

A Report on China's Hospital System and Medical Equipment Market

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The Report on China's Hospital System and Medical Equipment Market

1 China's Public Health System

1.1 Administrative System for Hospitals

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1.1.1 Three levels

China's healthy care institutions are managed according their grades. Ministry of Health (MOH) leads the healthy work of the whole nation, and responsible for formulating healthy regulation and policy as well as state program of healthy undertakings.

Local Health Bureaus of provincial governments and county governments are responsible for healthy work belonging to oneself region, and report regularly conditions of healthy reform and development to local People's Congress.

MOH began to formulate and issue judging and examining regulations of managing hospitals according to their grades in 1993, and at present China has possessed 29 Committees of Judging and Examining on Hospital in grades of province, and they have judged and examined 17,708 hospitals, of which Class A hospitals take 56.79 percent.

1.1.2 Five Categories

Chinese Hospitals can be classified into following five kinds:

1. Hospitals of public health system

Including the hospitals under the leadership of Ministry of Health or Health Bureaus of local governments at provincial or county level.

2. Military hospitals

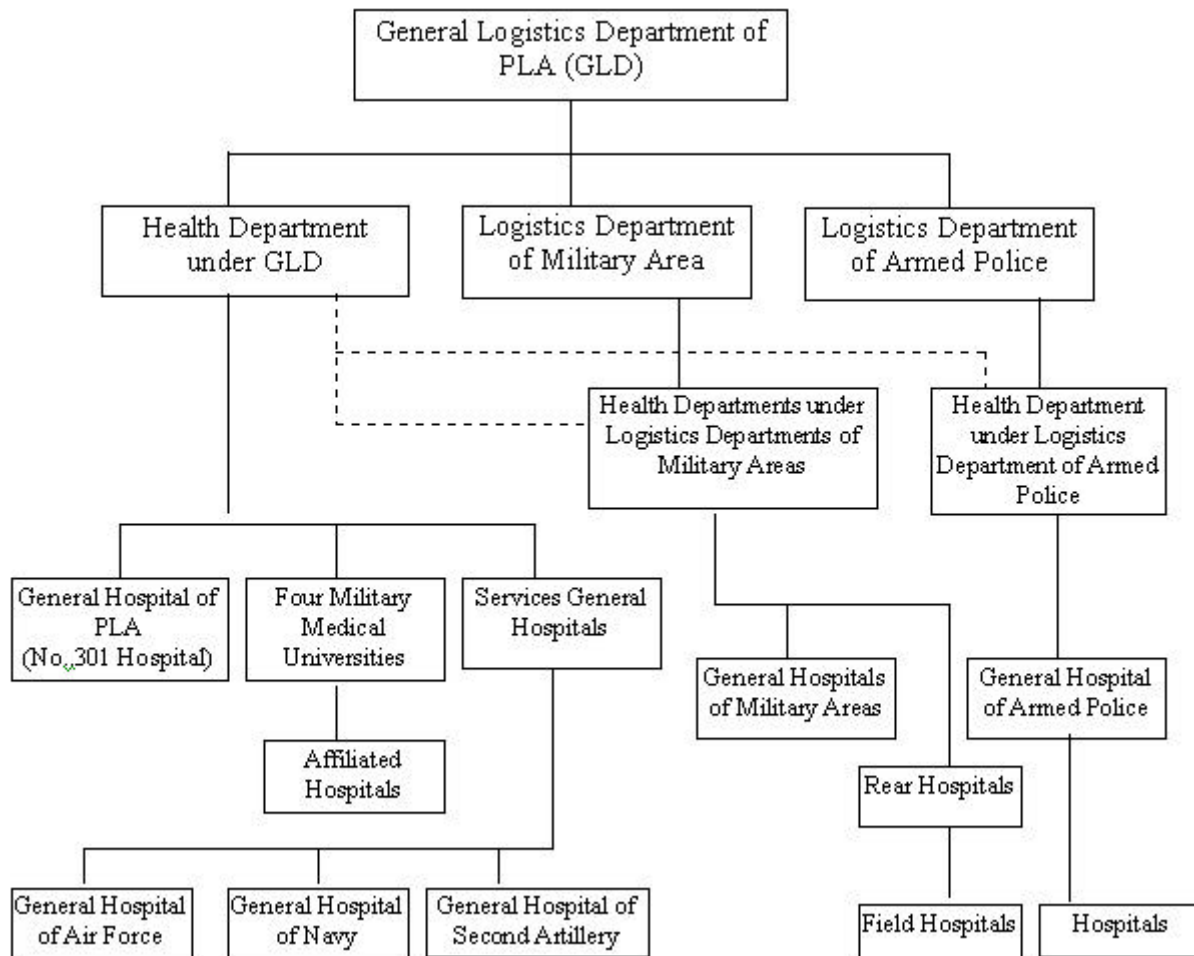
Including the hospitals belonging directly to Health Department of General Logistics Department of PLA; the hospitals belonging to military areas, and the hospitals belonging to Armed Police.

The quantity of big sized multipurpose military hospital (over 300 beds) have got up to 150, which all passed through the national grading evaluation.

PLA has four military medical universities, one advanced medical college and 10 higher professional schools of medical education.

The structure of military hospitals please see following chart.

Figure 1 Military hospital System



5. Hospitals funded by Ministries

The hospitals founded and managed by Ministries or State Bureaus of metallurgy, electricity, machinery, aviation, post and telecommunication, nuclear industry, coal , civil affairs and etc.

6. Private, share holdings and Sino-foreign J.V. hospitals

7. Hospitals affiliated to medical education and research institutes

1.2 Ministry Of Health Of China

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1.2.1 Minister and vice ministers

Minister: Zhang Wenkang

Vice Ministers: Wang Longde, Yin Dakui, Cao Ronggui, Peng Yu,

Zhu Qingsheng

Number of Staff: 225

Address: No.44 Houhai Beiyan, Xicheng District, Beijing

Phone: 8610-64076100

Fax: 8610-64012369

Post Code: 100725

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1.2.2 Functions of the Ministry

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1. Studying and promulgating laws, regulations as well as policies of guiding line in healthy work; setting up the strategically target in healthy undertaking; enacting technical standards and healthy standards.
2. Studying and making plans and policies for development of regional health, rural health and maternity and child care; adjusting the distribution of resources;
3. Enacting the preventive treatment project of disease; organizing integrated control of important disease; publishing the name list of infectious disease of quarantine and monitoring infectious disease.
4. Directing the reform of medical organizations, enacting standards of profession and the standards of medical service quality.
5. Supervising and managing blood collection.
6. Studying and drawing up the developing project of medical science and technology.
7. Supervising and managing the preventive care of infections disease; enacting the quality standards for foods and cosmetic products.
8. Enacting the developing project of healthy experts training; drawing up the organizational standards for healthy organizations and the standards for medical worker qualifications.
9. Organizing and directing the international cooperation in public health areas.
10. Controlling the spreading of rapidly happened epidemic disease.

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ii 1.2.3 Departments of the Ministry

1. General Office
2. Human Resources Bureau
3. Planning and Finance Bureau
4. Public Health Regulatory Bureau
5. Maternity and Child Care Bureau
6. Public Health Institutions Administrative Bureau
7. Diseases Prevention and Control Bureau
8. Science, Technology and Education Bureau
9. International Cooperation Bureau

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1.2.4 Key Decision-makers of the Ministry

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Table 1 Key Decision-makers of Ministry of Health of China

Name	Position	Department	Phone Number
Zhang Wenkang	Minister	ii	64018645
Wang Longde	Vice-Minister	ii	64012330
Yin Dakui	Vice-Minister	ii	64012371
Cao Ronggui	Vice-Minister	ii	64033120
Peng Yu	Vice-Minister	ii	64015651
Zhu Qingsheng	Vice-Minister	ii	64012358
Li Hongshan	Deputy Director	General Office	64076800
Liu Xinming	Director	Planning and Finance Bureau	64011602
Qi Xiaoqiu	Director	Public Health Regulatory Bureau	64074620
Li Changming	Director	Maternity and Child Care Bureau	64015611
Wu Mingjiang	Director	Public Health Institutions Administrative Bureau	64012889
Wang Zhao	Director	Diseases Prevention and Control Bureau	64015605
Qi Guoming	Director	Science, Technology and Education Bureau	64033114

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1.3 Provincial Health Bureaus and Key Decision -Makers

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Table 2 Key Decision-makers of Provincial Health Bureaus

