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# MEDICAL EQUIPMENT INDUSTRY IN BANGLADESH: AN OVERVIEW

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Editor

Mr. Arifur Rahman, FCCA, FCA, CSAA  
Chief Executive Officer

# Medical Equipment Industry in Bangladesh: An Overview

Md. Shaiful Hasan\* and Md. Junaid Bogdad\*\*

## Abstract

The medical equipment industry in Bangladesh is a critical component of the country's healthcare system. It provides many essential devices for diagnosing, treating, and preventing diseases. The industry is currently in its early stages of development, but it has the potential to play a significant role in improving patient care and strengthening the country's healthcare infrastructure. The study concludes by arguing that the development of local manufacturing capabilities is essential for the long-term sustainability of the medical equipment industry in Bangladesh. By producing its own devices, Bangladesh can reduce its reliance on imports, create jobs, and contribute to economic growth. The study also emphasizes the importance of government support for developing the medical equipment industry.

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\*The authors are Senior Business Consultant, ECRL, and  
\*\* The second authors are Research Associate, ECRL.

## 1. Introduction

The medical equipment industry in Bangladesh plays a crucial role in the country's healthcare sector, contributing to improving healthcare services and patient care. It encompasses a wide range of devices and equipment used in various healthcare settings, including hospitals, clinics, diagnostic centers, and healthcare facilities at home. These devices are essential for accurate diagnoses, complex surgical procedures, and effective patient monitoring, ultimately enhancing healthcare outcomes for the population. Different categories of devices within the industry serve specific purposes in the delivery of healthcare services. The devices or equipment include diagnostic imaging equipment, consumables and disposables, patient aids, orthopedics and prosthetics, and dental products. Each category is vital in supporting healthcare professionals and ensuring optimal patient care.

The medical equipment and devices industry in Bangladesh is a promising sector with a high growth potential, but it faces several challenges in terms of local production capacity and quality standards. The market demand for medical equipment and devices in the country is estimated to be around USD 442 million as of June 2020, and it is projected to grow at a CAGR of 13% to reach USD 820 million by 2025 (BIDA, 2021). However, the local manufacturing sector only accounts for 4% of the market share, while the rest is met by imports from India, China, and Europe (Chakma, 2021).

With the significant growth of this industry, it presents immense potential for further development. By focusing on developing local manufacturing capabilities, reducing import dependency, and promoting technological advancements, Bangladesh can strengthen its healthcare infrastructure and enhance its ability to meet the growing demand for medical equipment. Bangladesh can establish itself as a key player in the global medical equipment market while contributing to the country's economic growth and ensuring the availability of high-quality healthcare services for its population.

## 2. Market Size, Growth, and Factors of Growth

### 2.1. Market Size and Growth

The medical equipment and devices industry in Bangladesh is still in its infancy, with most of the products being imported from abroad. However, the market has shown remarkable growth potential in recent years, driven by the increasing demand for quality healthcare services, rising disposable income, and government initiatives to promote the local manufacturing sector.

According to a recent report, the size of the medical equipment and devices market in Bangladesh was estimated to be valued at USD 442 million in June 2020 and is projected to reach approximately USD 820 million in 2025, registering a compound annual growth rate (CAGR) of 13% (BIDA, 2023). The market is currently dominated by the instruments/ appliances segment and diagnostic imaging equipment in terms of value, which are expected to grow steadily over the forecast period. The instruments/ appliances segment includes products such as surgical instruments, syringes, needles, catheters, and infusion sets. The diagnostic imaging equipment segment comprises products such as X-ray machines, ultrasound machines, MRI machines, and CT scanners (BIDA, 2023).

