Canada – Dental Equipment & Supplies

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Summary

The $433 million Canadian dental equipment and supplies market is largely satisfied by imports and is estimated to grow 6-8 percent in 2009. The best prospects in the Canadian market are for products designed to meet the demand for cosmetic, aesthetic and restorative dentistry, as well as orthodontic and periodontal care. Demand for innovative and technologically advanced equipment such as laser instruments, computerized systems linked to cameras, and other diagnostic equipment including x-ray machines as well as emerging technologies like digital imaging all represent excellent export prospects for U.S. suppliers of these products.

Opportunities for U.S. exporters within the Canadian market currently have great potential due to the well-recognized quality of U.S. products, the harmonization of product standards and business practices between Canada and the United States, as well as the geographic proximity of the two countries. There are no significant obstacles to entering the Canadian market other than having to comply with regulations that include the licensing of equipment and some products prior to selling. Canadian dentistry associations and schools generally maintain close ties with their U.S. counterparts. Well planned distribution and promotion strategies are key to a successful Canadian market entry and export business development.. The U.S. Commercial Service in Canada can help U.S. dental equipment firms enter this lucrative market through a variety of well adapted and cost-efficient services.

Market Demand

Although Canada is a country well known for its publicly funded universal health care system, what may not be well known is the fact that the Canadian health care system does not include the dental care coverage except under conditions requiring hospitalization as a result of an accident or general illness, which is relatively minimal when considered as a market share.

Canadian dentistry is essentially a private sector market. In fact, less than five percent of all expenditures incurred for professional dental care in Canada were paid by public sources in 2007. This percentage share has decreased over the last decade as public health programs coverage diminished and is not expected to increase in the foreseeable future.

In 2007, Canadians spent over US$10 billion through out of pocket and insurance plans coverage to obtain professional dental care from approximately 45,000 licensed professionals. Of these individuals serving in Canada's dental profession, about half are dentists and the other half are dental hygienists, denturists and dental therapists. These Canadian dental industry worker numbers do not include the approximately 30,000 dental assistants, or the clerical staff employed by dentists and the technicians working in commercial dental laboratories who, fabricate prosthetic devices and appliances..

The dental equipment and supplies market in Canada includes products used by Canadian dental practitioners/surgeons. Consumption of dental equipment and supplies within the public health sector is relatively small, five percent, and occurs primarily within hospital/educational and research environments.

About 50 percent of the demand for dental equipment and supplies in Canada is for products used by dental practitioners and surgeons, who provide professional dental care in the various disciplines of dentistry in Canada. The other half of the demand encompasses the use of disposable and consumable dental supplies such as syringes, needles, cements, composites and alloys.

In the past two decades, Canada's education campaigns have increased the public's awareness of the importance of maintaining proper dental health care. As a result, instead of options requiring "reactive" measures (such as partial or complete dental replacements with prosthetic devices), Canadians have turned instead toward "proactive" preventive measures, thereby increasing the demand for more frequent professional dental care. More than two-thirds of Canadians ages 12 and over visit their dentist once a year or more. A trend toward a higher frequency of visits in the future is confirmed by a higher number of consultations in the 12-19 age group with four in five Canadians visiting regularly (more than once a year) while the 75 years and older age group indicates that less than 50 percent consult with their dentist annually.

The Canadian dental market is steadily evolving and developing, influenced by increasing life expectancies and an improving general state of health. Increased health awareness, among all Canadians, has contributed to the growth of individual demand for quality professional dental care~~,~~ in all age groups of the population.

As Canada's population ages, the market will experience a significant growth in the demand for treatments and procedures geared toward this segment of the population, including restorative and cosmetic procedures as well as orthodontics and periodontal care. For a majority of Canadians who have benefitted from fluoridated water and overall health care availability for several decades, the younger segments of the Canadian population contribute to an increased demand for care that will help them maintain their dental health and minimize the loss of natural teeth.

Currently, no more than five percent of the cost of professional dental care provided to Canadians is assumed by publicly-funded programs. Individual insurance premiums and employers' programs cover about 65 percent of the cost of dental care. The remaining 30 percent is assumed personally by Canadians, either because they have no dental insurance coverage, or because of deductibles and partial coverage clauses in insurance arrangements. Those in high-income levels and those with higher education levels also have better insurance coverage. When visiting dentists, nine out of ten Canadians are faced with a non-reimbursable out-of-pocket payment portion.

