

South African Medical Technologies Demand Mapping Study

Prepared by: Healthvalue Consulting PTY LTD and IQVIA

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Public Version



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- **Acknowledgement**

- The authors would like to express their sincere appreciation to the Localisation Support Fund (LSF) for commissioning and supporting this study. We are particularly grateful to the Steering Committee members, Fundile Gebremedhin, Director: Medical Devices & HealthTech Procurement Management, Department of Health; Swasthi Soomaroo, Director: Pharmaceuticals and Medical Devices, Department of Trade, Industry and Competition (DTIC); and Victor van Vuuren, Director, Holavic Consulting, for their guidance, strategic direction, and valuable contributions throughout the project.

- We also extend our sincere thanks to representatives from government, public and private healthcare institutions, industry associations, manufacturers, distributors, healthcare providers, and other stakeholders who generously contributed their time, expertise, data, and insights during consultations and interviews. Their participation and collaboration were instrumental in informing the analysis and strengthening the evidence base for this study.

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AGENDA

1. Background and Objectives
2. Methodology
3. Overall Market and Import Analysis
4. Demand Estimation
5. Implications for Localisation



BACKGROUND & OBJECTIVES



Background

The paradox

Demand keeps growing - population, urbanisation, disease burden, service expansion. The country remains heavily dependent on imports, with local manufacturing concentrated in lower-complexity categories such as consumables and disposables

Why it matters

- Supply shocks - COVID-19 brought shortages, delays and price spikes
- Value leakage - manufacturing, jobs and industrial depth forgone
- Currency exposure - health budgets carry exchange-rate risk

Two markets, two dynamics

- **Public** ~80% of the population. Largest source of demand by volume.
- **Private** Concentrated hospital and laboratory groups. Higher-value technology

What holds localisation back

- High certification cost
- Limited local testing infrastructure
- Scarce sector specific specialised skills
- Weak integration into procurement

Policy momentum

The Medical Technology Master Plan (2024) sets the direction, and the Localisation Support Fund (LSF) is generating the evidence on localisation strategy. What has been missing is granular, category-level data on where localisation is actually viable.

Study Objectives



Identify MedTech devices that are currently imported

01



Establish which of these devices public and private sector buyers would be willing to source locally

02



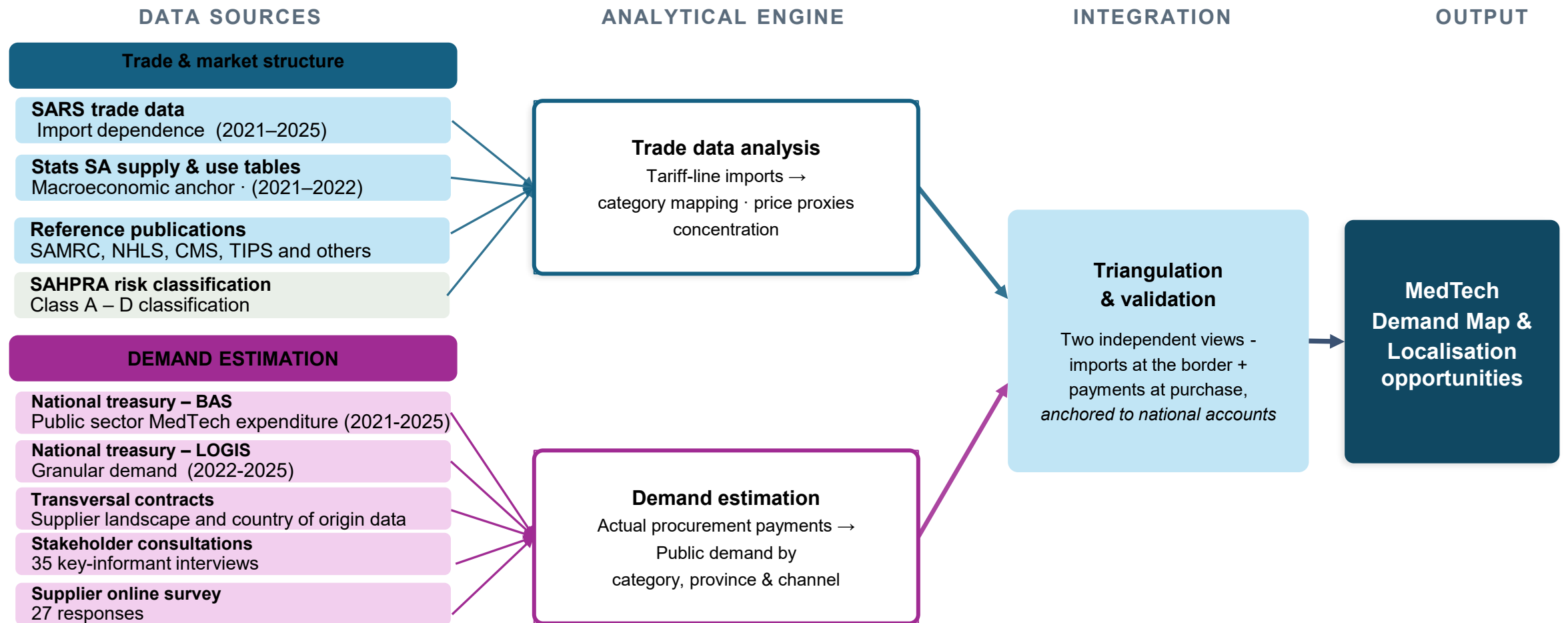
Quantify potential demand by estimating annual volumes and indicative reference prices for such devices