Provincial Health Bureau	Director	Address	Post Code	Phone N

Beijing	Zhu Zonghan	No.2 Huaibaishu St. Xuanwu District, Beijing	100053	010 6302
Tianjin	Zhang Yu	No.98 Nanjing Rd. Heping District, Tianjin	300040	020 2331
Shanghai	Liu Jun	Hankou Rd. Shanghai	200002	021 6321 205
Hebei	Hu Jingran	No.6 Hezuo Rd. Shijiazhuang, Hebei	050051	0311 704
Shanxi	Zhao Zhenhuan	No.23 Donghuamen, Taiyuan City, Shanxi	030013	0351 307
Inner Mongolian	Hasi Bagen	No.6 East Zhongshan Rd. Hohhot, Inner Mongolian	010020	0471 692
Liaoning	Ma Xiaowei	No.82 South Heping St. Shenyang City, Liaoning	110005	024 2338
Jilin	Chi Daming	No.47 Sidalin Dajie, Changchun City, Jilin	130051	0431 272
Heilongjiang	Song Zhaojin	No.47 Minyi St. Harbin City, Heilongjiang	150001	0451 362
Jiangsu	Zhou Min	No.42 Zhongyang Rd. Nanjing City, Jiangsu	210008	020 3374
Zhejiang	Li Lanjuan	No.634 Qinggongchun Rd. Hangzhou City, Zhejiang	310006	0571 707
Anhui	Dai Guangqiang	No.85 Changjiang Rd. Hefei City, Anhui	230001	0551 260
Fujian	He Ming	No.61 Guping Rd. Fuzhou City, Fujian	350003	0591 782
Jiangxi	Zhou Biao	No.2 Beijing Rd. Nanchang City, Jiangxi	330046	0791 621
Shandong	Wang Tianrui	No.1 East Qingnian Rd. Jinan City, Shandong	250011	0531 292 2803
Henan	Liu Quanxi	No.45 Weiwu Rd. Zhengzhou City, Henan	450003	0371 592
Hubei	Wang Zongxian	No.165 Donghu Rd. Wuchang, Wuhan City, Hubei	430077	027 8782
Hunan	Zeng Fanyou	No.16 Beizhan Rd. Changsha City, Hunan	410008	0731 447
Guangdong	Huang Qingdao	No.17 South Xianlie Rd. Guangzhou City, Guangdong	510060	020 8382
Guangxi	Wang Rongci	No.35 Taoyuan Rd. Nanning City, Guangxi	530021	0771 280
Hainan	Jian Liangsheng	No.42 Haifu Rd. Haikou City, Hainan	570203	0898 534
Chongqing	Li Xianglong	No.234 Renmin Rd. Yuzhong District, Chongqing	400015	023 6382
Sichuan	Zhuo Kaixing	No.80 West Wenmiao St. Chengdu City, Sichuan	610041	028 6640

Guizhou	Li Jiahu	Bldg.5 Province Government, Bageyan, Guiyang City, Guizhou	560004	0851 686
Yunnan	Yao Huibin	Bldg.2 East, Wuhuashan, Kunming City, Yunnan	650021	0871 313
Tibet	Tudeng	No.248 West Beijing Rd. Lasa City, Tibet	850000	0891 683
Shaanxi	Liu Aimei	No.34 Lianhu Rd. Xi'an City, Shaanxi	710003	029 7319
Gansu	Liang Shizhang	No.63 Changjia Xiang, Chengguan District, Lanzhou City, Gansu	730030	0931 883
Qinghai	Yu Lixuan	No.66 West St. Xining City, Qinghai	810000	0971 823
Ningxia	Ma Yuzhang	No.37 Jiefang Dajie, Yinchuan City, Ningxia	750001	0951 604
Xinjiang	Yasen Tuersun	No.66 Longersi, Urumqi City, Xingjiang	830001	0991 283

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1.4 State Drug Administration

1.4.1 Director and deputy directors

Director: Zheng Xiaoyu

Deputy Directors: Shao Mingli, Ren Dequan

Number of Staff: 120

Address: 38A, Beilishi Rd. Xicheng District, Beijing

Phone: 8610-68316825

Fax: 8610-68310909

Post Code: 100810

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1.4.2 Functions

The State Drug Administration is responsible for administrative supervision and technological supervision of the R&D, production, distribution and application of medicines (including Chinese traditional medicine, chemical materials and their preparations, antibiotics, bio-chemical medicines, biological products, diagnostic agents, radioactive medicines, narcotic medicines, toxic medicines, psychiatric medicines, medical apparatuses and instruments, hygienic materials and medicine packaging materials, etc.). Its main responsibilities are as follows:

1. Formulation and revision of laws and regulations on administration of medicines and supervision of their implementation.
2. Formulation, revision and promulgation of legal standards of medicines and formulation of the

State's basic medicines catalogue.

3. Registration of new medicines, imitated production of medicines, importation of medicines and protection of varieties of Chinese herb medicines. Organization for establishment of the non-prescription medicine system and examination and promulgation of the non-prescription medicine catalogue. Re-evaluation of medicines, monitoring and testing of negative reactions and the examination and approval of clinical experiments, clinical pharmacological bases and medicines to be weeded out.
4. Formulation, revision and promulgation (being authorized) of legal standards of medical apparatus and instruments and formulation of classified products catalogues for administration; registration of imported medical apparatuses and instruments as well as clinical experiment bases; issuing registration certificates and production permits for medical apparatuses and instruments. Certification of quality systems and products safety for medical apparatuses and instruments.
5. Formulation and revision of administrative specifications of medicines production quality, operation quality, and the management of preparations of medical institutions, and supervision of their implementation.
6. Formulation and revision of administrative specifications of non-clinical research quality and clinical experiment quality and supervision of their implementation.
7. Supervision, testing and sample-testing the quality of medicine production and operation and the quality of medicines of medical institutions and issuing the State's Bulletin of Medicine Quality, as well as punishing those who produce and sell spurious and poor medicines for administration of the market of Chinese herbs medicines.
8. Examination of medicines advertisement, administrative protection of medicines and giving instructions to medicine-inspection agencies of the country as a whole.
9. Supervision and administration of narcotic medicines, psychiatric medicines, and radioactive medicines, as well as special medicines and apparatuses.
10. Implementing the authentication system for medicines wholesale and retail business and formulation of rules for buy and sale of prescription medicines, non-prescription medicines, Chinese traditional medicine crops and Chinese medicine material, crude slices.
11. Formulation of qualification system for practicing pharmacists (incl. Practicing pharmacists of Chinese medicines) and giving directives for examination and registration of practicing pharmacists (incl. Pharmacists of Chinese medicine).
12. Carrying out the State's policy on the medicine industry in coordination with macro-controlling organs by means of administration and supervision.
13. Organization and direction of exchange and cooperation with foreign governments and international organizations in the aspects of medicines administration and supervision.

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1.4.3 Departments

1. General Office

2. Medicines Registration Bureau
3. Medical Equipment Bureau
4. Safety Supervision Bureau
5. Market Supervision Bureau
6. Human Resource Bureau
7. International Cooperation Bureau

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1.4.4 Key Decision-makers

Table 3 Key Decision-makers of the State Drug Administration

Name	Position	Department	Phone Number
Zheng Xiaoyu	Director	State Drug Administration	68313344ext 0902
Shao Mingli	Deputy Director	State Drug Administration	ext 0601
Ren Dequan	Deputy Director	State Drug Administration	ext 0905
Cao Wenzhuang	Director	General Office	ext 0909
Zhang Shiju	Director	Medicines Registration Bureau	ext 0401
Hao Heping	Director	Medical Equipment Bureau	ext 0805
Bai Huiliang	Director	Safety Supervision Bureau	ext 0601
Li Jun	Director	Market Supervision Bureau	ext 0701

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1.5 Financial Sources And Expenditures Of China's Health System

From beginning of 1950s, China established a free medical care system. The system was composed of two parts:

1. Free Medical Treatment System

The system provides free medical care for all government officials, staff working for administrative institutions, as well as disabled servicemen, and university students. Approximately 40 millions of people enjoy the system. Government expended approximately RMB 11 billions yuan (US\$ 1.31 billion) in 1995. The funds came from government financial allocations.

2. The Medical Insurance System

The system provides medical insurance for 140 million workers of state-owned enterprises. Expenditure for the system was approximately RMB 46.6 billion yuan (US\$5.58 billion) in 1995. And the funds were expended from enterprises' welfare funds.

The government's financial allocations and enterprises' welfare fund expended for medical insurance were major income sources of Chinese hospitals.

Following table shows the total income of hospitals.

Table 4 Total income of hospitals

Year	Income in RMB billion yuan	Income in US\$ billion
1992	Approximately 37.2	6.750
1993	Approximately 46.0	7.986
1994	Approximately 55.8	6.248
1995	Approximately 57.6	6.898

Source: Ministry of Health of China

The Tendency of National Health Expenditure (NHE)

World Bank have invited some specialists to forecast China's NHE. They forecast that NHE would make up 5 percent of GDP till 2010 and make up 7 percent of GDP till 2030.

China Health Economy Network estimated that NHE would make up 4.1 percent of GDP up to year 2000, 6.6 percent to 2010, 12 percent to 2020 and 24 percent to 2030.

About tendency of NHE in near future, China NHE Forecasting Group believes that the proportion of NHE will make up 4.2 percent of GDP up to year 2000 and approximate 5 percent up to 2010. In near future, the proportion of NHE making up GDP will not increase rapidly, There is less possible that the proportion of making up GDP gets to 5 percent.

It is believed that the ratio between NHE and GDP would continually increase to high degree from now till five years later, and will get to 4.3 percent up to year 2000.

Table 5 The Forecast of National Health Expenditure (NHE) Tendency

Unit: percent of GDP

Forecaster	year 2000	year 2010	year2020	year 2030
World Bank	ii	5	ii	7
China Health Economy Network (option 1)	4.1	6.6	12	24
China Health Economy Network (option 2)	3.1	6.2	ii	8.8
China NHE Forecasting Group	4.2	5	ii	ii

Source: Ministry of Health of China

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1.6 Urban Medical Services

1.6.1 Free Medical Care System

Since 1952, following urban people can enjoy free medical care or medical insurance:

people working in all-level governments, democratic parties, people's organizations, institutions of cultural, education, scientific research, health; retired people, disabled servicemen, university and college students, and workers working in state-owned enterprises.

However, Registration fee, nutrient medicine fee, and plastic surgery fee are not covered in the free medical care system.

Expenses for medical care are from the government financial budget.

