FOCUS on CANADA

Country facts

Capital city:	Ottawa
Surface area:	9,971,000 sq km
Population:	33.9 million (January 2010 estimate)
Official language(s):	English, French
GDP (US$bn) (current prices):	1,319.1
GDP per capita (US$):	39,217
Real GDP growth (% change yoy):	-2.5
Real GDP projected 2010 growth (% change yoy):	1.2

Source: www.imf.org

Canada is the second largest country in the world, covering the northern part of the North American continent except for Alaska. It is surrounded by the Arctic, Atlantic and Pacific Oceans, bordering south with the United States. The southernmost point of land in Canada is farther south than Rome while the northernmost tip of land is close to the North Pole.

Canada has a federal government with three northern territories (North-west, Nunavut and Yukon) and 10 provincial governments: Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec, Saskatchewan. Provinces have jurisdiction on a wide range of matters including direct taxation, healthcare, education, municipal government, property and civil right.

Population: 80% of Canadians, which means about 25 million people, live in the metropolitan areas of Toronto, Montréal, Vancouver, Ottawa-Gatineau, Calgary and Edmonton. The population is growing faster in the provinces of Alberta and Ontario, the most populous province, with over 12 million inhabitants, while British Columbia and Québec are reported to be the next fastest-growing regions.

According to the Agency "Statistics Canada", Canadians are experiencing low fertility rates and longer life expectancy, factors that contribute to the ageing of the population combined with the fact that the baby boom generation (years 1946-1965) is now approaching or passing age 65. The number of elders in Canada rose from 2.4 to 4.2 million between 1981 and 2005, with a consequent increase in their share of the total population (from 9.6% to 13.1%). This trend is not expected to change, as projections bring the number of seniors to 9.8 million in 2036, increasing their share from 13.2% to 24.5%. Nevertheless, the increase in immigration inflows made Canada's population grow by an estimated 5.4% between 2001 and 2006, at a faster pace than any other G8 country over the same period. Over 70% of all Canadian labour force growth is determined by immigrants, especially highly skilled workers. By 2030, immigrants will also account for almost all of the population growth.

Economy: Canadian traditional economic activities were mainly shaped by the country's richness of natural resources. However, the development of a more technology-intensive, knowledge-based economy has changed the profile of the Canadian economy, turning it in a well diversified modern system. Its strengths are a highly educated population, abundance of natural resources, good transportation networks, a developed services sector and stable financial system.

According to the national Department of Finance ("Annual Financial Report of the Government of Canada, fiscal year 2008–2009"), Canada has been strongly affected by the global financial crisis, experiencing sharp declines in the prices of commodities and a GDP contraction of 6.1% year-on-year in the first quarter of 2009. However, thanks to the country's stable financial system, effects on output and labour market were lighter in comparison to other industrialized economies, limiting the most significant losses to exports and production, whereas the impact on the domestic economy was much less severe. The government introduced the Canada's Economic Action Plan as a stimulus package aiming to face the crisis, which includes measures such as tax reduction, support of unemployed people through benefits and training programs, job creation by increased spending on infrastructure, support to industries and communities most affected by the global downturn, improved access to financing channels for households and businesses. The results of these actions are expected to become more clearly quantifiable during the 2010-2011 period.

Some positive figures have been registered from the beginning of this year, as real GDP advanced 0.6% in January, scoring the 5th consecutive monthly increase. Manufacturing and construction led the 1.3% growth of goods-producing industries, while the services sector advanced 0.4%, driven by wholesale trade. Similar increases were registered in retail trade, finance and insurance, transportation and the public sector, while the output of real estate sector, some tourism-related industries as well as agriculture and forestry declined.

Foreign Trade: Canada is part of the NAFTA (North American Free Trade Agreement) and EFTA (European Free Trade Association), as well as several bilateral agreements. Main trade partners are USA, EU, China, Japan and Mexico.