03

Scope of the study: *It's a high-level, data-driven analysis of demand and localisation opportunities, not an exhaustive feasibility study.*

METHODOLOGY

Methodology – Data Sources and Scope



Methodology – Stakeholder Reach

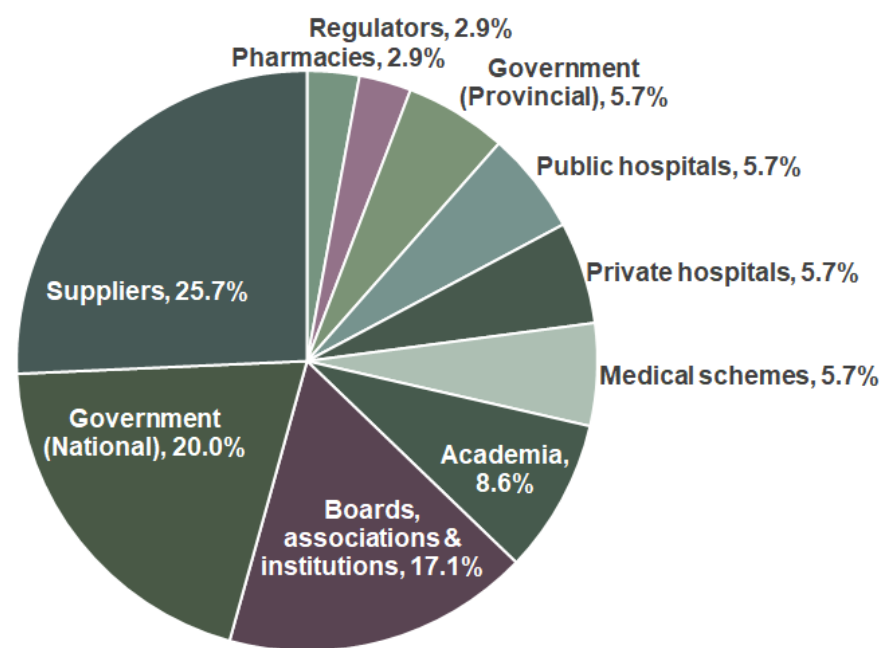
35
Key informant interviews*

>300
Firms in reach
Estimated combined membership base

4
Industry bodies as channel
MDMSA · SAMED · SALDA · ·
WCMD ·

27
Completed responses

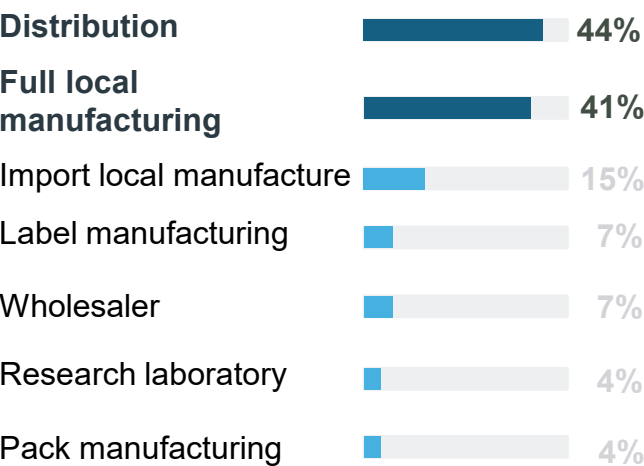
Stakeholder representation across 35 Kils