1.6.2 New Medical Insurance System for Urban Areas

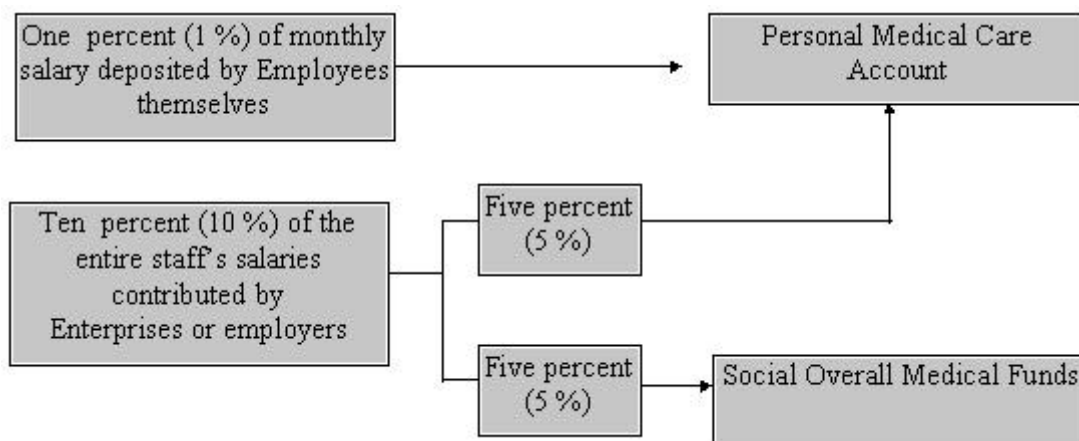
Since 1994 China has been carrying on a reform for its free medical care system. According to the new system, medical expenses will be shared by both employers and employees.

Enterprises or employers will contribute 10 percent of the entire staff's salaries for social medical care insurance. Of which, five percent will deposit into employees' personal medical care accounts. The rest five percent will be set aside as Social Overall Medical Funds.

Employees will have to pay one percent of their monthly salaries into their personal medical care accounts.

Following figure shows the source of new social medical care insurance system.

Figure 2 Source of new social medical care insurance system 1



When medical costs for a person are less than five percent of the patient's average annual income, the money will be subtracted from that person's medical care accounts.

The Social Overall Medical Funds, the pool of money jointly created by the employer and employee, will pay 80- 90 percent of medical expenses when they exceed five per cent of that person's average annual income, but less then RMB 5,000 yuan. The country's average annual income for urban employee was 6,470 yuan (US\$780) in 1997.

The Social Overall Medical Funds will pay 90-92 percent of medical expenses, in case the expenses exceeding RMB 5,000 yuan but less than 10,000 yuan; and 98 percent if expenses exceeding RMB 10,000 yuan.

The funds will not pay the bill if the expense goes beyond four times that of the local annual average income in case of serious illness, and patients will have to turn to commercial medical insurance. Details please see following table.

Table 6 Payment for Medical Expenses

ii Personal Medical Expenses Range	Personal Medical Care Account	Social Overall Medical Funds
less than 5 percent of the patient's average annual income	100%	ii
exceeding 5 per cent of that person's average annual income, but less then RMB 5,000 yuan	10 - 20 %	80 - 90
exceeding RMB 5,000 yuan but less than 10,000 yuan	8 - 10 %	90 - 92
exceeding RMB 10,000 yuan, but less than four times that of the local annual average income	2%	98%

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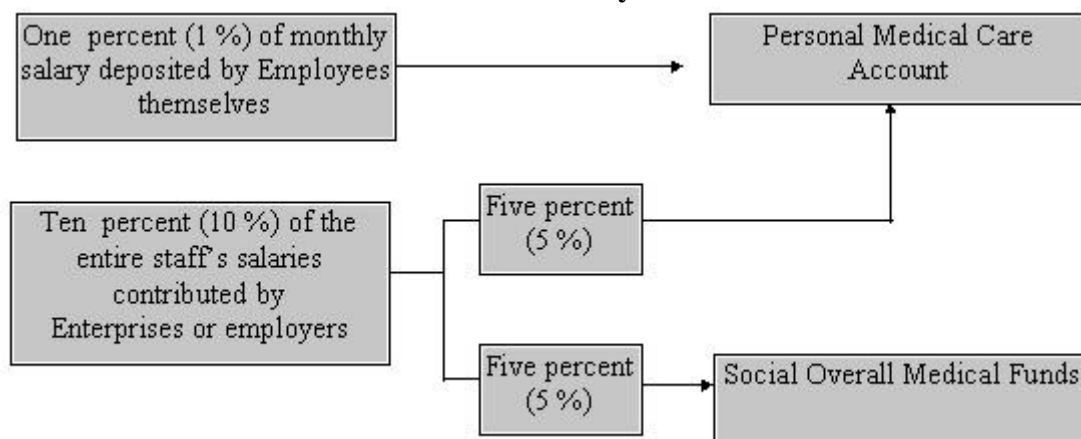
The new medical insurance system will cover all of the country's 150 million urban employees.

The new medical insurance system, with a change in the rate of employers and employees' contribution to Social Overall Medical Funds and personal medical care account, will be standardized at city and county levels in 1999.

Of 1999 scheme, employees shall pay two percent of their salary to their personal medical care account, and employers shall contribute 6 percent of the entire staff's salaries for social medical care insurance. Of which, the percentage of money deposited into employees' account shall be determined

by local government. Details please see following figure.

Figure 3 Source of new social medical care insurance system 2



1.7 Rural Medical Care System

1.7.1 Three-level Network

With 900 million people in rural areas, China places great emphasis on rural medical and health work. In rural areas, a 3-level network is formed: at county, township, and village levels.

County-level: general hospitals, health and anti-epidemic stations, Chinese traditional medicine hospitals, maternity and child health centers, medical service stations, and clinics.

Township-level: medical service in health care, anti-epidemic, maternity and child health service, family planning stations.

Village-level: medical stations -grassroots operation, staffed by village doctors, to provide services to villagers.

Rural networks provide training to the staff, organize public health campaigns and surveys.

1.7.2 Rural Medical Service System

It is operated on the principle of voluntary participation as part of the project 'Health for All by 2000'± launched by the Ministry of Public Health.

It is a collectively-funded rural medical services system for China's 900 million farmers, and will be offered in 50 to 60 percent of the counties in the next few years.

World Health Organization has pledged US\$350,000 for the program.

Each village is required to contribute a set amount to the local clinic each year, then villagers will be treated free of charge or have part of their medical expenses reimbursed.

1.8 Private Medical Cares

There were more than 120,000 private medical care institutions in China, and most of them are small-sized.

Table 7 Private Medical Cares

Year	Private Medical Care Institutions		Employee in Private Medical Care Institi	
	Number	Percentage of National Total	Number	Percentage National Tc
1997	125,264	39.8	161,465	
1998	126,068	40.1	164,727	

Source: Ministry of Health of China

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1.9 Medical Education

China's medical education is organized at four levels: junior, secondary, higher, and advanced education in Western medicine and Chinese traditional medicine

1.9.1 Medical Training Center

The State has set up a Chinese medical training center for village doctors nationwide. Medium-level certificates are issued to those who have completed 2-year correspondence education.

Training is designed for off-work classes and on-job training. And there are now 723,000 village doctors and 982,000 midwives and medical workers in the countryside.

1.9.2 Secondary Medical Schools

There are 554 secondary medical schools, with an enrollment of 94,000, offering 3-year or 4-year courses. 83 kinds of text books are compiled and in use now.

1.9.3 Higher Medical Schools

There are 135 medical colleges with an annual enrollment of 45,000, bringing the total number of students in these schools to 197,000. And 11 of the colleges are under the direct supervision of the Ministry of Public Health. The length of courses extend from 3 years up to 8 years in different majors.

Major medical institutes:

Beijing Medical Science Institute

- Beijing Traditional Medical College
- Shanghai Medical Science Institute
- Shanghai N0.2 Medical Science Institute
- Shanghai Traditional Medical College
- Tianjin Traditional Medical Institute

- Hubei Medical College
- Tongji Medical Science Institute
- Guangxi Medical College
- Medical Science University of China
- Nanjing Traditional Medical College
- Guangzhou Traditional Medical College
- Pharmaceutical University of China

1.9.4 Medical Research Institutes and Associations

(1) China Medicine Association

Add: 4 East Yinghua Road, Chaoyang District,

Beijing 100029, China

Tel: (8610) 64218316, 64212828

(2) Academy of Chinese Traditional Medicine

Add: 18 North Xicang, Dongzhimennei,

Beijing 100700, China

Tel: (Acupuncture Institute) (8610) 64032682

(Chinese Traditional Medicine Institute) (8610) 64032658

(3) Medical Information Institute

Add: 3 Yabao Road, Chaoyang District,

Beijing 100020, China

Tel: (8610) 65127776

(4) Basic Medical Institute

Add: 3 Dongdan Santiao, Dongcheng District,

Beijing 100005, China

Tel: (8610) 65134466

(5) Zhonghua Medical Society

Add: 42 West St., Dongsu, Dongcheng District,

Beijing 100710, China

Tel: (8610) 65133311

(6) Shonghua Prevention Medical Society

Add: 11 Xiyuanli, Chaoyang District,

Beijing 100027, China

Tel: (8610) 64654109

(7) Beijing Chinese Traditional and Western Medicine Society

Add: 7 Dongdan Santiao, Dongcheng District,

Beijing 100005, China

Tel: (8610) 65250460

(8) Beijing Chinese Traditional Medicine Society

Add: 7 Dongdan Santiao, Dongcheng District,

Beijing 100005, China

Tel: (8610) 65256418

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1.10 Red Cross Society in the health system

