



# US-Korea Free Trade Agreement Medical Devices & Equipment



## New Opportunities

- Nearly 95% of consumer and industrial products will become duty-free within the first three years after implementation
- Korea has a steady and diversified growth of 4.6%, with small and medium size businesses taking on stronger and more dynamic roles within the economy.

The agreement contains provisions on the medical device market access issues that go far beyond those in other U.S. FTAs. The agreement includes commitments to improve access to innovative products and to ensure the transparent, predictable, and non-discriminatory pricing and reimbursement of innovative and generic pharmaceutical products and medical devices. In addition, the agreement contains provisions to enhance ethical business practices, improve the predictability and transparency of the pricing and reimbursement system, and to establish a Medicines and Medical Devices Committee to monitor implementation of commitments in this area. The agreement also requires Korea to create an independent mechanism to review pricing and reimbursement decisions.

## Industry Trends

Korea is one of the largest Asian markets for medical devices. According to industry sources, the medical equipment market is forecast to grow at an average annual rate of 10-15 percent over the next few years.

Korea depends on advanced medical devices from the U.S., Japan, and the EU to supply about 60 percent of total market demand. In 2006, total imports of medical devices were estimated to be USD1.8 billion. U.S. imports were estimated to be USD 638 million, representing a 34 percent import market share.

Market demand for advanced and innovative medical devices is forecast to remain strong over the next few

years, as Korea's hospitals continue to purchase advanced technology products from abroad and with growing numbers of elderly Korean patients requiring sophisticated medical procedures. In general, Koreans are increasingly demanding better care from their national healthcare system as the standard of living continues to improve in the world's eleventh largest economy. Another factor favoring the use of imported advanced medical equipment and devices is the growing number of Korean doctors educated in the U.S. and Europe.

### Best Prospect Sectors

- Stents
- Artificial joints
- Magnetic resonance diagnostic devices
- Cardiovascular instruments
- Radiological devices
- Invitro diagnostic products
- Dental implants and supplies
- Surgical apparatus (laser and electric)
- Catheters
- Ophthalmic equipment
- Laser instruments

## Business Tools

The US Commercial Service is ready to help your company enter and expand in the dynamic Korean market.

We can help you:

- ✓ Research market potential
- ✓ Locate and arrange appointments with qualified buyers and distributors
- ✓ Advise on intellectual property rights, regulatory hurdles, and government contracts
- ✓ Provide you with essential company background information that will help you make more informed decisions
- ✓ Launch your product in Korea with a promotional or technical seminar

## Key Contact

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