials in 2014.

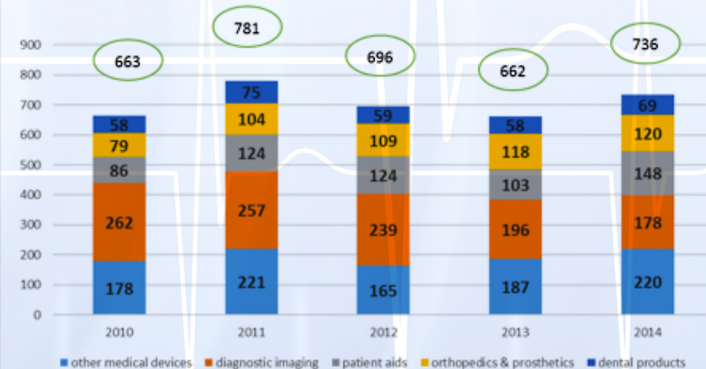
The market has fluctuated in recent years, recovering from a 67.6% contraction in 2012, to grow by 44.8% in 2013 and 108.8% in 2014. The CAGR for 2009-14 was 24.4%. In US dollar terms, exports grew by 45.4% in 2014, recovering from a previous 1.7% contraction in 2013, reaching \$12.9 million. Exports had a 2.7% CAGR during 2009-14.

In 2014, the leading destination was Australia, with \$2.1 million (16.1% of the total), followed by South Korea with \$1.9 million (14.4%).

Ireland was the leading destination from the EU-28, and third overall with 9.8%. Other leading destinations included Poland (7.9%) and Germany (7.8%). Overall, the EU-28 represented 44% of the total.

The lack of local manufacturing plants in Persian Gulf countries, Azerbaijan, Armenia, Turkmenistan, Kyrgyzstan, Tajikistan, Iraq, Afghanistan, Syria, Lebanon, Yemen as well as parts of the African continent presents a strong opportunity for foreign investors to target these markets through partnerships with local Iranian manufacturers, notes Frost & Sullivan. Iran hopes to triple the export of medical devices, reaching a value of more than \$100 million in the next three years, through joint ventures with well-known brands.

Iran's medical device sector size



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