China Red Cross Society

Honorary Chairman: Jiang Zemin

Chairman: Qian Zhengying

Vice Chairman: Zhang Wenkang, Pengyu

Add: 53 Ganmian Hutong, Dongcheng District, Beijing 100010, China

Tel: (8610) 65124447

- The China Red Cross Society celebrated its 94th anniversary in 1998
- The China Red Cross Society has branches in 30 provinces.
- There are 130,000 grassroots chapters, with a total of 20 million members
- There are 6 regional rescue centers and 44 blood transfusion centers across the nation under its direction.
- The China Red Cross Society has sponsored training classes on health care and medical aid for

people from all walks of life

- The society has actively participated in activities of the International Red Cross and joined world philanthropic aid work

1.11 Major Statistics of China's Health System

1.11.1 Health Care Institutions

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Table 8 Health Care Institutions

	1991	1992	1993	1994	1995	1996	1997
Total	209036	204787	193586	191742	190057	188803	315033
Hospitals	63101	61352	60784	67857	67807	67964	67911
of which at and above county level	13638	13917	14713	14762	14771	15056	15219
Sanitarium	642	639	600	587	582	528	506
Clinics	128665	125873	115161	105984	104406	103472	229474
Specialized stations	1818	1845	1872	1905	1895	1887	1893
Sanitation and disease control stations	3652	3673	3609	3611	3629	3635	3619
Maternity and child care centers	2854	2841	2791	2857	2832	2764	2748
Medicines and chemical reagent test labs	1927	1953	1976	1990	1995	2000	2014
Medical science institutions	335	339	436	437	427	427	426
Other institutions	6042	6272	6357	6514	6484	6126	6442

Source: China Statistical Yearbook

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1.11.2 Personnel Working in Health Care Institutions

Table 9 Personnel Working in Health Care Institutions

Unit : 1000 people

ii	1991	1992	1993	1994	1995	1996	1997
Total	5025	5140	5215	5307	5373	5419	5516
Medical technical personnel	3985	4074	4117	4199	4257	4312	4398
Doctors	1780	1808	1832	1882	1918	1941	1985
Traditional Chinese medicine	363	364	358	361	358	348	346
Western medicine, senior	1065	1079	1115	1159	1186	1207	1236
Western medicine, junior	347	360	351	354	365	375	392
Senior and junior nurses	1012	1040	1056	1094	1126	1163	1198
Doctors per 1,000 persons	15.4	15.4	15.5	15.7	15.8	15.9	16.1

Source: China Statistical Yearbook

1.11.3 Number of Beds in Health Care Institutions

ii

Table 10 Number of Beds in Health Care Institutions

Unit: 1000 unit

ii	1991	1992	1993	1994	1995	
Total	2992	3049	309.9	3134	3141	
Hospitals	2689	2744	2795	2831	2836	
of which at and above county level	1901	1953	2017	2051	2053	
Sanitarium	125	125	119	118	116	
Other health care institutions	178	180	185	184	188	
Hospital beds per 1,000 persons (unit)	2.32	2.34	2.36	2.36	2.34	

Source: China Statistical Yearbook

1.11.4 Health Care Institutions, Beds & Personnel by Type of Institutions

Table 11 Health Care Institutions, Beds & Personnel by Type of Institutions in 1997

Type	Institutions	Beds (1000)	Personnel (1000 persons)		
			Total	Medical tech. personnel	N
ii	ii	ii			
Total	315033	3135	5516	4398	
Total number of hospitals	16376	2154	3067	2378	
Hospitals at and above county level	15219	2109	3005	2330	
General hospitals	10789	1486	2146	1672	
Hospitals of Chinese medicine	2424	224	339	272	
Hospitals attached to medical colleges	220	123	208	197	
Infectious disease hospitals	120	25	29	20	
Metal hospitals	485	98	71	50	
Tuberculosis hospitals	99	25	23	16	
Hospitals for maternity and child care	432	34	65	51	
Children's hospitals	36	10	19	14	
Hospitals for lepers	48	9	3	2	ii
Hospitals for occupational diseases	46	7	7	5	
Tumor hospitals	61	17	23	16	
Other specialized hospitals	459	52	75	15	
Rural township hospitals	51535	749	1131	991	
Sanitariums	506	104	48	24	
Clinics	229474	26	574	561	
Specialized stations	1893	31	61	46	
Tuberculosis prevention stations	606	4	17	13	
Occupational diseases prevention stations	99	3	6	4	
Sanitation and disease control stations	4012	1	219	173	
Maternity and child care centers	2748	26	87	71	
Medicine and chemical reagent test labs	2014	ii	26	19	
Institutions of medical sciences	426	6	35	20	
Other health care institutions	6049	37	269	ii	ii

Source: China Statistical Yearbook

1.11.5 Death Rate of 10 Major Diseases in Rural Areas

Table 12 Death Rate of 10 Major Diseases in Rural Areas (1997)

Rank	Cause of death	% of total death
ii	Total	91.76
1	Malignant tumor	22.71
2	Cerebrovascular disease	22.63
3	Heart trouble	16.77
4	Respiratory disease	14.09
5	Trauma and toxicosis	6.18
6	Digestive disease	6.10
7	Internal system, nutrition, metabolite and immunity disease	2.66
8	Urinary disease	1.49
9	Mental disease	1.16
10	Infectious disease (excluding pulmonary tuberculosis)	0.97
ii	ii	ii
ii	Total of male	92.62
1	Malignant tumor	25.45
2	Cerebrovascular disease	22.33
3	Heart trouble	15.45
4	Respiratory disease	13.53
5	Trauma and toxicosis	7.05
6	Digestive disease	3.41
7	Internal system, nutrition, metabolite and immunity disease	1.99
8	Urinary disease	1.42

9	Mental disease	1.00
10	Infectious disease (excluding pulmonary tuberculosis)	0.99
ii	ii	ii
ii	Total of female	90.68
1	Cerebrovascular disease	23.00
2	Malignant tumor	19.31
3	Respiratory disease	18.41
4	Heart trouble	14.78
5	Respiratory disease	5.09
6	Trauma and toxicosis	3.48
7	Digestive disease	2.72
8	Urinary disease	1.58
9	Mental disease	1.37
10	Neuropathy	0.94

Source: China Statistical Yearbook

ii

1.11.6 Death Rate of 10 Major Diseases in Urban Areas

ii

Table 13 Death Rate of 10 Major Diseases in Urban Areas (1997)

Rank	Cause of death	% of total death
ii	Total	91.31
1	Cerebrovascular disease	22.28
2	Malignant tumor	21.66
3	Heart trouble	16.37
4	Respiratory disease	15.28
5	Trauma and toxicosis	6.52

6	Digestive disease	3.22
7	Internal system , nutrition, metabolite and immunity disease	2.51
8	Urinary disease	1.51
9	Mental disease	1.12
10	Neuropathy	0.84
ii	ii	ii
ii	Total of male	92.33
1	Malignant tumor	24.45
2	Cerebrovascular disease	22.09
3	Heart trouble	14.99
4	Respiratory disease	14.61
5	Trauma and toxicosis	7.43
6	Digestive disease	3.53
7	Internal system , nutrition, metabolite and immunity disease	1.87
8	Urinary disease	1.44
9	Mental disease	0.97
10	Infectious disease (excluding pulmonary tuberculosis)	0.95
ii	ii	ii
ii	Total of female	90.16
1	Cerebrovascular disease	22.51
2	Malignant tumor	18.25
3	Heart trouble	18.06
4	Respiratory disease	16.09
5	Trauma and toxicosis	5.41
6	Internal system , nutrition, metabolite and immunity disease	3.29

7	Digestive disease	2.84
8	Urinary disease	1.59
9	Mental disease	1.31
10	Neuropathy	0.81

Source: China Statistical Yearbook

1.11.7 Developments in Public Health in 1998

By the end of 1998, there were 310,000 health care institutions (including clinics), with a total of 3.14 million beds, 2.91 million of which in hospitals and health-care stations. There were 4.42 million health workers in China, including 1.41 million doctors in hospitals and health-care stations, and 1.07 million senior and junior nurses. China also had 5,907 anti-epidemic and disease prevention stations employing 220,000 health workers, and 2,724 maternal and child health-care institutions employing 73,000 health workers. Health service network was strengthened and improved at county, township and village levels, and over 75 percent of all counties fulfilled targets in the rural primary health care program. There were 50,000 health-care institutions at township level in rural areas, with 740,000 beds and 1,000,000 health workers. Rural villages with medical-care stations made up 89.5 percent of all villages in China, employing 1,330,000 rural doctors and health workers.

ii

2 China's Medical Equipment Market

According to an estimation made by experts with MOH, China has more than 3,000 manufacturers producing about 47 categories 11,000 kinds of medical equipment. Total output value of medical equipment in 1997 was RMB 9.65 billion yuan (US\$ 1.16 billion). The total sales revenue of medical equipment in 1998 reached RMB 12.3 billion yuan (US\$ 1.49 billion), with annually increase rate about 30 percent. Some experts even predict that the market capacity for medical equipment will be RMB 35 billion yuan (US\$ 4.24 billion) in year 2000.