As far as international merchandise trade is concerned, the decline in exports and imports was significant in the first quarter of 2009, registering $369.7 billion exports, a drop of 24.5% compared to the same period of 2008, and $374.2 billion imports, down 15.5% from 2008. The trade balance registered a deficit of $4.5 billion. Figures for the first quarter of 2010, however, show a slight recovery: driven by industrial goods and materials sector, exports grew to $34 billion in February registering a 2.8% increase, while imports increased by 0.9% (from $32.3 billion to $32.6 billion in January). Imports of machinery and equipment, and automotive products rose, while energy products declined.

Total trade surplus went up to $1.4 billion in February from $754 million in January.

Canada's Healthcare System

Canada has a publicly funded healthcare system, providing universal coverage through a federal insurance system called "Medicare", ruled by the Canada Health Act and mostly funded by the provincial administration.
Under this system, all legal residents in Canada are entitled to receive health services basically without copayment, as health providers are publicly funded through income taxes, plus a fixed monthly premium in three provinces. Each province or territory manages its own insurance system and is responsible for financing the healthcare providers through a provincial insurer. Provinces also issue health cards to all those who enroll for the insurance.

The Medicare system covers all medically necessary care delivered in hospitals or by physicians, who are allowed to incorporate. Most family doctors are paid by the government a fee per visit at rates agreed upon by the provincial authorities and medical associations, usually on an annual basis, while government sets prices standards for pharmaceuticals.

Depending on the province, prescription drugs, physiotherapy, long-term care, dental care and vision care as well as ambulance services are often not covered, or only partially funded, but they are mainly paid for through employers, private insurance companies or out-of-pocket expenditure. Private insurers or out-of-pocket payment also cover additional care such as cosmetic surgery and some forms of elective surgery which are not considered essential care and are generally not covered. Some 65% of Canadians have some form of supplementary private health insurance, and many of them receive it through their employers.

Healthcare providers may be both public and private, although there is a predominance of private providers, but they are all publicly funded, mainly from provincial authorities. According to the Canadian Institute of Health Information (CIHI) in 2007, Canada spent $160 billion on health care, mainly on hospitals ($45.5 billion), followed by drug spending, physicians and other professions.

Another report from the CIHI focuses on the migration trend of physicians between 2001 and 2006. In 2001, about 20% of the Canadian population lived in rural areas, compared to nearly 19% in 2006. Between 2001 and 2006, the migration trend towards urban areas was significant for physicians, while dentists and pharmacists were described as more likely to move from cities to rural areas.

Oral health

Oral healthcare in Canada is subject to provincial legislation, as dental services are not included in medical necessary services under the Canada Health Act. They are defined as "services- expenditures for professional fees of dentists (includes dental hygienists and assistants) and denturists, as well as the cost of dental prostheses, including false teeth and laboratory charges for crowns and other dental appliances" (Canadian Institute of Health Information, "National Health Expenditure Trends" report). Medicare system covers dental services provided in hospitals but these and other public dental services are only a little part of the overall dental services in Canada. Dental care is therefore mainly funded through employers or private insurance plans as well as out-of-pocket payments, while only some groups of population such as children, low income families, elderly and disabled people benefit from public dental assistance on a various degree depending on provinces.

The marginal role of public funding of oral health is shown by the low share of public expenditure in the total oral health expenditures in Canada, which is about 6%, financed by either federal, provincial, territorial, or municipal agencies. The Canadian Association of Public Health Dentistry reports that the total publicly funded health expenditure amounted to $603,8 million in 2008, of which $247,6 came from federal financing.

According to the Canadian Institute for Health Information, in 2007 approximately 63% of Canadians had private dental insurance coverage to some extent. Those in high-income levels and those with higher education levels also had higher insurance coverage.

Figures for expenditures on dental services in Canada have been estimated at $9.94 billion in 2006, with a per capita spending of $308. They represent 6.7% of the total health expenditures in Canada.

As reported in a study conducted by the Canadian Dental Association (Dental Health Services in Canada in 2007), in January 2007 there were 18,861 licensed dentists in Canada. The estimated current number of dentists in Canada, both licensed and non-licensed, is 20,500.