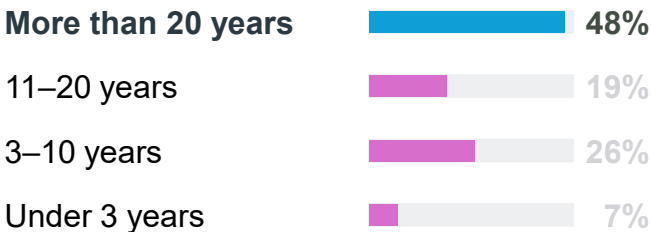
*excludes online validation sessions

Stakeholder representation across supplier survey

Business model of respondents



Years operating In South Africa



B-BBEE status



Two thirds have more than a decade of local operating history. Nearly three quarters of full local manufacturers exceed 20 years -local manufacturing is a mature capability, not a nascent one.

Methodology – Limitations



**SARS trade
data granularity**



**Supply & use
table
classification**



**BAS
procurement
data**



**LOGIS coverage
and
comparability**



**NHLS
procurement
data**



**Private sector
visibility**



**Supplier
classification
and value chain
positioning**



**COVID-19
related market
distortions
(2021-2022)**



**Local
manufacturing
data availability**



**Quantity based
procurement
data**



**Survey
response**



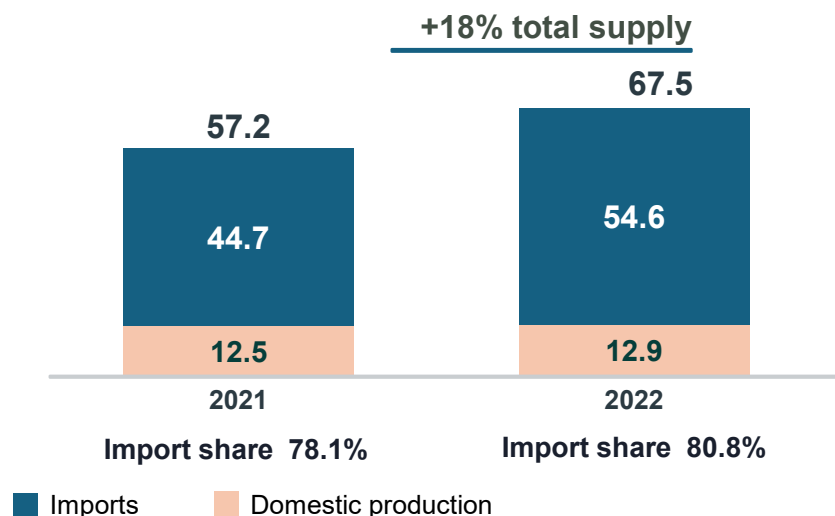
**Data reporting
period**

OVERALL MARKET & IMPORT ANALYSIS

Overall Market Size, Growth & Import Concentration

Supply at basic price (2021-2022) ZAR billion

Four in five medical appliances are now imported.



Use at purchasers' price ZAR billion

Total use 69.5 → 84.4 +21% | **Industry use** 24.3 → 30.9 +27%

Domestic production is not keeping pace with demand - the evidence base for prioritised local manufacturing.

**SUT "medical appliances" (CPC 481-484) also includes precision, optical and photographic instruments and watches and clocks*

SARS trade data (2021–2025) – Key inferences

Total imports

R155.68bn

2021–25

US leads

70%

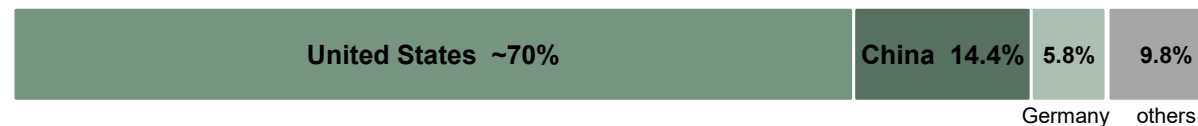
of value
13 product categories

China leads

18 product categories

14% of value

Leading source country, by share of import value



Value concentrates in the United States

~70% of import value across 13 product lines - led by surgical instruments, IVD reagents, laboratory equipment, artificial joints and orthopaedic appliances etc.