The fastest development of 10 apparatus in the late decade of China are as followings:

1. Ultrasonic detector
2. CT detector
3. NMR detector
4. Linac
5. Ultrasonic vertical hydrotherapeutic equipment
6. Neuropotential diagnostic system
7. Positron dislocation scanning detector
8. X scalpel
9. Gamma scalpel

10. Gamma Cameras

General trends of market projection in 1996-2000

The market of China's principal medical instruments and equipment is in an elevating trends. The main reasons are:

1. There are some 310,000 medical institutions in China. Of these, equipment of 15 percent is produced in 60s-70s, which needs update.
2. Number of hospitals is increasing.
3. The continuous progress and development of medical and health course and clinical medical technology demands that new medical instruments should be equipped for clinical utilization.
4. To reach the goal of the project "Health for All by 2000"± launched by the Ministry

of Public Health, hospitals and clinics in rural areas are required to equipped with laboratory test apparatus, small-sized Ultrasonic detectors, small-sized X-ray equipment, dental equipment, small-sized high pressure sterilizing apparatus, and etc.

5. The most prospective varieties in the market will be:

- sterilizing apparatus
- health recovery appliances
- large-sized instruments and equipment, X-CT, ECT, colored ultrasonic diagnostic instrument and high-end pacemaker.
- disposable medical apparatus, conduit apparatus, auxiliary apparatus of functional recovery, therapeutic equipment, etc.
- various kinds of new-typed polymer dressing: sponge type dressing, gel type dressing, thin-film dressing, compound type dressing, etc.
- apparatus of various biological medical engineering (BME) which can be planted into human body.

3 Distribution System For Medical Equipment

ii

3.1 Distribution Channels For Domestic Products

Basically medical equipment manufacturers sell their products to hospitals through their agencies. There are two types of agencies in China, authorized agencies (by MOH or provincial health bureaus) and non-authorized agencies.

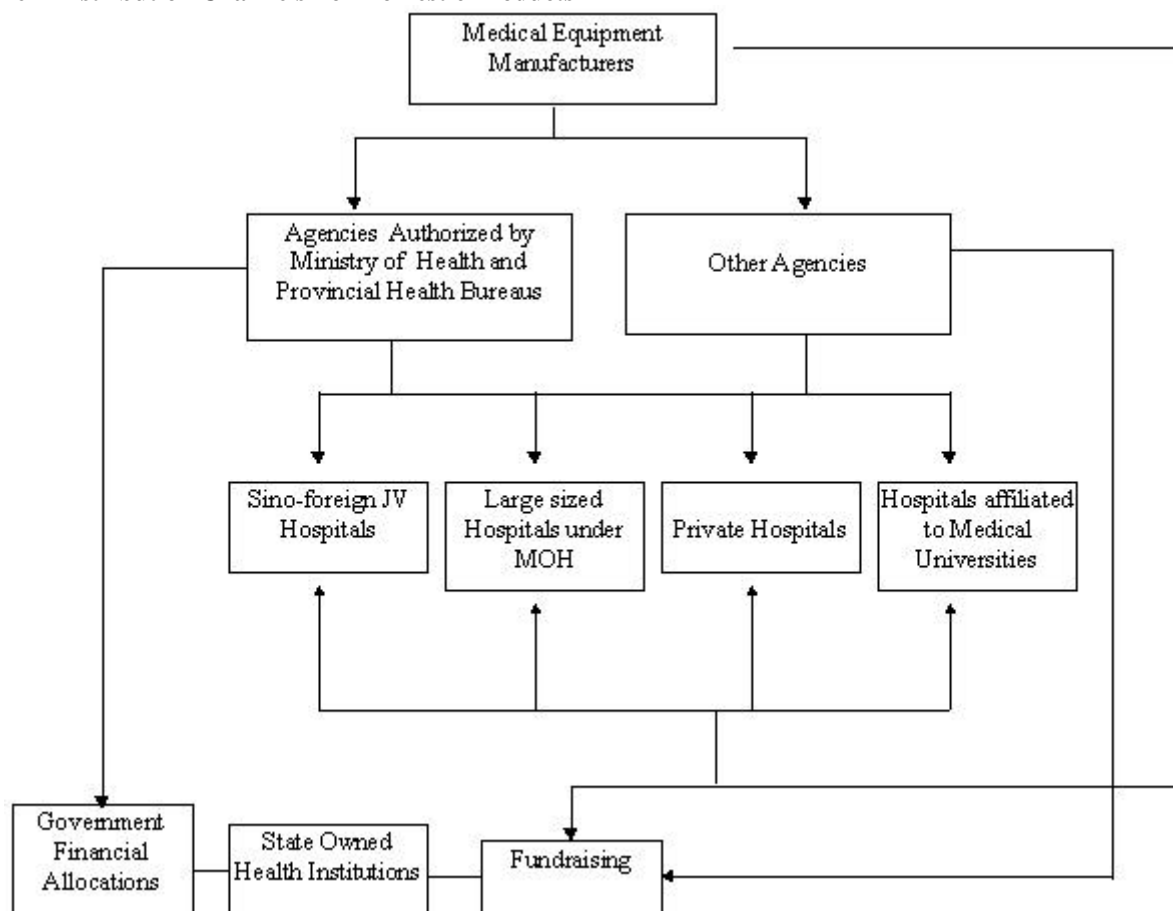
Forty large-sized hospitals directly under the leadership of MOH, Sino-foreign JV Hospitals, private hospitals, and hospitals affiliated to medical education institutes can purchase medical equipment directly from manufacturers or their agencies.

For State-owned hospitals under provincial health bureaus, they must purchase equipment from authorized agencies on the fund of government financial allocation; while they can purchase their equipment from non-authorized agencies or form manufacturers on their own funded money.

Following chart shows the distribution channels for domestic made medical equipment.

ii
ii

Figure 4 Distribution Channels For Domestic Products



3.2 Distribution Channels For Imported Products

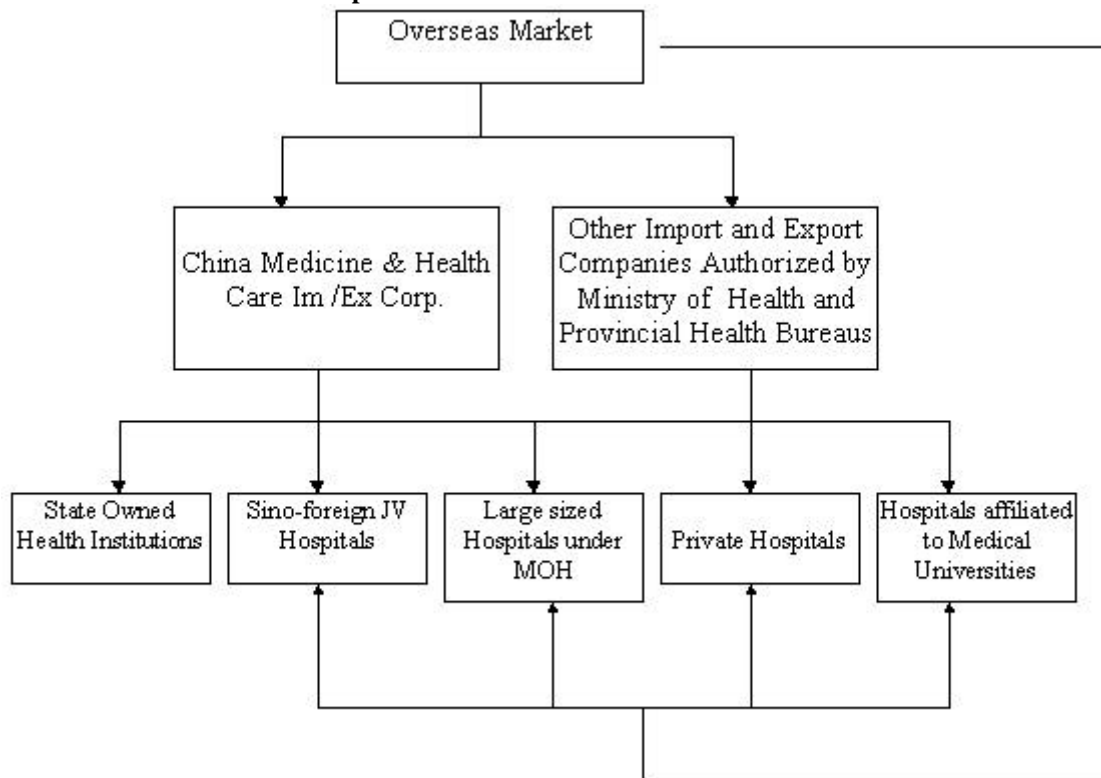
Medical equipment importation is a monopoly trade in China. Importer must be approved by the related governmental body. At present, there are more than 1000 approved importers in which China Medicine & Health Care Im/Ex Corp and its provincial subsidiaries are the major importers of medical equipment. These importers sell the products to the end users. Hospitals must purchase the medical equipment they need from the companies approved by the government.

The large-sized hospitals directly under the Ministry of Health, hospitals affiliated to medical education and research institutes, Sino-foreign JV hospitals and private owned hospitals can import medical equipment directly from abroad for their own use, but is not allowed to resale and retail.

Following chart shows the distribution channels for imported medical equipment.

ii
ii

Figure 5 Distribution Channels For Imported Products



4 Importation of Medical Equipment

In China, the imported medical equipment can be divided into following four major categories with 39 detailed H.S. codes:

- H.S.Code 9018:
Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight testing instruments
- H.S.Code 9019:
Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus;
- H.S.Code 9021:
Orthopaedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect;
- H.S.Code 9022: Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators.