Due to these out-of-pocket expenses for dental care, Canadians are much more discerning when selecting a dentist, and more critical of the care provided, than they are with medical doctors. Since Canada's universal health care system provides full coverage for all citizens concerning medical care other than dental, Canadians are usually not as concerned with the resulting health care expenses, and therefore, tend not to be as critical of, or in selecting, their medical doctors.

Therefore, for these reasons, dentistry in Canada is generally practiced in a fully competitive environment. Dentists must provide the latest available technologies and innovations in order to satisfy and retain their clientele. They must modernize and replace equipment on a regular basis, as well as continually monitor new product techniques and applications.

Furthermore, the ability to integrate computer technology support in dental/clinical instrumentation is currently the object of substantial progress and will continue to constitute a significant single market growth factor in the next three to five years. The desire to adopt these new technologies accelerates the demand/replacement for improved equipment in a number of applications which have already been introduced to the Canadian dental profession. Digital radiology, periodontal devices, mandibular movement analysis, video imaging and clinical patient record systems appear to be the most promising of these already-introduced applications.

The demand for software-based equipment is expected to grow rapidly as more Canadian patients (better informed through the internet), become aware of some of the advantages provided by advanced dental equipment. Canadians increasingly seek dentists incorporating the latest technologies in their practice and expect them to be integrated into their personal dental care. In aesthetic dentistry, for example, patients are increasingly familiar with imaging and other technologies offered in aesthetic care practices. They expect these technologies to be a routine part of dental care procedures.

Digital radiography is prime example of technological improvements that increase the overall market demand for dental equipment and supplies. Through digital radiography, the limited duration of x-ray exams (due to potential contamination), and the time spent to develop conventional film is eliminated. Digital radiography permits the quantification of exams and results, allowing dentists to deliver a more complete diagnosis and clearer interpretation of test results.

Market Data

In 2006, the Canadian market for dental equipment and supplies exhibited a growth of nearly four percent over 2005 levels of US$390 million, to be valued at US$405 million. At end of year 2007, the market had experienced a further growth of seven percent, and was estimated to be worth slightly more than US$433 million. During the 2008 to 2010 period, industry sources forecast an average annual growth rate of between six and eight percent, which is a quite significant growth rate for a relatively mature market. The Canadian market demand for dental equipment and supplies will increase at this relatively rapid pace, over the next few years, due to the growth and aging of the population but also due to innovations and technological advancements in preventive care coupled to greater dental health awareness among Canadians.

In recent years, close to 90 percent of the total demand for dental equipment and supplies in Canada has been satisfied by imports. U.S. suppliers have dominated these imports, maintaining a 50 percent plus share of the total Canadian import market. U.S. suppliers of professional dental equipment and supplies generally enjoy a solid reputation among Canadian dental professionals, and they compete successfully against other reputable suppliers from Western Europe and Japan. Imports of low-cost and disposable supplies from China have increased at a rapid pace and now fill a more than 6 percent share.

Canadian Market for Dental Equipment and Supplies
(US$ millions)

Year	2005	2006	2007	2008 -Forecast
Import Market	**342**	**359**	**388**	**421**
Local Production	**158**	**156**	**163**	**163**
Exports	**110**	**110**	**118**	**121**
Total Demand	**390**	**405**	**433**	**463**
% Growth		**3.8%**	**6.9%**	**6.9%**
Imports from U.S.	**195**	**195**	**210**	**228**
% Growth			**7.7%**	**8.6%**

2007 Import Market Shares – Top 6 Countries of Origin:

United States	53.7%
Germany	13.4%
China*	6.0%
Switzerland	5.7%
Sweden	3.8%
Japan	3.2%

* Imports from China's share tripled, from 2 to 6% between 2005 and 2007

Products examined in this analysis include dental equipment purchased by dental practitioners, such as dental chairs, lamps, compressors, suction equipment, mixers, sterilization equipment, furnaces, burs, hand/surgical instruments, drills and micro motors. Also included are laser, tens (transcutaneous electrical nerve stimulation) and ultrasound equipment; x-ray and other imaging/diagnostic equipment; artificial teeth, braces and implants; and, consumable materials such as syringes, x-ray films, hand pieces, cements, composites, alloys, amalgams and other dental fillings.