China leads the commodity lines

Leading in dressings, syringes, needles and high-volume consumables for respiratory, electrodiagnostic and other categories

Germany specialises in niche MedTech categories

X-ray, imaging parts and accessories and MRI systems, dental instruments and fillings, ECGs and OT lighting

DEMAND ESTIMATION

Public Sector MedTech Procurement Is Highly Concentrated Across Provinces (2021 – 2025)

Total public spend R50.3bn 2021–2025	Gauteng's share 36% R17.9bn · 2x Western Cape	Top 3 provinces 67% R33.7bn of national spend	Top 10 categories 89% R44.7bn
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Provinces – ranked by value

1	Gauteng		R17.9bn	36%
2	Western Cape		R9.1bn	54%
3	KwaZulu-Natal		R6.7bn	68%
4	<i>Eastern Cape</i>		R4.2bn	76%
5	<i>North-West</i>		R3.0bn	82%
6	<i>Remaining 4 provinces</i>		R9.1bn	100%

Gauteng dominates

At 36% of national spend, Gauteng is double the Western Cape and larger than the bottom six provinces together.

Aggregation is feasible

Volume commitment doesn't require all nine provinces - a small set of provinces drives the market.

South Africa's MedTech Procurement Market Is Growing Rapidly, With Spend Concentrated In A Limited Number Of Categories And Suppliers (2022 – 2025) (1/2)

Medical equipment

Very high

R1.31bn +14% CAGR Top ten 68%

Ventilators		21%
Infant incubators		10%
Anaesthesia systems		9%

Class Three, · Respiratory Care Africa, Ecomed

Imaging and nuclear medicine

Very high

R1.13bn +79% CAGR Top five 71%

General-purpose digital X-ray		21%
CT scanning systems		17%
Digital X-ray detectors		8%

Siemens, · Tecmed, · Lomaen Medical

Dressings, gauzes, bandages

Moderate

R857.3mn +89% CAGR Top ten 60%

Female sanitary pads		32%
Gauze swabs		14%
Antimicrobial gauze strips		14%

Akacia, · National Pride, · BMS Medical

Implantable devices

Very high

R791.4mn +66% CAGR Top ten 70%

Internal bone fixation plates		27%
Orthopaedic joint prostheses		16%
Bone fixation screws		16%

Stryker, · Smith & Nephew, · Safarmex

Assistive products

Mixed

R681.5mn +73% CAGR Top ten 65%

Wheelchairs, parts, accessories		30%
Hearing aids		19%
Crutches		10%

CE Mobility, · Batho Kopanang, · Thokomala

Infection prevention and control

Moderate

R453.6mn +49% CAGR Top ten 67%

Examination gloves		37%
Surgical gloves		31%
Surgical drapes		10%

Medtex SA, · Promed, · Logan Medical

Surgical instruments

Very high

R427.6mn +49% CAGR Top ten 56%

Delivery instrument sets		11%
Surgical staplers		11%
Surgical drills		11%

Grobir, · B. Braun

Medical furniture

Low

R382.5mn +100% CAGR Top ten 77%

Medical beds		51%
Trolleys		13%
Medical tables		12%

Arjo Huntleigh, · Kwa-Dube, · Hospi-Furn

Tubes and cannulae

High

R357.8mn +76% CAGR Top ten 64%

Intravenous cannulae		26%
Nasal cannulae		20%

Respiratory Care Africa, · B. Braun, · Akacia

■ Multinational suppliers

■ Local suppliers

Very high: Almost all of the category is imported

High: Most of the category is imported; local manufacture survives only in low-value sub-segments.

Moderate: Roughly half of the category is locally manufactured and half imported.

Mixed: Locally manufactured in one sub-segment and almost entirely imported in another; an average would mislead..

Source: LOGIS data

South Africa's MedTech Procurement Market Is Growing Rapidly, With Spend Concentrated In A Limited Number Of Categories And Suppliers (2022 – 2025) (2/2)

