



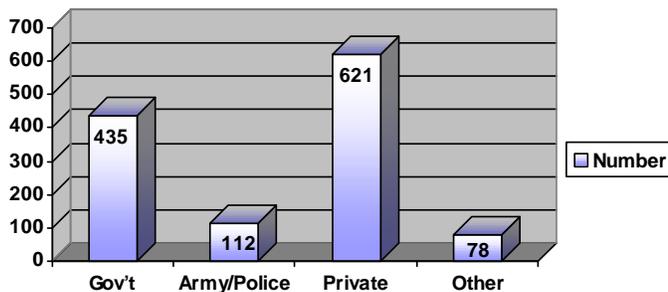
Clinical Laboratory Equipment

The clinical laboratory and diagnostics instruments market in Indonesia has grown considerably and will continue to grow through 2007. Indonesia's large population of 220 million people makes it one of the largest markets for medical equipments and healthcare services. In addition, Indonesia has experienced multiple disasters (Tsunami, earthquakes) in several areas in the country. These catastrophic events require major reconstruction of medical infrastructure, and thus call for more medical equipment, clinical lab and diagnostics instruments, and other medical products. U.S. manufacturers of clinical laboratory equipment should take advantage of this growing market.

Market Overview

- Industry sources estimate that Indonesia's imports of clinical laboratory and diagnostics equipment reached \$25 million in 2004, an increase of 10% compared to 2003.
- For the next two years, the market is expected to grow by 5-10 percent annually.
- There are currently 1,246 hospitals in Indonesia and 7,550 health centers (Puskesmas). The chart below depicts the breakdown of ownership of hospitals by number.
- Major private hospitals in Indonesia are all located in cities, while district towns and villages offer only basic health care facilities.
- Indonesia has 828 private laboratories and 26 laboratories managed by the government throughout the provinces.
- In 2005, the government allocated \$254 million for new hospitals and upgrades of existing hospitals in the 33 provinces; \$36 million for health care centers (Puskesmas); and \$30 million for Tsunami and earthquake struck Aceh and Nias
- U.S. companies must appoint Indonesian agents/distributors to market clinical laboratory products in Indonesia. Local agents or distributors play an important role in developing the market, and providing after-sales services.
- Clinical laboratory equipment is subject to 5 percent import tax and value added tax of 10 percent.

2004 Total Indonesian Hospitals by Ownership



Source: Ministry of Health

Import Market and Competition

- The Indonesian market for clinical laboratory and diagnostics instruments relies entirely on imports.
- U.S. clinical laboratory instruments hold a significant import market share of \$6.8 million in 2004 representing approximately 27.2 percent of the total market. In general, the Indonesian market is very receptive to U.S.-made products because of their well-known quality and advanced technology.

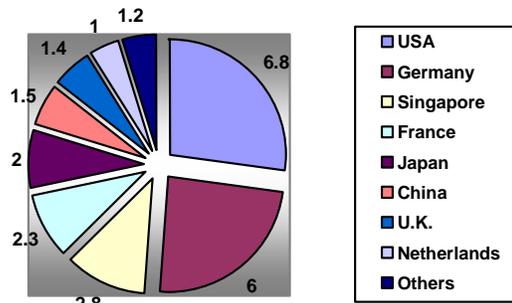
Estimated Market Size Of Clinical Laboratory Equipment In US\$ Mil.

Year	2003	2004	2005
Total Market Size	22.6	25	27.4
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	22.6	25	27.4
Imports from the US	5.7	6.8	7.4

Sources: Central Bureau of Statistics and Industry Sources

- U.S. brands present in Indonesia include Abbott, Becton Dickinson, Beckman Coulter, and Johnson and Johnson.
- Major competitors for this market are Germany, Japan, France, Netherlands, and China.

2004 Import Market Share of Clinical lab Equipment in US\$ mil.



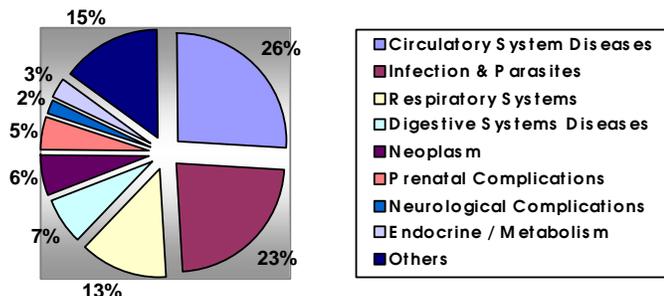
Sources: Central Bureau of Statistics and Industry Sources

Commercial Opportunities for U.S. Companies

Best Prospects:

- Circulatory diseases, infections and parasites, and respiratory problems are the top three primary causes of death in Indonesia, as shown on the chart below. Indonesian health care providers need to invest in quality clinical lab equipment to diagnose and prevent diseases.

Primary Causes of Death in Indonesia



Source: Ministry of Health

- Rapid test for hepatitis, sexually transmitted diseases, emerging infectious diseases, pregnancy and diabetes.
- Clinical chemistry, hematology, and immunology instruments.

- ▶ Decentralization has increased the decision-making role of regional governments and therefore created a larger market for clinical laboratory equipment.
- ▶ Private hospitals continue to upgrade their clinical laboratories on a regular basis to meet the growing demand for quality health care. Health care providers show a growing interest in high technology equipment that can assist them in improving health care services and providing more accurate test results.
- ▶ The government plans to restore/rebuild 6 hospitals, 77 health centers, laboratories, schools of health, and quarantine facilities that were destroyed during the Tsunami in the next five years.

Useful Contact Information on Clinical Laboratory Equipment

- ▶ U.S. Department of Commerce, Healthcare Technology Team, Julieanne Hennessy at Julieanne.Hennessy@mail.doc.gov.
- ▶ Directorate General of Pharmacy and Medical Devices Services, Indonesian Ministry of Health, tel. (62-21) 5201590, ext. 7201; fax. (62-21) 9227224

Contact us

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