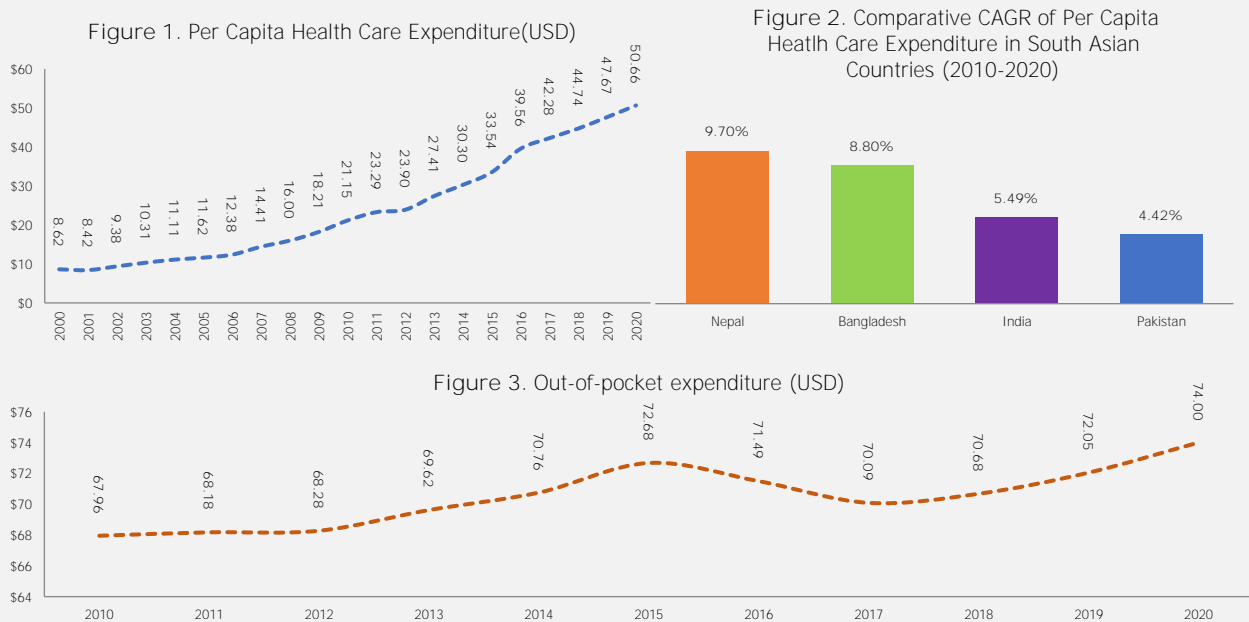
The local production of medical equipment and devices is still very limited, accounting for only 5 to 7 percent of the total market share. The locally produced items are mostly consumables/disposable with an estimated market size of USD 55-60 million (BIDA, 2023). These include products such as bandages, gauze, gloves, masks, and test kits. Some other products that are manufactured locally are orthopedic products, surgical sterilizers, hospital furniture, home care devices, electrocardiograms, and other small instruments. However, these products are produced on a small scale and face challenges such as a lack of quality standards, skilled manpower, and adequate infrastructure.

### 2.2. Factors Driving the Growth of the Industry

The demand for medical equipment and devices in Bangladesh is expected to increase in the coming years, owing to the growing prevalence of chronic diseases, the aging population, and rising awareness among consumers. The fastest-growing segment in the market is expected to be the in-vitro diagnostic (IVD) device/ kit segment, followed by cardiological devices, consumables, and diagnostic imaging equipment.

The IVD device/ kit segment includes products such as blood glucose meters, blood pressure monitors, cholesterol meters, and pregnancy test kits. The cardiological devices segment includes products such as pacemakers, stents, defibrillators, and heart valves.

The rising per capita health expenditure in Bangladesh over the two decades as shown in Figure 1, reached USD 50.66 in 2020 according to data from the World Bank, which signifies the growing priority placed on healthcare and individuals' willingness to spend more on medical services (World Bank, 2021). This upward trend is fueled by economic growth and heightened awareness of the importance of healthcare quality. Notably, Bangladesh's per capita healthcare spending in figure 2, has exhibited a Compound Annual Growth Rate (CAGR) of 8.80%, surpassing the growth rates of India (5.49%) and Pakistan (4.42%) among South Asian nations. Given this significant increase in healthcare spending, the demand for medical equipment is expected to surge in the coming years, reflecting the country's growing emphasis on quality healthcare and the allocation of resources towards its improvement (World Bank, 2021). Among the South Asian countries, Bangladesh holds second in health care expenditure, with Nepal following closely behind standing at 9.70%. The significant allocation towards health care spending in these countries has increased demand for medical equipment. The out-of-pocket expenditure of Bangladesh as shown in Figure 3, shows the increase in health expenditure from USD 67.96 to USD 74 per person.



Source: World Bank

The changing disease profile in Bangladesh is evident with the rapid increase in the prevalence of non-communicable diseases, which account for 41% of total deaths in the country, according to data from the World Health Organization. Figure 4 points out the percentage of death from the noncommunicable disease. Cardiovascular disease is the leading cause of death among these non-communicable diseases accounting for 17%, 11% of chronic respiratory disease, 10% to cancer, and 3% of diabetes (WHO, 2021). This shifting disease landscape has played a significant role in driving the growth of the medical equipment industry.

As the burden of non-communicable diseases continues to escalate, the demand for specialized medical equipment for accurate diagnosis, effective treatment, and long-term management is expected to surge. These diseases require advanced medical devices and equipment to support healthcare professionals in delivering optimal care and improving patient outcomes. Consequently, the medical equipment industry in Bangladesh is poised to witness increased demand for innovative and technologically advanced solutions to address the evolving healthcare needs associated with these non-communicable diseases.