In vitro diagnostics

Very High

R353.6mn +26% CAGR Top ten 75%

Clinical chemistry rapid and POC		50%
Haematology reagents		29%

Promed, · HemoCue SA, · Tara Healthcare

Catheters and related

High

R287.9mn +80% CAGR Top ten 61%

Teleflex, · B. Braun, · DPR Pharmaceuticals

Cleaning/Disinfection/Sterilisation equipment

Mixed

R94.6mn +62% CAGR Top three 67%

Sterilizers		47%
Sterilisation wrappers		24%
Sterilisation bags		13%

Medi-Clave, · Safmed, · Logan Medical

Collection devices

High

R297.1mn +28% CAGR Top ten 84%

Ostomy bags		66%
Urine drainage bags		8%
Stoma adhesive bags		6%

OMS Medical, · Hartmann-Vitamed, · Coloplast

Endoscopes and related devices

Very high

R201.3mn +13% CAGR Top three 73%

Endoscopy systems		83%
Video colonoscopes		5%
Bronchoscopes		3%

Karl Storz SA, · Tecmed, · Grobir

Sutures

Low

R76.7mn +81% CAGR Top six 76%

Surgical sutures, broad spectrum

Akacia, · Johnson & Johnson, · Synthecon

Respiratory care accessories

Very high

R298mn +91% CAGR Top two 56%

Ventilator breathing circuits		30%
Masks		22%
High-flow circuits		6%

Respiratory Care Africa, · SSEM Mthembu, Mbuso

Syringes and needles

Very high

R188.8mn +64% CAGR Top ten 52%

Hypodermic syringes		35%
Hypodermic needles		16%
Insulin syringes		14%

Becton Dickinson, · Embecta SA, · Medi-Core

“Country of origin” in transversal contract means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

■ Multinational suppliers

■ Local suppliers

Very high: Almost all of the category is imported

High: Most of the category is imported; local manufacture survives only in low-value sub-segments.

Moderate: Roughly half of the category is locally manufactured and half imported.

Mixed: Locally manufactured in one sub-segment and almost entirely imported in another; an average would mislead..

Source: LOGIS data

Provincial NHLS Revenue And Test Volumes Are Highly Concentrated In Gauteng and KwaZulu-Natal

Total provincial revenue (2024/25)

R11.82bn

Top 2 provinces

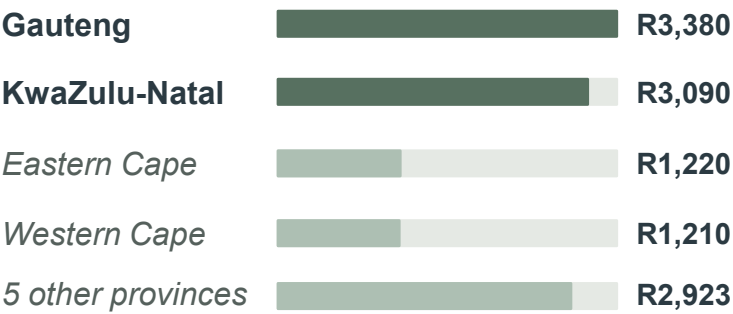
55% of both revenue and test volume

Top 10 tests

46% of 109.5mn annual tests stable 3yrs

1. Provincial concentration

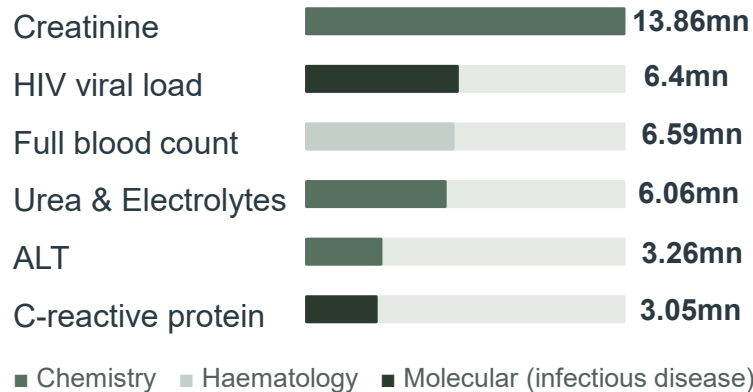
Total revenue, R million (2024/25)



Gauteng + KwaZulu-Natal = 55% of revenue (R6.47bn) and 54% of test volume (58.9mn of 109.5mn tests) - consistent across years.

2. Testing portfolio concentration

Top tests by volume, millions (2024/25)



Top 10 tests hold a stable 45–46% share of ~110m annual tests across all 3 years; Creatinine, HIV viral load and FBC are unchanged as the top 3.

3. Supplier concentration and localisation

Key suppliers to NHLS

Abbott, Roche, Cepheid, BD, Beckman Coulter, Siemens and bioMérieux

Platform lock-in: reagents are proprietary to the installed analyser base

Concentration is structural: IVDs are among the most concentrated categories in the study

Localisation entry point: lateral flow rapid tests (malaria, pregnancy, HIV)

IMPLICATIONS FOR LOCALISATION

Localisation: Capability, Barriers, Pathways

Local share of the market

Public sector

Local 29% Imported 71%

Private sector

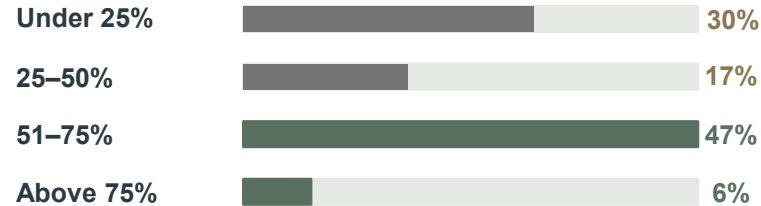
Local 25% Imported 75%

Appetite to move up the value chain

43% intend 57% no intention

Top route chosen: **label manufacturing** (58%)

