

**AACC 2005 Market Brief Template**  
**Analytical & Clinical Chemistry Market Segment**

**USDOC Analysis by Country / Region**

**Name of Country/Region** PHILIPPINES / EAP

**1. Size of market in units and USD**

Total Market Size in 2004 is US\$ 41 million composed almost entirely of imports and breaks down as follows:

<b>HS Codes</b>	<b>Description</b>	<b>CIF (USD)</b>
30062000	Blood Grouping Reagents	239,510
38220000	Diagnostic Laboratory Reagents	22,091,854
90121000	Microscopes	2,150,239
90129000	Parts & Accessories of Microscopes	3,316,468
90160000	Balances	263,997
90272000	Chromatographs	772,623
90273000	Spectrometers	1,605,440
90275000	Instruments & Apparatus	618,459
90278000	Other Instruments & Apparatus	3,721,872
90279000	Microtomes	6,485,462
	<b>TOTAL</b>	<b>41,265,924</b>

Statistics on local production are not available, but is thought to be negligible.

**2. Population**

- a. Total population: 83 million
- b. % Having access to quality healthcare: 30%

**3. Reimbursement by %:**

- a. Government Insurance: 4%
- b. Private Insurance: 96%

Only 32 million who are gainfully employed are able to reimburse the cost of healthcare services.

All (1.3 million) government employees and their dependents are insured by the Government Service Insurance System (GSIS) of the Philippines; employees of private firms and their dependents are covered by private insurance and Social Security. Statistical figures of retirees who also receive healthcare benefits from insurers are not available.

Eight million who are underemployed are seldom entitled to reimbursements or even healthcare allowances; some can claim benefits from Social Security. Majority of the underemployed end up becoming dependent on the State (Department of Health), just like the 4 million unemployed.

The reimbursement rates from insurance are estimated based on the following:

Fully Employed/a		<b>32 million</b>
Private/c	<b>30.7 million</b>	
Government/b	<b>1.3 million</b>	
Underemployed/a		8 million
Unemployed/a		4 million
Others/c		39 million
Retirees / Individuals 65 years and older	3 million	
Dependents of the Employed	10 million	
Dependents of the Underemployed/unemployed	26 million	
Total Population (National Statistics Office)		83 million

Sources:

/a Dept of Labor and Employment/ Bureau of Labor and Employment Statistics

/b Government Service Insurance System

/c Estimated (Not all 3 million individuals who are 65 years old and older receive pension or are covered by insurance. The number of retirees receiving healthcare benefits is not available.)

#### 4. Number of testing facilities

- a. Hospital
  - i. Public/Government: 662
  - ii. Private: 1,061
- b. Independent labs (no data)
- c. Physician Offices (no data)
- d. Other: Stand-alone clinics 132  
HMO clinics 19
- e. Background on Research Institutes & Partners

The Philippine Department of Health (DOH) initiates research on health issues and monitors activities of private research firms. The DOH also oversees the following:

Philippine National AIDS Council - HIV/AIDS situation in the country is described as a low infection/slow progression epidemic. The level of prevalence among those presumed to be most vulnerable is considered low and the current rate of growth in the number of HIV/AIDS cases is considered slow.

Dangerous Drugs Board – plans and formulates policies and programs on drug prevention and control; develops and adopts a comprehensive, integrated unified and balanced national drug abuse prevention and control strategy.

#### 5. Disease profiles of population

Ten Leading Causes of Mortality by Sex  
Number, Rate/100,000 Population & Percentage  
Philippines, 2000

Cause	Male	Female	Total	Rate	% of Total Deaths
1. Diseases of the heart	34,356	26,061	60,417	79.1	16.5
2. Diseases of the vascular system	27,197	21,074	48,271	63.2	13.2
3. Malignant Neoplasm	19,597	16,817	36,414	47.7	9.9
4. Pneumonia	16,549	16,088	32,637	42.7	8.9
5. Accidents	26,009	6,346	32,355	42.4	8.8
6. Tuberculosis, all forms	18,590	8,967	27,557	36.1	7.5
7. Chronic obstructive pulmonary diseases and allied conditions	10,770	5,134	15,904	20.8	4.3
8. Certain conditions originating in the perinatal period	9,083	6,015	15,098	19.8	4.1
9. Diabetes Mellitus	5,147	5,600	10,747	14.1	2.9
10. Nephritis, nephritic syndrome and nephrosis	4,642	3,321	7,963	10.4	2.2

