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Market Predictions for Medical Imaging



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Many medical imaging markets experienced rapid decline as a result of the global recession, not just last year but in the years previous. Some segments of these markets are however, already recovering with strong growth prospects, while others are still struggling to return to pre-recession levels. InMedica analysts assessed a range of medical imaging markets to identify the key growth prospects for this industry in 2012.

Hot Trend # 1. Point-of-Care Ultrasound

The global point-of-care ultrasound market is experiencing strong demand, driven by key applications such as anaesthesiology, musculoskeletal, emergency medicine and critical care. Combined, these markets are forecast to increase by 44 percent between 2011 and 2015.

The use of ultrasound in point-of-care applications is well established in mature healthcare markets, such as Western Europe and North America. The capability for rapid patient diagnosis using flexible ultrasound platforms, as well as the development of new product innovations, has driven growth in these point-of-care markets. For example, improved procedural guidance and visualisation techniques have helped drive the use of ultrasound in anaesthesiology. In comparison, emerging ultrasound markets, such as in India and Latin America, are still in the early stages of point-of-care development. Increased physician education is needed to demonstrate the benefits, both clinical and financial, of using ultrasound in point-of-care applications. With this education becoming more widespread, along with the growing compact market, the significance of ultrasound in point-of-care is starting to become more recognised. InMedica predicts that the point-of-care ultrasound market will grow at a double-digit rate in 2012.

Hot Trend # 2 Mobile X-Ray

The newest generation of wireless flat panel x-ray detectors boast stronger casing, faster processing and longer battery life, clearly improving daily radiography workflow. Yet, their greatest benefit is not in their internal components, but in their method of application. The most notable beneficiary: mobile x-ray systems.

The technology of wireless FPD for x-ray usage has been available for the last few years. A higher price tag and risk of drop damage or theft initially dented market confidence. Yet, the first generation of wireless panels combined unique features for digital FPD: near instant processing in a cassette format. Now, the newest generation of wireless panels has been deployed in new mobile x-ray systems, providing a recipe for market success.

The impact of these new systems in clinical settings are clear; radiographers will no longer have to shuttle between patient bedsides and processing rooms, increasing exam time efficiency. Wireless panels also simplify patient positioning, as panels are not tethered. Digital FPD solutions also boast dose reduction benefits, especially important in clinical settings outside the radiography suite. Consequently, InMedica forecasts that this surge of new wireless mobile X-ray systems will push global revenue growth for this market above 10 percent in 2012.

Hot Trend # 3 MRI, CT and Angio/Cardio X-Ray

The CT, MRI and angiography/cardiology x-ray markets are set for a challenging 2012. Less expensive modalities, such as ultrasound and general radiography, have bounced back from the economic downturn, buoyed by cost-efficient purchasing and significant advances in imaging technology. In contrast, continued economic uncertainty continues to negatively affect healthcare expenditure, with many orders postponed or cancelled. Combined with concerns regarding CT and x-ray dosage and less robust investment from emerging regions, these factors are set to prevent any significant global market rebound. Despite this, a few areas of the "big iron" market look set to buck this global trend. The cylindrical 3T MRI market is set for global revenue growth of 7 – 10 percent, spurred by increased market penetration of wide aperture and short bore

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systems. Demand for 64-slice and above CT systems will offset market decline in 16 and under slice CT systems, driven by demand for greater image quality, particularly in CT angiography (CTA). Furthermore, the release of dynamic flat panel detectors for angiography, cardiology and fluoroscopy X-ray should boost this segment. InMedica forecasts that the global markets for CT, MRI and angiography/cardiology x-ray will not exceed five percent revenue growth in 2012, despite stronger growth in some market segments, as outlined above.

Hot Trend # 4 Digital X-Ray in China

The Chinese digital x-ray market is rapidly evolving. Unlike most other regional markets, this comprises Computed Radiography (CR), Charged Couple Device Digital Radiography (CCD-DR), and Flat Panel Detector Digital Radiography (FPD-DR) systems. CCD-DR is only supplied by local Chinese manufacturers, who have over the last three years successfully penetrated the large Computed Radiography (CR) x-ray market. These gains are particularly obvious in tier two, county-based hospitals, where budgets are limited. Yet, this trend is already changing, with many local suppliers introducing FPD-DR products since 2010.

The Chinese government has had far less influence on the market recently, with the rapid shift in the products offered by local suppliers driven by the demands of hospitals. Increasing patient numbers are resulting in hospitals having larger budgets, thereby reducing dependency on state funding. More relaxed state legislation is also increasing hospitals' willingness to purchase FPD-DR systems, with the aim of improving working efficiency and improving image quality.

An increasing number of tier two county hospitals are investing in higher specification FPD-DR systems. However, for local suppliers, production of low-cost FPD-DR will be challenging. FPD-DR has been used in metropolitan tier three hospitals for a number of years, with many hospitals preferring to purchase well-known international branded systems, despite the higher cost. In some areas, government bidding may assist local providers to enter the market; however, many are unable to compete with the quality of international systems at present. InMedica forecast that unit growth of FPD-DR in China will be 20 percent in 2012. In contrast, CCD-DR will decrease 25 percent in 2012.

Hot Trend # 5 Managed Services in PACS

Managed services (MS) refer to a model where the vendor owns and manages the IT infrastructure, providing service level management, application and system administration. The vendor is also fully responsible for maintaining this infrastructure, including the datacentre/storage, which may be housed locally or remotely.

The benefits of managed services include reducing the need for heavy capital investment in PACS, such as costly in-house IT support staff and IT infrastructure investment. It also provides regular access to the latest software upgrades and allows flexible storage capacity to suit end-users' needs. Managed service models also involve a fee-per-study option, where hospitals can switch from a capex to an opex model, only paying for studies and storage space as and when they need it. In the current economic climate as hospitals face reducing capital expenditure and reducing reimbursements, this is becoming increasingly attractive. Subsequently, managed service revenues in the PACS market are forecast with strong growth - a compound annual growth rate (CAGR) of 20.3 percent from 2010 to 2015.

InMedica projects that global revenues for managed services in the PACS market will reach 328.1 million U.S. dollars in 2012.

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