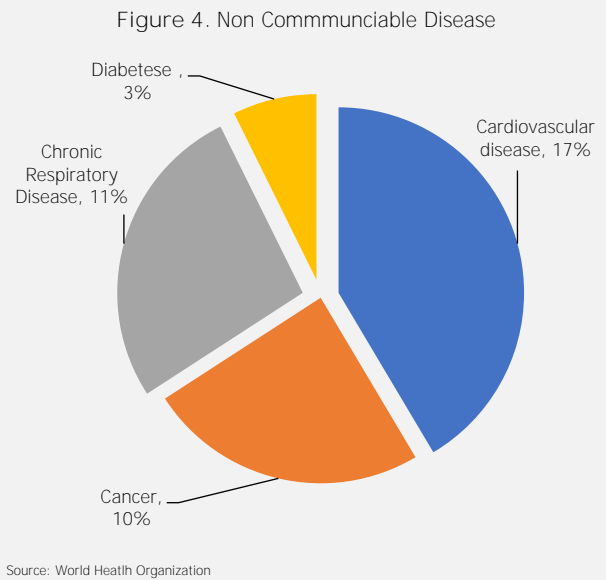
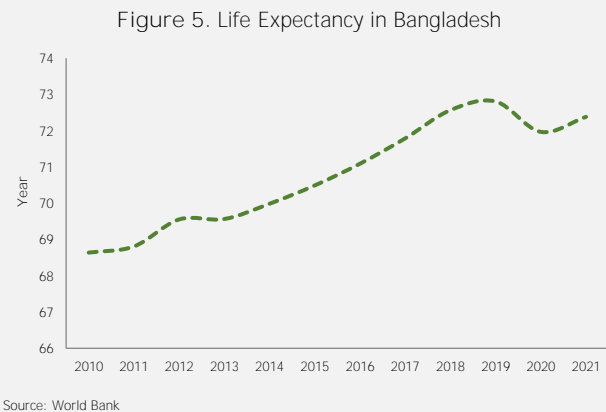
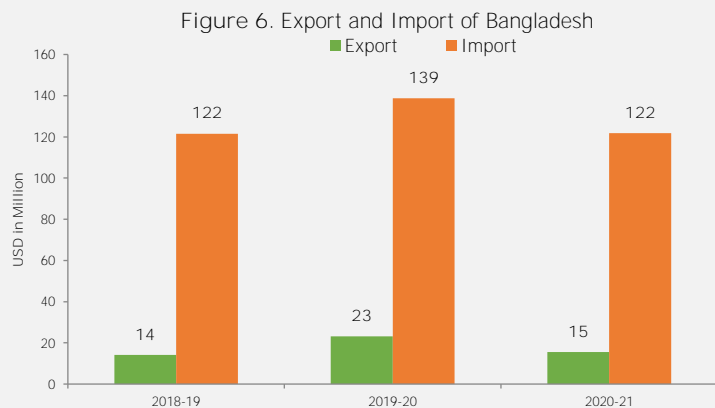


Figure 5 displays the rising life expectancy of people in Bangladesh and it is a significant factor contributing to the growth of the medical equipment industry. According to the Bangladesh Bureau of Statistics, the country is witnessing an increase in individuals aged 65 and above, with approximately 1.53 crore people falling within this age bracket. As people live longer, there is a greater demand for healthcare services, including medical equipment and devices to address age-related health conditions and provide ongoing care. This demographic shift highlights the importance of expanding the medical equipment industry to meet the evolving needs of the aging population. The industry must adapt to this changing landscape by offering specialized equipment and innovative solutions that cater to the healthcare requirements of the elderly, ensuring their well-being and improving their quality of life.



Infrastructure development, including the establishment of new hospitals, clinics, and healthcare facilities, is further propelling the growth of the medical equipment industry. These investments, both from the government and private sector, generate a demand for a wide range of medical equipment to equip these healthcare facilities adequately.

### 3. Export and Import Scenario



Source: Bangladesh Bureau of Statistics

Recent export and import data, as in Figure 6, reflect fluctuation, ranging from USD 15.48 million to USD 23.20 million for export and USD 121.50 million to USD 138.80 million for imports (BBS, Statistical Yearbook, 2021). Although Bangladesh relies heavily on imports, the government actively promotes local manufacturing to reduce dependency and foster industry growth. The government offers fiscal support, cash incentives, and tax exemptions on export earnings for medical equipment to encourage local manufacturing. The government also aims to create an

enabling environment for investment and technological advancements to boost domestic medical equipment manufacturing, such as a 50% tax exemption on export income and a 10% cash incentive on export earnings (BIDA, 2021).