This Industry Overview report includes the following products, identified by their accompanying Harmonized System (H.S.) Codes:

H.S. CODE	PRODUCT DESCRIPTION
3006.40	Dental cements & other dental fillings; including bone reconstruction cements
3306.20	Yarn used to clean teeth (dental floss)
3407.00	Model paste; dental impress prep retail pack; other
9018.41	Dental drill engines
9018.49	Instruments and appliances used in dental science
9021.21	Artificial teeth
9021.29	Dental fittings
9022.13	Apparatus based on the use of X-rays for dental us
9402.10	Chairs and parts of chairs
9603.21	Tooth brushes, including dental-plate brushes

Best Prospects

Best prospects and opportunities in the Canadian dental market are for products designed to meet the demand for cosmetic, aesthetic and restorative dentistry, as well as orthodontic and periodontal care. All of these products must also satisfy a demand for innovative and technologically advanced equipment such as laser instruments, computerized systems linked to cameras, and other diagnostic equipment including x-ray machines and other emerging technologies like digital imaging.

Several dental equipment and supply products/product categories represent best sales prospects in the Canadian market for U.S. exporters. For instance, the popularity of laser instruments and equipment is continually increasing as the result of gradual acceptance by patients and dentists. Lasers are successfully used in gingivoplasty, homeostasis, analgesia and pulpotomies. Nonetheless, laser technology still constitutes a revolutionary and advanced method for sealing, removing, etching and performing endodontic work. Another promising category is computerized autoclaves and other sterilizing/safety equipment for wrapped/unwrapped materials and instruments, as well as liquids requiring sterilization with safety devices. With increasingly complicated dental techniques and increasing safety concerns, efficiently sterilized and well protected/packaged products will definitely be in demand. Again due to the complexity of new procedures, there will be a continuing demand for new and improved composites, alloys, amalgams, and cements, as well as for equipment and supplies for implantology and periodontics. Both dentists and patients are also seeking X-ray substitutes like intra-oral cameras and screens, imaging systems with screens, and digital radiography.

Also in demand will be innovative computer modeling and imaging technologies which enable the design, molding, fabrication, and fitting of ceramic restorations. In fact, all of these steps are increasingly completed during only one visit to the dentist, rather than requiring a visit for each procedure, as in the past.

Key Suppliers

Among key suppliers to the market, Canadian manufacturers of dental equipment and supplies satisfy about only 10 percent of the domestic Canadian market demand. For 2007, domestic production is valued at US$163 million. Canadian manufacturers of dental equipment and supplies rely heavily on exports to maintain their viability. Exports represent close to three quarter of their revenues.

There has been no significant growth in the Canadian production or export of dental equipment and supplies over the past three years. Local production activities are stagnant due to the cost rationalization of manufacturing processes leading to the relocation and centralization of facilities to better meet the challenges posed by global competition among major international producers of dental equipment and supplies.

Foreign suppliers dominate the Canadian market for dental equipment and supplies reflected by imports that now satisfy close to 90 percent of market demand. Growth in the Canadian import market has been steady in recent years, particularly with the appreciation of the Canadian dollar value against other currencies including that of the United States in 2007. In 2007, imports of dental equipment and supplies grew by 8 percent, from US$359 million to US$388 million.

It is estimated that the 25 largest Canadian importers of dental equipment and supplies account for almost 80 percent of Canada's total imports. According to industry experts, the following companies (manufacturers, distributors and wholesalers) were among the most active importers of dental equipment and supplies into Canada (companies are listed alphabetically):

3M Canada, A-Dec Inc, Alpha Dental – Mediclub Distribution, Align Technology, Bolton Dental Manufacturing, Carestream Health, Clinical Research Clinician's Choice, Central Denta Supplies & Partners, Dentsply Canada, Global Dental, Henry Schein Ash Arcona Inc., Ivoclar Vivadent, K-Dental, Lincoln Dental Supplies, Ormco Corporation, Patterson Dental, Sinclair Dental, Takara Belmont, Vident, Zimmer Dental Products

The U.S. market position and share in the Canadian arena remains dominant but does not prevent the erosion provoked by globalization. U.S. dental equipment and supplies are well-received by the Canadian dental profession. In fact, imports from the U.S. have satisfied the majority of domestic Canadian demand for the past three years. U.S. imports supplied fulfilled close to 50 percent of the market demand in 2007. Shares of imports from third-country are far behind those from U.S. suppliers in 2007, with the closest being Germany, at 13.4 percent. However, many third countries are improving their position like China who ranked third at 6 percent having tripled its share since 2005 when it occupied only two percentage points.

U.S. imports continue to dominate the total Canadian dental equipment and supplies import market. They were valued at US$210 million in 2007, having grown by almost eight percent from 2006. This U.S. imports growth rate largely exceeds the growth rates for total Canadian demand during the same period. U.S. imports are expected to continue on a growing trend aligning with overall market growth for the next three years.