Following table shows detailed items of imported medical equipment under 39 H.S. Codes.

ii

Table 14 detailed items of imported medical equipment

Items	H.S. Code	Description of Equipment
1	90181100	Electrocardiographs
2	90181210	B-ultrasonic diagnostic equipment
3	90181290	Other Ultrasonic scanning apparatus
4	90181300	Magnetic resonance imaging apparatus
5	90181400	Scintigraphic apparatus
6	90181930	Patient monitors
7	90181990	Other electro-diagnostic apparatus
8	90182000	Ultra-violet or infra-red ray apparatus
9	90183100	Syringes, with or without needles
10	90183210	Tubular metal needles
11	90183220	needles for sutures
12	90183900	Other Syringes, needles, catheters, cannulae and the like
13	90184100	Dental drill engines, whether or Not combined on a single base with Other Dental equipment
14	90184910	Dentists' chairs incorporating dental equipment
15	90184990	Other instruments and appliances, used in dental sciences
16	90185000	Other ophthalmic instruments and appliances
17	90189010	Stethoscopes
18	90189020	Sphygmomanometers
19	90189030	Endoscopes
20	90189040	Artificial kidney (dialysis) apparatus
21	90189050	Diathermy apparatus
22	90189060	Blood transfusion apparatus
23	90189070	Anaesthetic apparatus and instruments
24	90189090	Other instruments and appliances
25	90191010	Massage apparatus
26	90191090	Other mechano-therapy appliance; massage apparatus; psychological aptitude-testing appa
27	90192000	Ozone therapy, oxygen therapy, aerosol therapy, Artificial respiration or Other therapeutic re apparatus
28	90211100	Artificial joints
29	90211900	Other orthopaedic or fracture appliances
30	90212100	Artificial teeth
31	90212900	Other Artificial teeth and dental fittings
32	90213000	Other Artificial parts of the body
33	90214000	Hearing aids, excluding parts and accessories
34	90215000	Pacemakers for stimulating heart muscles, excluding parts and accessories
35	90219000	Other orthopaedic appliances, splints, artificial parts of the body, other appliances implanted body
36	90221300	Apparatus based on the use of X-rays, for dental uses
37	90221400	Apparatus based on the use of X-rays, for medical, surgical or veterinary uses:
38	90222100	Apparatus based on the use of alpha, beta or gamma radiations, For medical, surgical, dent, veterinary uses
39	90222900	Apparatus based on the use of alpha, beta or gamma radiations, For other uses

4.1 Import Value And Volume From 1996 To 1998

4.1.1 Total Import Value From 1996 To 1998

According to the Customs statistics, China annually expended US\$ 400- 500 million in importing medical equipment from 1996 to 1998, following tables show the details.

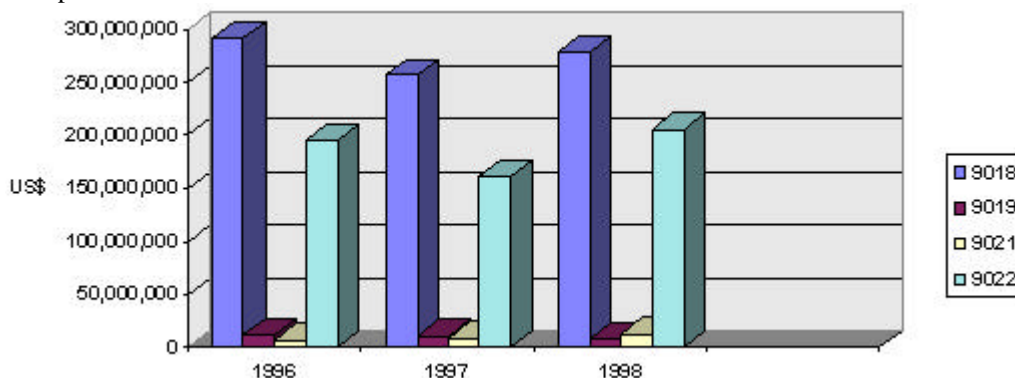
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Table 15 Total Import Value From 1996 To 1998

Unit: US\$

H.S.Code	1996	1997	1998
9018	291,572,825	256,508,330	278,016,670
9019	11,854,423	10,482,458	8,305,765
9021	7,555,165	9,726,146	12,249,578
9022	194,869,163	161,588,921	205,445,486
Total	505,851,576	438,305,855	504,017,499

Figure 6 Total Import Value From 1996 To 1998



ii

4.1.2 Import Value And Volume by Countries in 1996

HS Code	Origin	Unit of Import Volume	Import Volume	Import Value in U
9018	United States	Set	3,922,673	98
9018	Japan	kg	7,140,724	94
9018	Germany	kg	627,954	29
9018	Hong Kong	Set	246,981	14
9018	Netherlands	Set	1,151	12
9018	China	kg	23,364	6
9018	France	Set	339,135	5
9018	Singapore	Set	31,730,607	5
9018	Sweden	Set	96,105	4
9018	Israel	Set	4,348	4
9018	Italy	Set	4,063,184	2
9018	Korea Rep	kg	102,623	2
9018	United Kingdom	Set	138,299	2

9018	Denmark	Set	8,022	1
9018	Switzerland	Set	1,343	1
9018	Taiwan	Set	4,939,322	1
9018	Finland	Set	819	1
9018	Malaysia	Set	511,511	
9018	Australia	Set	2,742	
9018	Thailand	Set	57,646,732	
9018	Canada	Set	938	
9018	Belgium	Set	1,041	
9018	Norway	Set	3	
9018	India	Set	66	
9018	Luxembourg	Set	233	
9018	Austria	Set	6	
9018	Pakistan	Set	14	
9018	Russia	Set	3	
9018	Spain	Set	2,131,307	
9018	Mexico	Set	9,743	
9018	New Zealand	kg	2,466	
9018	Brazil	Set	23	
9018	Ireland	Set	4,427	
9018	Slovak	Set	2	
9018	Philippines	Set	1	
9018	Slovenia Rep	Set		
9018	Zimbabwe	Set	466	
9018	Cuba	Set	1	
9018	Czech	Set		
	Total		113,698,379	291
9019	Japan	Set	161,149	5
9019	United States	Set	4,747	2
9019	Hong Kong	Set	53,944	1
9019	Germany	Set	2,301	
9019	Taiwan	Set	11,000	
9019	Sweden	Set	44	
9019	Italy	Set	1,747	
9019	United Kingdom	Set	2,006	
9019	Russia	Set	34	
9019	Denmark	Set	96	
9019	Korea Rep	Set	5,650	
9019	France	Set	40	
9019	Switzerland	Set	8	
9019	Thailand	Set	469	
9019	Finland	Set	46	

9019	Netherlands	Set	20	
9019	Australia	Set	4	
9019	Canada	Set	9	
9019	Norway	Set	9	
9019	Malaysia	Set	688	
9019	Singapore	Set	139	
9019	S. Africa	Set		
9019	New Zealand	Set	50	
9019	Indonesia	Set	1	
	Total		244,201	11
9021	United States	kg	15,732	3
9021	Germany	kg	13,340	1
9021	Sweden	kg	916	
9021	France	kg	870	
9021	Hong Kong	kg	12,697	
9021	Japan	Set	7,858	
9021	Denmark	Set	10,334	
9021	Taiwan	Set	11,109	
9021	Italy	kg	453	
9021	Belgium	kg	318	
9021	Singapore	kg	10,835	
9021	Switzerland	kg	532	
9021	United Kingdom	kg	397	
9021	Brazil	kg	254	
9021	Canada	Set	857	
9021	Korea Rep	Set	3,488	
9021	China	kg	1,275	
9021	Ireland	Set	11	
9021	India	Set	30	
9021	Netherlands	kg	35	
	Total		91,341	7
9022	Japan	Set	586,158	58
9022	United States	Set	958,492	56
9022	Germany	Set	134,410	41
9022	Netherlands	Set	27,423	12
9022	France	kg	55,758	6
9022	Israel	Set	8,914	4
9022	United Kingdom	Set	926	3
9022	Korea Rep	Set	69,243	2
9022	Sweden	kg	18	1
9022	Hong Kong	kg	24,171	1
9022	Switzerland	kg	46,036	1

9022	Belgium	Set	6	
9022	Australia	Set	6,827	
9022	Italy	kg	25,988	
9022	Canada	Set	282	
9022	Russia	Set	327	
9022	Singapore	kg	2,566	
9022	Taiwan	kg	3,881	
9022	Denmark	Set	25	
9022	India	kg	2,460	
9022	Yugoslavia FR	Set	50	
9022	Finland	Set	20	
9022	Luxembourg	Set	1	
9022	Malaysia	kg	18,131	
9022	Spain	Set	1	
9022	Slovenia Rep	kg	260	
9022	China	kg	151	
9022	Thailand	kg	140	
9022	Philippines	kg	1	
	Total		1,972,666	194

ii

4.1.3 Import Value And Volume by Countries in 1997

HS Code	Origin	Unit of Import Volume	Import Volume	Import Value in U
9018	Japan	Set	44,337,480	91
9018	United States	Set	10,286,594	75
9018	Germany	Set	521,656	32
9018	Netherlands	Set	521,950	8
9018	China	kg	40,477	8
9018	Hong Kong	Set	824,059	7
9018	Italy	Set	17,877,251	5
9018	Malaysia	Set	980,027	4
9018	Sweden	Set	32,743	3
9018	Singapore	kg	11,172,583	3
9018	Spain	Set	1,542,663	2
9018	Finland	Set	306	2
9018	Denmark	Set	20,355	1
9018	Korea Rep	Set	33,940,439	1
9018	United Kingdom	Set	42,547	1
9018	France	Set	62,819	1
9018	Israel	Set	369	
9018	Taiwan	Set	2,592,911	
9018	Switzerland	Set	40,185	