### 4. Major Players in the Industry

The medical equipment industry in Bangladesh is characterized by several major players contributing to its growth and development. These players include JMI Syringes, Getwell, Opso Saline, Techno Drugs, Incepta Pharmaceuticals, Bi-beat, and Promixco Opso Saline. These companies have established themselves as key stakeholders in the industry, and their contributions are significant in terms of local manufacturing, employment generation, and market share (JMI Annual Report, 2022)

While the major players in the industry have made notable strides, the current level of local manufacturing only accounts for a small portion of the overall demand for medical equipment. Approximately 90% of the total demand is still fulfilled through imports. However, investments by local firms have reached BDT 100.00 billion, demonstrating the growing interest and confidence in the industry's potential. For example, JMI, a prominent player in the market, has invested BDT 20.00 billion, including BDT 8.00 billion in foreign investments. Such investments signify a positive outlook for the industry and provide a foundation for future growth (JMI Annual Report, 2022).

### 5. Global Scenario

The global scenario of the medical equipment industry presents both opportunities and challenges for players in the market. The global market is projected to reach USD 850 billion by 2025, indicating substantial growth potential (Precedence Research, 2021). Looking ahead, the medical devices market is expected to experience continued growth. In the base year, the market was valued at approximately USD 443.2 billion, and it is forecasted to reach USD 612.5 billion in the next five years, reflecting a Compound Annual Growth Rate (CAGR) of 5.5%. This growth can be attributed to various factors, including increasing healthcare expenditures worldwide and advancements in medical technology (Precedence Research, 2021).

Major players in the global medical equipment industry include Abbott Laboratories, Inc., Koninklijke Philips NV, and GE Healthcare, among others. These companies hold significant market shares and drive innovation in the industry. Opportunities lie in the high export potential, as demand for medical equipment is increasing due to rising healthcare expenditures globally. However, the industry faces intense competition as numerous players strive to capture market share and deliver cutting-edge solutions.

### 6. Social Impact

The medical equipment industry in Bangladesh has a significant social impact, extending beyond its economic contributions. As of 2021, the industry has provided employment opportunities for more than

12,000 individuals across diverse job roles and skill levels, contributing to the country's overall socio-economic development (Chakma, 2021).

Local manufacturing in the medical equipment industry plays a crucial role in reducing import dependency, promoting self-sufficiency, and fostering national pride. By manufacturing medical equipment domestically, Bangladesh can ensure a steady supply of essential medical devices, reduce reliance on imports, and strengthen its healthcare infrastructure.

Furthermore, the medical equipment industry contributes to the overall development of the healthcare sector in Bangladesh. The availability and proper medical equipment utilization enable healthcare providers to deliver quality services, enhance patient care, and improve health outcomes. The industry supports the diagnosis, treatment, and management of various medical conditions, playing a vital role in saving lives and improving the well-being of individuals.

## 7. Conclusion

The medical equipment industry is crucial in improving healthcare services and has a significant social impact, generating employment opportunities and reducing import dependency. By prioritizing ethical practices, investing in employee welfare, and promoting sustainability, the industry can contribute positively to society and ensure the population's overall well-being. With increasing per capita health expenditure, changing disease profiles, rising life expectancy, and infrastructure development, the demand for medical equipment is expected to grow exponentially. Moreover, the government's support plays a significant role in promoting the local production of medical equipment through fiscal incentives, cash incentives, and tax exemptions, which will also attract foreign investments.

To leverage this growth, the industry must focus on enhancing local manufacturing capabilities, improving product quality, and aligning with international standards. Moreover, exploring export opportunities and expanding global market presence will further propel the industry's growth and contribute to Bangladesh's economic development.

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## Dhaka Office

Shams Rangs, House 104, Park Road Level-A1, A2 & A5 Baridhara, Dhaka-1212  
Tel: +880 2222260911,  
+880 2222260897  
Fax: +880 2222260828  
Email: [info@emergingrating.com](mailto:info@emergingrating.com)

## Chattogram Office

Al Madina Tower, 6th Floor 88-89, Agrabad C/A, Chittagong  
Tel: +880 1833 330059,  
+880 1833 330061

## Bogura Office

MA Complex, 3rd Floor, East Side. Tin Matha Railgate. Bogra- 5800

## Khulna Office

Mollick Shopping Complex 99 Khan -a- Sabur Road, Khulna-9100  
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