Despite these statistics illustrating the dominance of U.S. suppliers of dental equipment, they should remain vigilant and continue working on their competitive edges.

Prospective Buyers

The Canadian Dental Association is the leading national authority on dental health care and the heart of the dental profession in Canada. It essentially regroups almost all the buyers of dental equipment. In similarity to the U.S., Canadian dentists are recognized in nine dental specialties. The Commission on Dental Accreditation of Canada (CDAC) reviews and accredits the education programs in all nine dental specialties. These specialties are: Dental Public Health, Endodontics, Oral and Maxillofacial Surgery, Oral Medicine and Pathology, Oral & Maxillofacial Radiology, Orthodontics and Dentofacial Orthopedics, Pediatric Dentistry, Periodontics and Prosthodontics.

There are close to 23,000 dentists/surgeons registered in Canada. More than two thirds of these professionals practice within the limits of larger urban areas of Canada, particularly the metropolitan areas of Toronto, Montreal, Vancouver, Calgary, Edmonton, Winnipeg, Saskatoon, Ottawa and Halifax. The following tables illustrate in which provinces Canadian dental practitioners are located along with the average number of patients (projection for 2009) they serve.

Province and Territory	# of Dentists	Patients per Dentist
Year	**Estimated # 2009**	**Estimated # 2009**
Alberta	2,333	1,568

British Columbia	3,788	1,224
Manitoba	729	1,683
New Brunswick	277	2,754
Newfoundland and Labrador	175	2,935
Nortdwest Territories	51	826
Nova Scotia	539	1,906
Nunavut	2	15,557
Ontario	10,083	1,344
Prince Edward Island	67	2,102
Québec	4,492	1,778
Saskatchewan	382	2,649
Yukon Territory	23	1,347
Total	**22,941**	**37,726**

Interestingly, and unlike many other professions, the female/male ratio for dentists has been decreasing in the past decade in Canada. Currently, three out of four dentists in Canada are men

Distribution of Dentists by Sex		
% Female	% Male	Year
24	76	2007
25	75	2004
28	72	2001

Approximately 50 percent of dentists purchase less than US$20,000 worth of dental equipment and supplies per year, about 30 percent purchase between US$20,000 and US$30,000 per year, and nearly 20 percent spend more than U$30,000 per year.

Whereas the majority of dentists work in dental clinics, less than five percent of Canadian dentists work in hospitals and/or multi-disciplinary clinics. The average Canadian dentist has been operating a clinic for more than ten years, and the average clinic consists of two dentists and one hygienist or more. Clinics with more than one dentist use computers to a much greater degree than single dentist practices. The same phenomena can be observed among dentists in the 25 to 44 year age groups, who rely more on computer technologies than dentists in the other age brackets.

Market Entry

A small number of firms control a large portion of the distribution of dental equipment and supplies in Canada. Since these distribution channels are well-established, new-to-market U.S. manufacturers of dental equipment and supplies wishing to enter the Canadian market should thoroughly investigate their position and appoint the right partner for distribution and representation of their products.

Financing end-users' investments in capital equipment is of great importance. More than half of Canadian dentists will choose leasing terms or other forms of direct financing with specialized firms, in order to acquire major dental equipment. Equilease and LeaseDirect are examples of Canadian firms undertaking transactions with local and foreign manufacturers, as well as distributors, to finance the high-cost equipment used in dentistry. Nonetheless, the common terms of agreement governing transactions between U.S. suppliers and Canadian distributors and wholesalers of dental equipment and supplies are net 30 days.

Among Canadian dentists, the overriding single factor affecting dental equipment and supplies purchasing decisions appears to be product quality. According to some distributors and wholesalers in Canada, dental equipment and supplies of German and Japanese origin appear to receive the slightly higher mark for quality and reliability to U.S.-made products which are generally considered of higher quality than dental products manufactured in other parts of the world or domestically produced in Canada.

Aside from product quality, Canadian dentists are likely to source dental products from U.S. suppliers not only because of the proximity of the two markets, but also because of the recognition of advanced and/or highly technical equipment available from the United States. Given the geographic proximity, U.S. firms are able to offer the added benefit of maintaining efficient and quick after-sale services at relatively low costs.

With regards to service, it appears that nine out of ten Canadian dentists believe speed and quality of service are the dominant factors in the dentist-supplier relationship. However, half of these same dentists wished representatives would visit them less frequently as catalog and online purchases are quite popular with very busy dentists practicing in larger urban areas. A majority are believed to utilize this buying method.

