

Unique Opportunities in China for the Power Supply Manufacturers

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20 May 2008 ^ The sales of merchant power supplies in China medical market will steadily increase to over \$136 million by 2012, according to IMS Research. The medical sector is forecast to grow at the highest CAGR, which is about 18.9%, among all the application sectors for power supplies during the forecast period although it is still a very small sector.

The medical market for power supplies can conveniently be divided into two sectors: large equipment and small/portable devices. Power supplies used in large equipment are usually high power rating open frame AC-DC and board-mounted DC-DC products; while small and portable devices mainly use open frame products and adapters.

Analyst Jackey Wang commented: ^œContinued investment by China and other developing regions in healthcare infrastructure is helping to drive the growth of market for medical devices. Apart from this, demand for healthcare and medication within the developed world will also grow at significant rate due to the growth of the average age. The power supply consumption in medical market will consequently grow very fast as most of the major medical equipment manufacturers have set their factories in mainland China. Continued growth of electronics diagnostic, test, and monitoring equipment within the medical environment also helps drive this market. This market provides unique opportunities for the power supply manufacturer because of the higher barriers to entry and lower price erosion due to tighter standards and more onerous operating requirements. However, it is difficult for small power supply companies to enter into this market as the requirement for product reliability is very high.â€•

If you would like an interview with an expert in this area, please contact Alison Bogle, Marketing Manager, at Alison.Bogle@imsresearch-usa.com or +1 412-441-1888.