Always considering 2007 estimates, the dentist/population ration was 57,5 dentists per 100,000 people, with great variations of density in the different provinces: for instance Labrador and Newfoundland had 31,4 dentists per 100,000 people while British Columbia had 65. The dental workforce is distributed quite unevenly, as more than two thirds of dentists practice in larger urban areas such as Toronto, Montreal, Vancouver, Calgary, Edmonton, Winnipeg, Saskatoon, Ottawa and Halifax. In 2007, the province with the greatest density was British Columbia with a dentist every 1,538 people, while Newfoundland registered the lower density, 1 / 3186.

The dental specialties recognized in Canada are Dental Public Health, Endodontics, Oral and Maxillofacial Radiology, Oral and Maxillofacial Surgery, Oral Medicine and Oral Pathology, Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics.

As far as dental education is concerned, there are 10 dental schools in Canada, all in publicly funded universities. There were 456 graduates from all dental schools in Canada in 2007 and the percentage of female dental students was approximately 58%.

Canada's dental workforce profile

Total number of dentists	18,861 (2007)
Males	76%
Females	24%
Dentists under 40	37%
Dentists over 60	14%
Dentists working in general practice	86%
Of which in solo private practice	54%
partner in a private practice	19%
associate in a private practice	19%
in practice with 5 or more dentists	7%
Dentists working in academic settings	2%
Public Health dentists	1%
Dentists working in military settings	1%
Other settings/retired	3%
Other dental professionals	
Dental hygienists	18,763
Dental assistants	30,000
Denturists	2,100
Dental technicians	2,050
Dental therapists	290

Source: Canadian Dental Association

Medical Devices Industry

According to MEDEC (National Association of Canada's Medical Technology Companies), the Canadian medical devices industry consists of about 1,500 facilities employing over 35,000 people. Small and medium-sized enterprises account for the greatest part of the industry, but large companies with over 100 employees represent 43% of the employment.

A report from Invest in Canada ("Medical Devices") states that industry revenue was valued at $4 billion in 2007. The market is estimated to have increased by 5.8% from 2000 to 2007. The sectors where Canadian production is particularly significant are cardiology, medical imaging, in vitro diagnostics, dental implants and materials, assistive devices and home healthcare products.

In terms of geographic concentration, the medical device industry is primarily based in the three largest provinces – Ontario, Québec and British Columbia – with over 80% of the medical device industry located in the provinces of Ontario and Québec. The report individuates six main geographic clusters:

British Columbia is home to about 60 medical devices manufacturing and distributing firms operating prevalently in cardiology, diagnostics and orthopedics. Manitoba's region hosts firms involved in MRI equipment and assistive devices, while Alberta counts over 60 firms with products ranging from wound care, personal protection, diagnostics and imaging technologies. As regards the eastern provinces, Ontario has two important clusters located in the cities of Ottawa and Toronto where many multinationals have established their subsidiary. Besides medical imaging, the main sectors are robotics and e-health, supported by a strong network of research institutes. This province alone, according to MEDEC data, accounts for 52% of the total industry sales, while Québec has a 37% share. This province boasts a high number of new companies, with currently over 350 firms involved in a wide range of products including radiology, cardiology, oncology, obstetrics, dentistry and remote surgery. Nova Scotia focuses on research and development supporting innovative technologies and products.

The market: Canadian medical devices exports registered a 6.3% increase in the period 2000-2008, from $1.6 billion to $2.6 billion. Imports also grew by 4.7% ($4.9 billion in 2008). The main trade partner for the sector is represented by the USA, receiving about 70% of exports, but other leading destinations are Germany, UK and Japan. Canada is also increasingly importing from other countries besides USA, which now accounts for about half of medical imports, followed by Germany and China, and secondarily also from Mexico, Switzerland and Ireland.

Prior to selling a device in Canada, manufacturers of Class II, III and IV devices must obtain a medical device licence. Although Class I devices do not require a licence, manufacturers, distributors and importers are required to obtain an establishment licence.

Dental Market

Canadian dentistry is essentially a private sector market, as only about 5% of the cost of professional dental care is publicly funded. In 2007, Canadians spent over US$10 billion through out-of-pocket and insurance plans coverage to obtain professional dental care. Individual insurance premiums and employers' programs cover about 65% of the cost of dental care. The remaining 30% is paid for personally by Canadians who have no dental insurance coverage or are only partially covered by their insurers.