Capacity utilisation

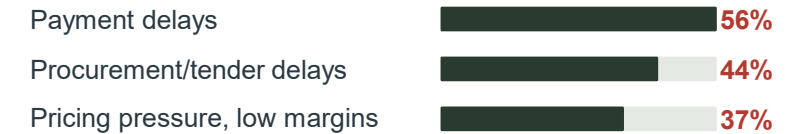


47% run at or below half of installed capacity

Hardest customer segment to serve

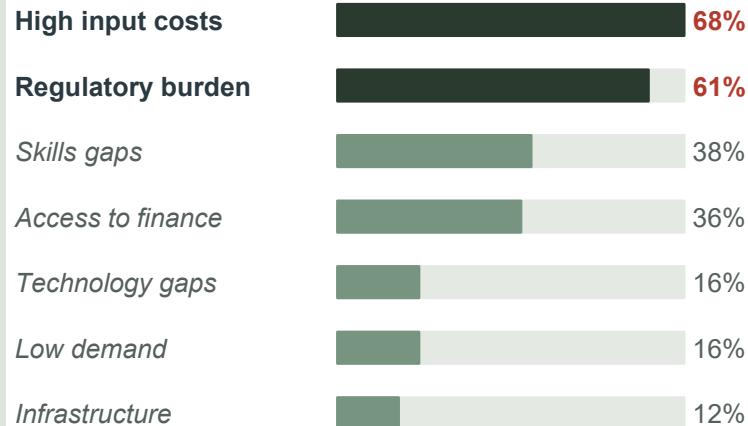


Why public sector is hard

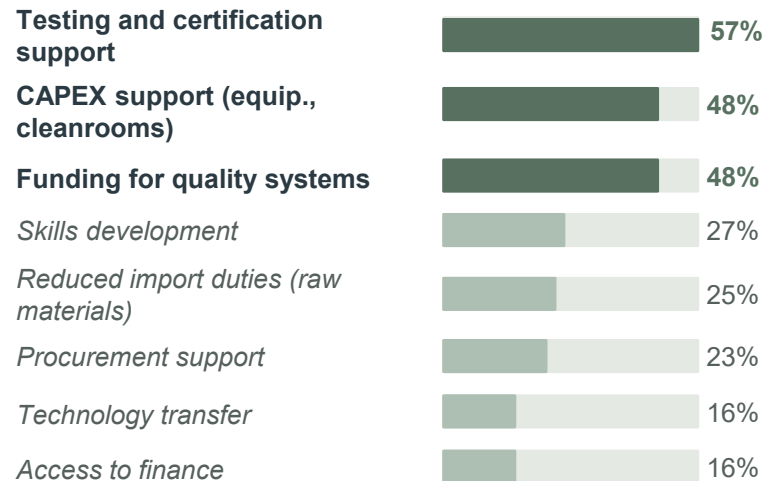


Payment and tender delays dominate, not price itself.