9018	Thailand	Set	134,718,896	
9018	Norway	Set	2	
9018	Austria	Set	33	
9018	Canada	Set	5,768	
9018	India	Set	43	
9018	Australia	Set	925	
9018	Ireland	Set	1,433	
9018	Colombia	Set	1,100,400	
9018	Brazil	Set	15	
9018	Belgium	kg	818	
9018	Mexico	Set	1	
9018	Dominican Rep	Set	108,960	
9018	Philippines	Set	1	
9018	Indonesia	Set		
9018	Greece	Set	1	
9018	Czech	Set	4	
9018	Slovak	Set	6,753	
9018	S. Africa	kg	1	
9018	New Zealand	kg	5	
9018	Argentina	Set		
9018	Fiji	Set	20	
	Total		260,781,493	256
9019	Japan	Set	16,914	3
9019	United States	Set	4,070	2
9019	Taiwan	Set	28,204	1
9019	Hong Kong	Set	31,228	
9019	Sweden	Set	113	
9019	Germany	Set	706	
9019	Singapore	Set	9,042	
9019	United Kingdom	Set	998	
9019	Spain	Set	5	
9019	Italy	Set	1,048	
9019	Switzerland	Set	3	
9019	Korea Rep	Set	942	
9019	Australia	Set	17	
9019	Thailand	Set	95	
9019	Malaysia	Set	551	
9019	Belgium	Set	2,600	
9019	New Zealand	Set	200	
9019	Russia	Set	6	
9019	Canada	Set	1	
9019	France	Set	14	

9019	Finland	Set	18	
9019	Israel	Set	40	
9019	Denmark	Set	1	
9019	Macau	Set		
9019	China	Set	3,000	
9019	Norway	Set	4	
9019	Korea, DPR	Set	1	
	Total		99,821	10
9021	United States	kg	29,735	3
9021	Germany	Set	18,984	2
9021	Denmark	kg	423,466	
9021	Switzerland	kg	637	
9021	Taiwan	kg	10,978	
9021	France	kg	1,008	
9021	Japan	Set	7,164	
9021	Hong Kong	kg	10,696	
9021	United Kingdom	kg	877	
9021	Sweden	kg	1,865	
9021	Belgium	kg	260	
9021	Brazil	kg	440	
9021	Netherlands	kg	484	
9021	Singapore	kg	1,241	
9021	Canada	kg	143	
9021	Finland	kg	45	
9021	Korea Rep	kg	414	
9021	India	kg	19	
9021	Austria	kg	1	
9021	Malaysia	kg	29	
9021	Italy	kg	1	
9021	Australia	kg	3	
9021	China	kg	10	
9021	New Zealand	kg	14	
	Total		508,514	9
9022	United States	Set	1,032,639	47
9022	Japan	Set	667,782	45
9022	Germany	kg	234,684	29
9022	Netherlands	kg	43,425	13
9022	France	Set	119,974	6
9022	Israel	kg	12,521	4
9022	Russia	Set	1,050	3
9022	Spain	Set	21	2
9022	Italy	kg	32,324	2

9022	Australia	kg	2,382	1
9022	Hong Kong	kg	23,343	1
9022	Singapore	Set	11,624	
9022	India	kg	4,825	
9022	Korea Rep	kg	232,707	
9022	Belgium	Set	2,757	
9022	United Kingdom	kg	12,998	
9022	Taiwan	kg	39,982	
9022	Sweden	kg	14,269	
9022	Switzerland	Set	42	
9022	Finland	Set	1,998	
9022	Canada	kg	21,282	
9022	Yugoslavia FR	Set	50	
9022	Denmark	Set	43	
9022	Malaysia	kg	18,405	
9022	Portugal	kg	260	
9022	Austria	kg	11	
9022	Brazil	kg	20	
	Total		2,531,418	161

ii

ii

4.1.4 Import Value And Volume by Countries in 1998

HS Code	Origin	Unit of Import Volume	Import Volume	Import Value in U
9018	United States	Set	25,449,844	102
9018	Japan	Set	77,834,082	74
9018	Germany	Set	593,120	31
9018	Netherlands	Set	30,787	10
9018	Israel	Set	242	9
9018	Hong Kong	Set	882,412	7
9018	China	Set	650,771	7
9018	Sweden	Set	9,606	4
9018	Singapore	Set	28,783,256	4
9018	France	Set	46,479	3
9018	Finland	Set	169	2
9018	Austria	Set	2,903	2
9018	Korea Rep	kg	29,102,689	2
9018	United Kingdom	Set	17,316	2
9018	Italy	Set	13,489,353	2
9018	Denmark	Set	1,245,091	1
9018	Malaysia	Set	1,889,050	1

9018	Switzerland	kg	2,739	1
9018	Taiwan	Set	467,492	1
9018	Thailand	Set	2,933,928	
9018	Norway	Set	63	
9018	Belgium	Set	406,815	
9018	India	Set	89	
9018	Canada	Set	205	
9018	Australia	Set	286,907	
9018	Ireland	Set	18	
9018	Yugoslavia FR	Set	1,035	
9018	Spain	kg	4,062,512	
9018	Dominican Rep	Set	1	
9018	Philippines	Set	168,001	
9018	Brazil	Set	30	
9018	Russia	Set	71	
9018	Mexico	Set	1	
9018	Hungary	Set		
9018	Poland	Set	1	
9018	Indonesia	Set	2	
9018	New Zealand	Set	1,516	
9018	Puerto Rico	Set	36,000	
9018	Colombia	Set	2	
9018	Greece	Set	4,040	
9018	Cuba	Set	2	
	Total		188,398,640	278
9019	Japan	Set	132,000	2
9019	United States	Set	19,362	2
9019	Germany	Set	1,587	1
9019	Sweden	Set	36	
9019	Taiwan	Set	11,785	
9019	Hong Kong	Set	16,065	
9019	Netherlands	Set	1	
9019	Singapore	Set	6,451	
9019	Italy	Set	839	
9019	United Kingdom	Set	505	
9019	Korea Rep	Set	1,004	
9019	Israel	Set	1	
9019	Australia	Set	26	
9019	France	Set	25	
9019	Thailand	Set	77	
9019	Switzerland	Set	7	
9019	Denmark	Set	37	

9019	Canada	Set	1	
9019	Brazil	Set	10	
9019	China	Set	1,550	
9019	Norway	Set	6	
9019	Finland	Set	4	
9019	New Zealand	Set	50	
9019	Malaysia	Set	11	
	Total		191,440	8
9021	United States	Set	48,882	4
9021	Germany	Set	18,165	2
9021	Switzerland	kg	1,942	1
9021	Taiwan	kg	16,606	
9021	Denmark	kg	300,874	
9021	United Kingdom	kg	2,010	
9021	Singapore	kg	9,222	
9021	Japan	kg	6,889	
9021	Hong Kong	kg	4,623	
9021	Sweden	kg	1,878	
9021	Netherlands	kg	390	
9021	Finland	kg	84	
9021	Brazil	kg	229	
9021	France	kg	106	
9021	Estonia	Set	713	
9021	Canada	Set	548	
9021	Norway	kg	20	
9021	China	kg	3,027	
9021	Korea Rep	kg	318	
9021	India	Set	25	
9021	New Zealand	kg	8	
9021	Australia	kg	6	
9021	Malaysia	kg	100	
9021	Italy	kg	4	
9021	Indonesia	kg	19	
9021	Israel	kg	5	
	Total		416,693	12
9022	United States	kg	403,553	62
9022	Japan	Set	564,126	55
9022	Germany	Set	179,304	36
9022	France	Set	32,284	11
9022	Israel	Set	3,108	11
9022	Netherlands	Set	16,267	10
9022	United Kingdom	kg	9,113	4

9022	Italy	kg	98,413	1
9022	Korea Rep	kg	37,143	1
9022	Hong Kong	kg	47,433	1
9022	India	kg	7,370	1
9022	Singapore	kg	34,844	1
9022	Canada	kg	4,009	1
9022	Belgium	kg	369	1
9022	Australia	kg	4,739	1
9022	Taiwan	kg	110,988	
9022	Russia	kg	2,019	
9022	Spain	kg	7,592	
9022	Finland	Set	53	
9022	Switzerland	kg	347	
9022	Sweden	Set	439	
9022	Denmark	kg	329	
9022	Malaysia	kg	6,296	
9022	Indonesia	kg	1,410	
9022	Austria	Set	1	
9022	Ireland	kg	13	
9022	Brazil	Set	1	
9022	Thailand	kg	1	
	Total		1,571,564	205

ii

4.2 China's Major Medical Equipment Importers In 1998

4.2.1 Top Five Importers for Medical Equipment with H.S. Code of 9018

Table 16 Top Five Importers for Medical Equipment with H.S. Code of 9018

Importers	Import Value in US\$	Percentage o
<i>Total</i>	<i>278,375,100</i>	99.9
Omron (Dalian) Co., Ltd.	27,595,685	9.9
China National Medical & Health Instruments I/E Corp.	17,249,059	6.2
Hewlett-Packard Medical Products (Qingdao) Co., Ltd.	7,488,536	2.7
China National Medicines & Health Products I/E Corp.	5,673,645	2
China National Instruments & Equipment I/E Corp.	5,660,805	2
Other 1,100 Companies	214707370	77.1