The Canadian dental equipment and supplies market is valued at $433 million and average annual growth rate is estimated to reach 6-8% during the 2008 to 2010 period, due to the growth and aging of the population but also to technological advancements in preventive care, supported by greater dental health awareness among Canadians as a result of frequent education campaigns.

The elderly segment in particular is expected to increase the demand for restorative and cosmetic procedures as well as orthodontics and periodontal care. Since they have to pay out-of-pocket for dental care, Canadians are quite attentive to the quality of care. The competitive environment calls for dentists to keep their equipment modern and reliable, and look for innovative products and applications.

Some sectors projected to grow are laser instruments, computerized systems, digital imaging, computer modeling, clinical patient record systems and software-based equipment. Laser technology in particular is gaining momentum supported by the increasing demand for technologically advanced equipment. All products related to cosmetic, aesthetic and restorative dentistry are also growing traditional sectors. Among the other requested products there are computerized autoclaves and sterilizing equipment, materials such as composites, alloys, amalgams and cements, intra-oral cameras and screens.

The demand for dental equipment and supplies in Canada is largely satisfied by imports, accounting for about 90% of the supply, while domestic production (valued $163 million) meets only 10% of the market demand and is mainly directed towards exports. In 2007, imports of dental equipment and supplies grew by 8%, from US$359 million to US$388 million. USA hold an over 50% share of the total Canadian import market with $210 million in 2007. Western Europe (Germany, Switzerland, Sweden) and Japan are other main partners, but imports from China have tripled from 2005 to 2007, rising from 2 to 6%, especially in low-cost and disposable supplies.
According to some figures released by the US Commercial Service, every year about half of dentists spend less than $20,000 for the purchase of dental equipment and supplies, while 30% buys between $20,000 and $30,000, and nearly 20% spend more than $30,000. According to some analysts, many Canadian dentists acquire major dental equipment through leasing terms or other forms of direct financing. They are quite sensitive to quality and reliability, as well as to the hi-tech component.

It is estimated that the 25 largest Canadian importers of dental equipment and supplies account for almost 80% of Canada's total imports.

Import requirements: Since dental instruments and equipment, dental restoratives and dentures are considered to be medical devices, 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. Electro-dental equipment must comply with the standards established by the Canadian Standards Association (CSA).

Class II, III, and IV medical devices sold in Canada after July 1, 1998, must have a valid Medical Device Licence issued by the Therapeutic Products Directorate of Health Canada. Class I devices, because of their relatively low risk, do not require a device licence. Medical devices which were legally sold in accordance with the Medical Devices Regulations prior to July 1, 1998, did not require a licence.

A manufacturer must obtain a licence before importing, advertising or selling any Class II, III, or IV device, while a distributor or importer of medical devices is required to obtain an Establishment Licence from Health Canada. Medical devices sold by foreign manufacturers directly to health care facilities are also required to have a valid Canadian Medical Device Licence.

Information on licensed devices can be obtained from the Medical Devices Active Licence Listing (MDALL) available on the Health Canada, Therapeutic Products Directorate website at www.mdall.ca.

Useful contacts:
Canadian Standards Association
www.csa.ca

Canadian Dental Association
E-mail: reception@cda-adc.ca
Website: www.cda-adc.ca

Dental Industry Association of Canada (DIAC)
Website: www.diac.ca

Canadian Dental Regulatory Authorities Federation
e-mail: info@cdraf.org
www.cdraf.org

Sources:
International Monetary Fund (www.imf.org)
Invest in Canada (www.investincanada.org)
Statistics Canada (www.statcan.gc.ca)
Industry Canada (http://ic.gc.ca)
Foreign Affairs and Int'l Trade (www.international.gc.ca:)
Department of Finance (www.fin.gc.ca)
Canadian Institute for Health Information (secure.cihi.ca)
Canadian Association of Public Health Dentistry (www.caphd-acsdp.org)
Canada's Medical Technology Companies (www.medec.org)