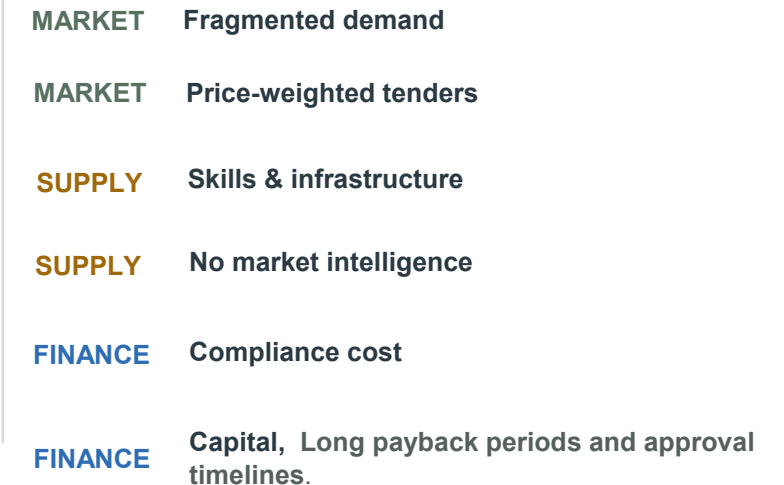
Barriers to full local manufacturing



Most requested enablers



Structural constraints from consultations



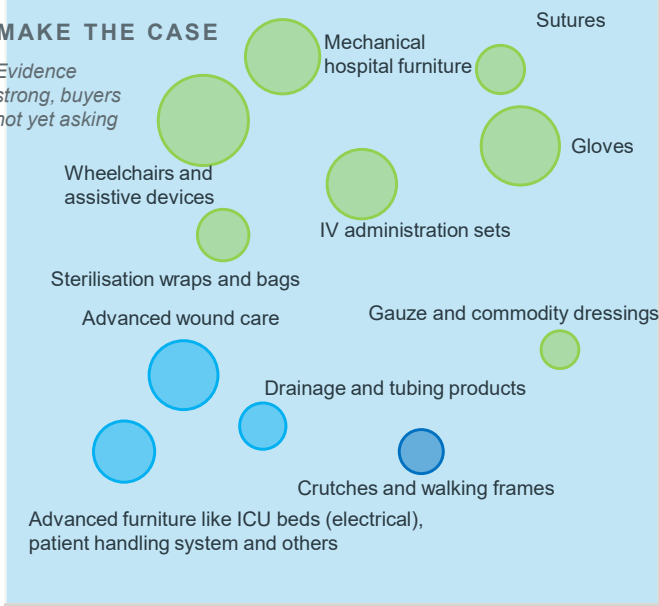
Recommendation for Localisation

EVIDENCE STRENGTH

Stronger

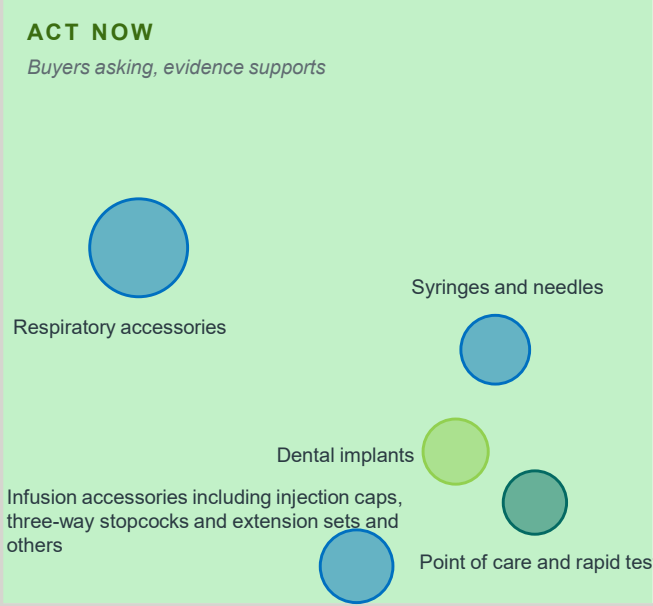
MAKE THE CASE

Evidence strong, buyers not yet asking



ACT NOW

Buyers asking, evidence supports

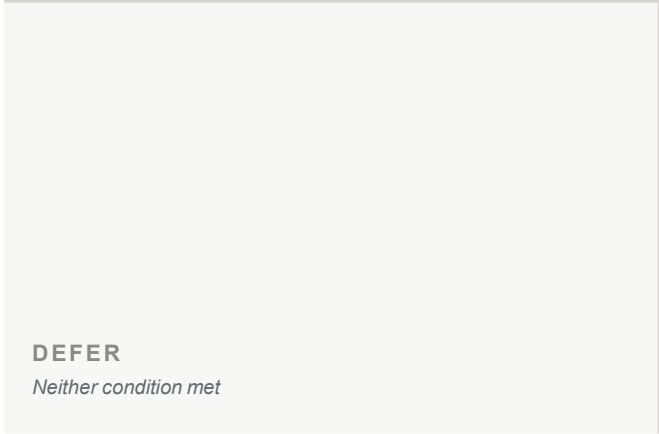


- Consolidate
- Deepen
- Backward integration
- POCD – local manufacture
- Assembly and service

