
Book review

Clinica Reports: The Complete Guide to the Diagnostics Market 2004–2009

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PJB Publications, Richmond;
2003; 262pp; £1300, US\$2730

This 'Guide to Diagnostics' covers the full range of clinical laboratory disciplines: clinical chemistry, immunodiagnosics, microbiology, molecular diagnostics, haematology including flow cytometry and coagulation, accessories and supplies. This is a major revision of a report by the same author in 1998, which was well received. Does the 2004 report do what it says in the title and provide readers with a 'Complete Guide'?

The report is available in two parts. Part 1 stands alone and reviews:

- changes in regulation;
- technology developments;
- country markets;
- diagnostic company profiles.

Part 2 provides a more detailed analysis of the major country markets including the USA, Japan, Germany, France and Italy and the product segments introduced in Part 1.

Part 1 provides a comprehensive review of the products and the technologies available in the market and those under development, with particular emphasis on the segments having major growth potential: molecular diagnostics, point of care and home testing.

The total worldwide market in 2004 is given as US\$22.82bn. The report predicts a modest CAGR (compound annual growth rate) of 6.6 per cent between 2004 and 2009, which may be achievable but

probably reflects an upside. In an earlier report published in 1998, the author predicted a CAGR of 5.5 per cent and a market in 2004 of US\$26.1bn. Based on the figures provided in the current report, growth over the period 1999–2004 was only 2.7 per cent. It would have been interesting to understand why the projection was missed.

Publishers of reports often feel that only good news sells and one can forgive authors taking the most positive view. One also feels that the corporations involved in IVD (*in vitro* diagnostics) must know something we do not, otherwise why would they continue, when selling up and putting the money in the bank would provide a better return?

The data and assumptions that the author uses are well documented and readers who disagree with the author's conclusions will be able to rework the figures based on alternative scenarios.

Laboratory testing has undergone tremendous changes in the past few years. In many countries customers have become the 'Cinderella' employees of the healthcare system, resulting in problems in staffing and moves to consolidate testing in fewer laboratories. These trends are discussed and details of laboratory numbers and test volumes are provided for the major markets.

The report also reviews the consolidation that has occurred within the industry, and notes that 75 per cent of the market is now controlled by eight corporations. Of most interest, I suspect, to readers of this journal is the other 25 per cent where over 300 companies compete. The top 20 suppliers of IVD are profiled in Part 1. In today's litigious culture to criticise may be folly and so it is for the reader to judge who are performing badly from the figures presented.

In Part 2 the author looks in depth at the major world markets. As with many reports there are strengths and weaknesses. The US market, which represents 50 per cent of the world market, is reviewed extensively, Asian markets less so. The report, however, is consistent in the figures provided and the same coverage is provided for each market reviewed. In Part 2 the total revenues discussed in Part 1 are distributed by region and country although market share figures for suppliers on a country by country basis are not presented.

One can be picky, and I have been, but in summary the report provides an excellent review of the status of IVD in 2004. Who should be interested in this report? Multisubscriber reports such as consultancy may get a poor press, often because of misplaced expectation.

For new start-ups, and companies that need to assure investors of the opportunities within the market segments they address, this report is a must. The numerous tables and figures should provide the necessary referenced material for the 'Plan'. They will also provide an excellent starting point for further research. For the largest suppliers the report offers an opportunity to confirm what they should already know – but for employees new to the industry gives an excellent overview. For companies outside pathology who need to understand the dynamics of this segment the report provides a valuable insight from an industry insider.

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