4.2.2 Top Five Importers for Medical Equipment with H.S. Code of 9019

Table 17 Top Five Importers for Medical Equipment with H.S. Code of 9019

Importers	Import Value in US\$	Percentage of
<i>total</i>	8,305,765	100
China National Instruments I/E Corp.	751,583	9
Guangdong Medicine & Health I/E Corp.	653,610	7.9
Jilin Machinery I/E Corp.	461,000	5.6
Osm International Trade (Shanghai) Co., Ltd.	374,473	4.5
Dato Osm Health Products (Suzhou) Co., Ltd.	282,074	3.4
Other 200 Companies	5,783,025	69.6

4.2.3 Top Five Importers for Medical Equipment with H.S. Code of 9021

Table 18 Top Five Importers for Medical Equipment with H.S. Code of 9021

Importers	Import Value in US\$	Percentage of
<i>Total</i>	12,249,578	99.9
Sino-U.S. Qinming Medical Appliances Co., Ltd.	1,323,566	10.8
Beijing Ottobock Orthopedic Industrial Co., Ltd.	1,163,996	9.5
Beijing Plus-Gangyan Orthopedic Products Co., Ltd.	960,632	7.8
Alcon (China) Ophthalmology Products Co., Ltd.	782,545	6.4
Teh Lin Prosthetic & Orthopedic (Shenzhen) Co., Ltd.	712,566	5.8
Other 180 Companies	7,306,273	59.6

4.2.4 Top Five Importers for Medical Equipment with H.S. Code of 9022

Table 19 Top Five Importers for Medical Equipment with H.S. Code of 9022

Importers	Import Value in US\$	Percentage of
<i>total</i>	205,445,486	100
China National Medical & Health Instruments I/E Corp.	19,142,232	9.3
China National Instruments I/E Corp.	11,411,232	5.6
Hangwei General Electric Medical System Co., Ltd.	10,165,638	4.9
China National Medicines & Health Products I/E Corp.	6,673,392	3.2
China National Electronics I/E. Corp. Beijing Branch	5,897,189	2.9
Other 500 Companies	152,155,803	74.1

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4.2.5 Contact Details of China's Top Medical Equipment Importers

ii

Table 20 Contact Details of China's Top Medical Equipment Importers

COMPANY NAME	CONTACT PERSON	TEL	ADDRESS	F C
Omron (Dalian) Co., Ltd.	Tianming Gang	0411 7614222	No.3 Songjiang Rd. Economic & Technology Development Zone, Dalian, Liaoning Province	1

China National Medical & Health Instruments I/E Corp.	Fumin Li	010 64283459	No.21 North Andeli St. Beijing	1
Hewlett-Packard Medical Products (Qingdao) Co., Ltd.	Wenjie Chen	0532 8701333	Hi-Tech Industrial Zone, Qingdao City, Shandong Province	2
China National Medicines & Health Products I/E Corp.	Guosheng Liu	010 67116688	No.18 Guangming St. Chongwen District, Beijing	1
China National Instruments & Equipment I/E Corp.	Guizhou Zhou	010 68330689	Rm.623 Zhongyi Building, No.6 Xizhimenwai Dajie, Xicheng Distrtic, Beijing	1
Guangdong Medicine & Health I/E Corp.	Huizhuo Yang	020 87772168	No.10 Zhinan Rd. Guangzhou City, Guangdong Province	5
Jilin Machinery I/E Corp.	Zhonglin Wu	0431 5647042	No.14 Xinmin Dajie, Changchun City, Jilin Province	1
Osm International Trade (Shanghai) Co., Ltd.	Caifu Shen	021 58733138	No.605, Market Business Floor, 2001, North Yanggao Rd. Waigaoqiao Bonded Area, Shanghai	2
Dato Osm Health Products (Suzhou) Co., Ltd.	Shimizu Shinzo	0512 7613682	No.45 Baiyu Rd. Industrial Park, Suzhou, Jiangsu Province	2
Hangwei General Electric Medical System Co., Ltd.	Jianqiu Xu	010 67881880	No.2 North Yongchang Rd. Economic Technology Zone, Beijing	1
China National Electronics I/E. Corp. Beijing Branch	Lan Chen	010 62257363	No.113 Xizhimennei Dajie, Xicheng District, Beijing	1
China National Instruments I/E Corp.	Hanchen Zhang	010 68363322	Zhongyi Building, No.6 Xizhimenwai Dajie, Xicheng Distrtic, Beijing	1
Alcon (China) Ophthalmology Products Co., Ltd.	Chunfang Wang	010 64676688	12/F, Xinhengji Building, No.3 West Maizidian Rd. Chaoyang District, Beijing	1
Beijing Plus-Gangyan Orthopedic Products Co., Ltd.	Zengyong Zhong	010 65893965	No. 76 Xueyuan Rd. Haidian District, Beijing	1
Beijing Ottobock Orthopedic Industrial Co., Ltd.	Hansi. Qiao	010 65078782	A6, Baijiazhuang Rd. Chaoyang District, Beijing	1
Teh Lin Prosthetic & Orthopedic (Shenzhen) Co., Ltd.	Senrong Chen	0755 5508963	No.19 Tianbeisi Rd. Shenzhen City, Guangdong Province	5
Sino-U.S. Qinming Medical Appliances Co., Ltd.	Fujiang Zhang	0917 3283814 3283568	No. 101 Baofu Rd. Baoji City, Shaanxi Province	7

5 Tariffs And Non-Tariff Controls on Importation of Medical Equipment

ii

The MFN duty on imported medical equipment is from 6 to 17 percent, the value added tax (VAT) is 17 percent, while the consumption duty is exempted. Chinese importers are not required to apply license and quota for importing medical equipment, but most kinds of imported medical equipment are required compulsory import inspection. Some kinds of imported medical equipment are required international bid by State Office for Import and Export of Mechanical and Electrical Products. Details please see following table:

ii H.S. Code	Description of Equipment	Import Duty Rate	VAT	Total Import Duty Rate	Import Registration
90181100	Electrocardiographs	11	17	29.87	
90181210	B-ultrasonic diagnostic equipment	15	17	34.55	R
90181290	Other Ultrasonic scanning apparatus	11	17	29.87	
90181300	Magnetic resonance imaging apparatus	11	17	29.87	
90181400	Scintigraphic apparatus	11	17	29.87	
90181930	Patient monitors	11	17	29.87	
90181990	Other electro-diagnostic apparatus	11	17	29.87	
90182000	Ultra-violet or infra-red ray apparatus	11	17	29.87	
90183100	Syringes, with or without needles	10	17	28.7	
90183210	Tubular metal needles	10	17	28.7	
90183220	needles for sutures	10	17	28.7	
90183900	Other Syringes, needles, catheters, cannulae and the like	10	17	28.7	
90184100	Dental drill engines, whether or Not combined on a single base with Other Dental equipment	10	17	28.7	
90184910	Dentists' chairs incorporating dental equipment	10	17	28.7	R
90184990	Other instruments and appliances, used in dental sciences	10	17	28.7	
90185000	Other ophthalmic instruments and appliances	10	17	28.7	
90189010	Stethoscopes	10	17	28.7	
90189020	Sphygmomanometers	10	17	28.7	
90189030	Endoscopes	10	17	28.7	
90189040	Artificial kidney (dialysis) apparatus	10	17	28.7	
90189050	Diathermy apparatus	10	17	28.7	
90189060	Blood transfusion apparatus	10	17	28.7	
90189070	Anaesthetic apparatus and instruments	10	17	28.7	
90189090	Other instruments and appliances	10	17	28.7	R
90191010	Massage apparatus	15	17	34.55	
90191090	Other mechano-therapy appliance; massage apparatus; psychological aptitude-testing apparatus	10	17	28.7	
90192000	Ozone therapy, oxygen therapy, aerosol therapy, Artificial respiration or Other therapeutic respiration apparatus	10	17	28.7	
90211100	Artificial joints	10	17	28.7	
90211900	Other orthopaedic or fracture appliances	10	17	28.7	
90212100	Artificial teeth	10	17	28.7	
90212900	Other Artificial teeth and dental fittings	10	17	28.7	

90213000	Other Artificial parts of the body	10	17	28.7		
90214000	Hearing aids, excluding parts and accessories	10	17	28.7		
90215000	Pacemakers for stimulating heart muscles, excluding parts and accessories	10	17	28.7		
90219000	Other orthopaedic appliances, splints, artificial parts of the body, other appliances implanted in the body	10	17	28.7		
90221300	Apparatus based on the use of X-rays, for dental uses	6	17	24.02	R	
90221400	Apparatus based on the use of X-rays, for medical, surgical or veterinary uses:	6	17	24.02	R	
90222100	Apparatus based on the use of alpha, beta or gamma radiations, For medical, surgical, dental or veterinary uses	6	17	24.02	R	
90222900	Apparatus based on the use of alpha, beta or gamma radiations, For other uses	6	17	24.02		

Notes:

* Letter **R** Stands for : Require International Public Tender

* Letter **I** Stands for: Import Inspection

The Medical Equipment Bureau of the State Drug Administration (SDA) is responsible for examining and approving for importation of medical equipment. The Bureau promulgated 'Measures of Administration for Registering the Imported Medical Apparatus and Instruments' in 1996, which stipulates that all imported medical apparatuses and instruments shall be registered and approved by SDA. The 'Measures' have been practiced since 1997, and more than 2000 kinds of foreign products have been formally registered, and entered into Chinese markets.

6 List of selected 1,000 Hospitals

N/A

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