Weaker

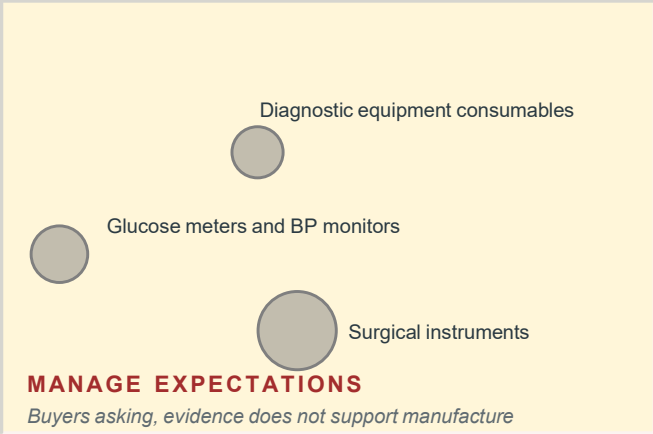
DEFER

Neither condition met



MANAGE EXPECTATIONS

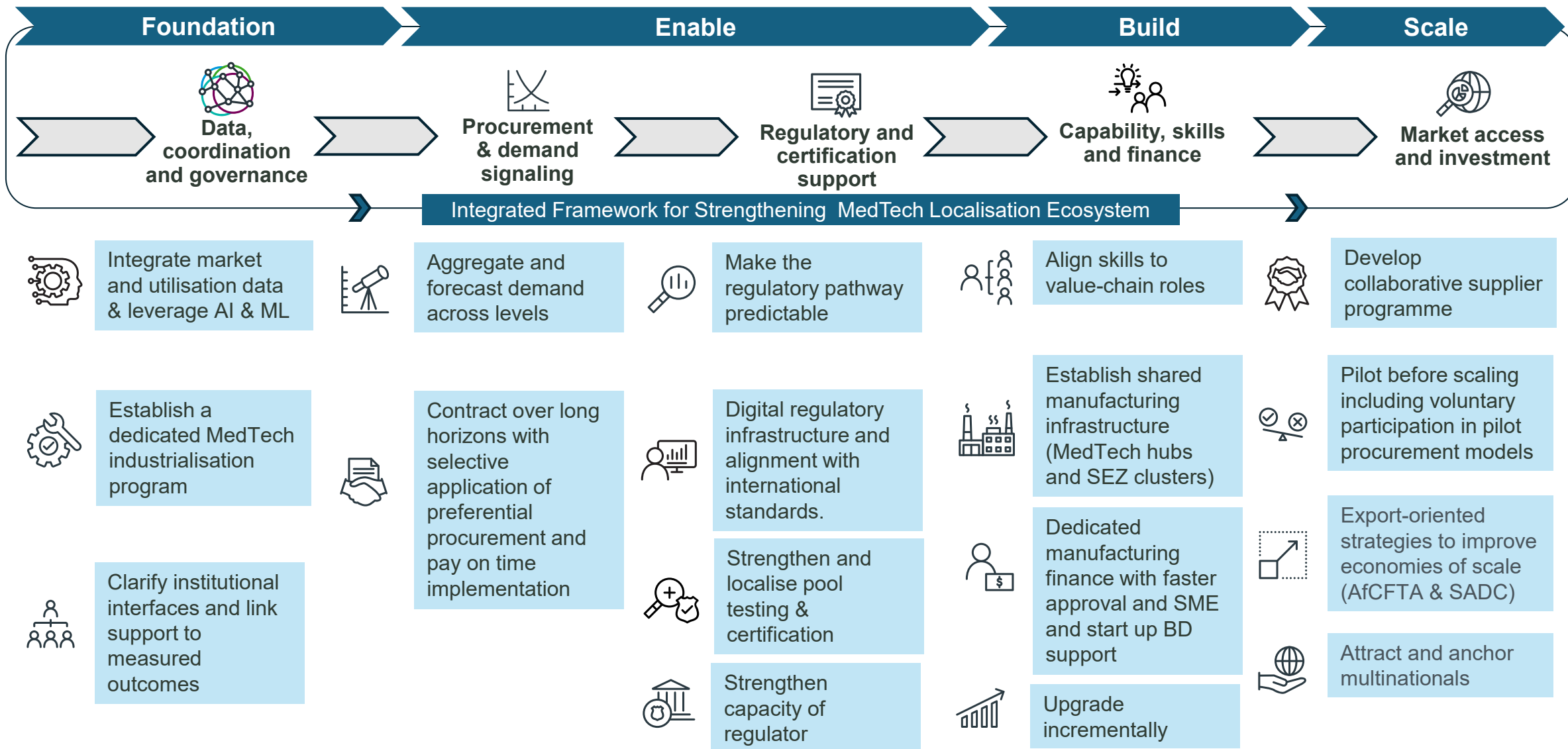
Buyers asking, evidence does not support manufacture



Lower

Higher

Policy and Market Recommendations





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