Market Issues & Obstacles

There are no significant trade barriers for U.S.-made dental equipment and supplies. In fact, Canadian dentists are very receptive to innovative, high quality products made in the United States. In general, the U.S. dental industry enjoys an excellent reputation in Canada. This advantage is enhanced by the geographic proximity of the United States to Canada, which allows Canadian dentists to attend seminars and dental profession related meetings, and learn of new information and techniques.

U.S.-made dental products and supplies can be imported into Canada duty free. Nonetheless, imported dental equipment and supplies sold in Canada must comply with the regulations detailed in the Canadian Food and Drug Act including that of medical devices and therapeutic products.

These regulations apply to labeling, packaging and various technical and test data required from the manufacturer. Electro-dental equipment compliance with the standards established by the Canadian Standards Association (CSA) is also required. To obtain information regarding the above Canadian regulations, please refer to the resources and key contacts section of this report under "Government Agencies".

Trade Events

2009 Pacific Dental Conference (PDC)
Held in Conjunction with the Canadian Dental Association Annual Meeting
March 5–7, 2009 / Vancouver, British Columbia
www.pdconf.com

2009 Annual Meeting and Commercial Exhibition - Canadian Academy of Periodontology (CAP)
June 18-20, 2009 / Muskoka, Ontario
www.cap-acp.ca

2009 Canadian Association of Oral and Maxillofacial Surgeons Annual Conference and Commercial Exhibition held jointly with the American Association of Oral and Maxillofacial Surgeons, October 12-17, 2009, Metro Toronto Convention Centre, Toronto, Ontario
Email for info: caoms@caoms.com

2009 Canadian Association of Orthodontists 61st Annual Scientific Sessions
Sponsor and Exhibit Opportunities, September 10-12, 2009, The Grand Okanagan Lakefront Resort and Conference Centre, Kelowna, BC
www.cao-aco.org/MEETINGS/Meetings.html

Resources & Key Contacts

Government Agencies

Therapeutic Products Directorate
Holland Cross, Tower "B"
6th Floor, 1600 Scott Street
Address Locator # 3106B
Ottawa, Ontario, K1A 0K9
Purchase of Licensed Medical Devices for Use in Dental Health Care

Canadian Standards Association (CSA)
178 Rexdale Boulevard
Rexdale, Ontario, M9W 1R3, Tel: (416) 747-4000, Fax: (416) 747-4149
www.csa.ca

Associations – Professional & Trade

Canadian Dental Regulatory Authorities Federation
www.cdraf.org

Canadian Dental Assistants' Association
www.cdaa.ca

Canadian Dental Association
www.cda-adc.ca

The Denturist Association of Canada
www.denturist.org

Canadian Association of Oral & Maxillofacial Surgeons
www.caoms.com

Canadian Association of Orthodontists
http://www.cao-aco.org

Canadian Dental Hygienists Association
http://www.cdha.ca

Dental Industry Association of Canada
www.diac.ca

Publications

Journal of the Canadian Dental Association (JCDA)

This publication is the authoritative written voice of the Canadian Dental Association providing dialogue between the national association and the dental community. It is dedicated to publishing worthy scientific and clinical articles and informing dentists of issues significant to the profession.
www.cda-adc.ca/jcda/index.html

Cosmetic Dentistry in Canada

Cosmetic dentistry news and information about teeth whitening, invisalign, dental implants, porcelain veneers, and other types of cosmetic dentistry in Canada. /
www.cosmeticdentistrycanada.com

Colleges & Academies

Royal College of Dentists of Canada
www.rcdc.ca

Canadian Academy of Endodontics
www.caendo.ca

Canadian Academy of Pediatric Dentistry
www.capd-acdp.org

Canadian Academy of Periodontology
http://www.cap-acp.ca/
Canadian Academy of Periodontology - Find a periodontist in Canada. Information on gum disease & implants.

Canadian Academy of Prosthodontics & Restorative Dentistry
www.cardp.ca/english

Canadian Schools in Dentistry

University of Alberta	University of Manitoba
University of British Columbia	University of Toronto
University of Western Ontario	Université de Montréal
McGill University	Dalhousie University
Université Laval	

For More Information [NOTE: only use this format, do not change it.]

The U.S. Commercial Service in Montreal, Canada can be contacted via e-mail at: pierre.richer@mail.doc.gov; Phone: 1-514-398-9695 Ext: 2261; Fax: 1-514-398-0711; or visit our website: www.buyusa.gov/canada

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