Last Update: January 2005

#### 6. Import statistics and trends of clinical laboratory products

- a. From U.S. - 27% (US\$ 11 million)
- b. From ROW - 73% (US\$ 30 million)

HS Codes	Description	Imports from the US (US\$)	Imports from the ROW (US\$)	Total Imports 2004 (US\$)
30062000	Blood Grouping Reagents	145,254	94,256	239,510
38220000	Diagnostic Laboratory Reagents	6,308,440	15,783,414	22,091,854
90121000	Microscopes	285,609	1,864,630	2,150,239
90129000	Parts & Accessories of Microscopes	35,799	3,280,669	3,316,468
90160000	Balances	10,941	226,056	263,997
90272000	Chromatographs	141,241	631,382	772,623
90273000	Spectrometers	440,217	1,165,223	1,605,440
90275000	Instruments & Apparatus	92,692	525,767	618,459
90278000	Other Instruments & Apparatus	949,937	2,771,935	3,721,872
90279000	Microtomes	2,729,743	3,755,719	6,485,462
	TOTAL	11,139,873	30,129,051	41,265,924

## 7. Barriers to market entry

- a. **Regulatory** - Distributors appointed by foreign suppliers handle all aspects of importation from registration of the products, to obtaining a license or a clearance. Distributors not only help facilitate the product's entry into the market, they also take care of advertising and promotion through sales personnel and/or dealer networks. Distributors must register with the Bureau of Food and Drugs (BFAD) before operating.
- b. **Duties** - (Regulatory Environment / Market Access) The Philippines imposes a 3% tariff duty and a 10% value-added tax (VAT).
- c. **Domestic** - Most hospitals purchase their equipment from distributors but occasionally buy directly from suppliers. End-users (both government and private) deal only with duly registered distributors to guarantee on-time delivery, and parts and services warranty.
- d. **Procurement practices** - The hospitals' procurement divisions check distributors' track record on delivery, warranty, and other services. A common mode of importation is a letter of credit (L/C) with 90 to 180 days payment terms depending on principal-distributor relationship. Payment through telegraphic transfer is another common form of payment.
- e. **Distribution systems** - Distributors make sales calls, do product demos, mount exhibits, and advertise in order to promote their respective products. The foreign supplier may support some of these campaigns.

## 8. Contact lists

- a. Domestic IVD manufactures  
(No data)
- b. Trade and Professional associations

Mr. Enrique Lim, President  
Hospital Medical Laboratory Equipment Supplies Instruments  
Association of the Philippines (HOMLESIAP)  
c/o 704 Aurora Blvd., Quezon City  
Phone: (63-2) 721-8352; 721-5211  
Fax: (63-2) 721-5211; 721-7012  
E-mail: iii@mydestiny.net

Mr. Leo Wassmer, Executive Vice President & CEO  
Pharmaceutical & Healthcare Association of the Philippines  
Unit 502 Corporate Plaza  
845 A. Arnaiz Avenue  
Phone: (632) 816-7334; 816-7373; 816-0618  
Fax: (632) 819-2702  
E-mail: phap7346@phap.org.ph

Ms. Eleanor P. Garcia, Director  
Philippine Association of Medical Technologists (PAMET)  
c/o SeroDiagnostics Trading  
Unit 104 Tiffany Suites  
#1784 Alvarez St., Sta. Cruz, Manila  
Phone: (632) 743-6047; 749-4660

Fax: (632) 742-7279  
E-mail: [epgarcia@skyinet.net](mailto:epgarcia@skyinet.net)

c. Information sources (U.S. Embassy, etc)

Dey Robles, Commercial Specialist  
U.S. Commercial Service - Manila  
25/F Ayala Life – FGU Center  
6811 Ayala Avenue, Makati City 1200  
Philippines  
Phone: (632) 888-6078  
Fax: (632) 888-6606  
E-mail: [Dey.Robles@mail.doc.gov](mailto:Dey.Robles@mail.doc.gov)

