

## MRI systems market value to double by \$9.2 billion by 2020

27 January 2015 | News | By BioSpectrum Bureau

## MRI systems market value to double by \$9.2 billion by 2020



The company's latest report states that this impressive growth will be driven by continual design developments, cost reductions, reimbursement improvements and the rapid uptake of less expensive MRI systems in emerging markets.

However, Mr Rob Littlefield, GlobalData's senior analyst covering medical devices, says current economic factors remain the greatest threat to new innovation in the next five years, despite numerous advancements in MRI system capability.

Mr Littlefield explains, "This is especially true in western Europe, where economic austerity measures are stalling device purchases of every category. However, many hospitals still uncompromisingly demand advanced MRI systems despite tight budgets, so significant growth opportunities remain."

"Healthcare providers are calling on manufacturers to develop both cheaper and better technology, meaning suppliers' success will depend on the development of MRI solutions offering improvements in cost, efficiency and workflow, while also enhancing clinical diagnostics," he adds.

GlobalData's report also finds that market growth for MRI systems in the US and EU will continue to be heavily dependent on the replacement of existing systems that are nearing the end of their lifetime.

Mr Littlefield continues: "Despite the need for replacements, hospitals do not always decommission MRI systems at the end of the products' manufacturer-recommended lifecycles, which negatively affects sales in these developed markets as new system purchases are delayed or abandoned. Additionally, newer systems are expected to cost less, reducing manufacturers' profit margins and resulting in a highly competitive MRI market that ultimately stifles new product innovation."

The analyst adds that sales growth in emerging countries, such as China and India, will be fueled by the rapid uptake of less-expensive MRI systems that will allow access to healthcare in more remote areas of these price-sensitive economies.

"With increases in average income, growing demand for healthcare, and higher standards for care, emerging markets are expected to see a rise in MRI diagnostic procedures, as the technology offers safe and valuable insight into patient conditions and is a powerful, irreplaceable decision-making tool for physicians," concludes Mr Littlefield.