Prof. Leticia Barbara B. Gutierrez, Director  
Bureau of Food & Drugs  
DOH Compound, Civic Drive Filinvest Corporate City  
Alabang, Muntinlupa, Metro Manila  
Phone: (632) 807-0725; 807-0726; 807-0476  
Fax: (632) 807-0751  
E-mail: [lbgutierrez@bfad.gov.ph](mailto:lbgutierrez@bfad.gov.ph)

d. Useful Websites

U.S. Commercial Service – Manila’s website:  
<http://www.buyusa.gov/philippines/en/>

(Philippines) Bureau of Food and Drugs Website: <http://www.bfad.gov.ph>

e. Distributors (a more exhaustive list may be requested)

Biocare Health Resources  
Mr. Alexander Crisostomo  
President  
#64 Quezon Avenue, Quezon City  
Tel: (632) 731-4681; 711-4313 (trunk line)  
Fax: (632) 741-4313  
Email: [biocare\\_dx@hotmail.com](mailto:biocare_dx@hotmail.com)  
Website: [www.biocarehealth.com.ph](http://www.biocarehealth.com.ph)

Blue Sky Trading Corporation  
Mr. Benjamin Tantiansu  
President  
#416 Dasmarinas Street  
Binondo, Manila  
Tel: (632) 241-8501 to 04  
Fax: (632) 241-3846

Crestline Scientific Medical Trading  
Dr. Antonieta P. Lopez-Romua, MD  
President & Medical Director

#2113 Volta St., Brgy. San Isidro  
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Tel: (632) 887-5777  
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Email: [crest2934@yahoo.com](mailto:crest2934@yahoo.com)

Dispo Philippines Inc.  
Mr. Ronnie Herrera  
Marketing Manager  
Dispophil Bldg., Amber Avenue  
Ortigas Center, Pasig City 1605  
Tel: (632) 631-1518 to 23 (x 422)  
Fax: (632) 637-8569

Impexcoc Co., Philippines  
Mr. Orly Pajarillo  
General Manager  
Rm. 706, Royal Plaza Bldg.  
Remedios St., Malate, Manila  
Tel: (632) 525-3495; 536-2998; 536-5352  
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Lakambini Diagnostic Center  
Ms. Luna Filipina C. Gaspi  
President  
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Tel: (632) 400-6266  
Fax: (632) 400-4643  
Email: [lakambini\\_diagnostic@yahoo.com](mailto:lakambini_diagnostic@yahoo.com)

Marco Polo Medical Systems, Inc.  
Mr. Teddy Lim  
President / Chief Executive Officer  
Friendship Business Center  
#81 West Capitol Drive  
Brgy. Kapitolyo, Pasig City  
Tel: (632) 632-7818; 631-4327  
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SeroDiagnostics Trading  
Ms. Eleanor P. Garcia  
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Tel: (632) 743-6047; 749-4660  
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- 9. Key trade shows in country or region** (Healthcare Technologies, Malaysia;  
IDEM, Singapore; KIMES, South Korea)

## **10. General Comments on Healthcare System**

The Philippines is developing its medical laboratory and testing equipment facilities. Distributors project 5% annual growth over the next two years. Factors that spur demand for medical laboratory products are increasing requirements for diagnostic tests and technology improvements, which render current instruments obsolete.

Lab tests are common requirements for local and overseas contract workers. Schools also direct students to undergo blood tests, and almost all insurance companies require their applicants to submit various medical test results. Operating a clinical laboratory has become a lucrative business for some operators. These clinics promote their latest lab equipment when they advertise their services.

The medical laboratory market is almost 100% import dependent. U.S. market share in 2004 was about 27%. The U.S. controls the market for microscopes, flow meters, spectrophotometers, and chemical analysis instruments. Filipino medical practitioners who trained in the U.S. prefer U.S. equipment and instruments.

In recent years, laboratories improved existing facilities through the acquisition of new equipment, instruments, and supplies. Private laboratories have greater demand than government clinics for diagnostic/laboratory instruments, reagents, and testing equipment because of greater purchasing power and disposable income.