

## **Healthcare Supply Chain Management Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)**

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### **Report description:**

Healthcare Supply Chain Management Market is expected to grow at a CAGR of 8% during the forecast period (2023 - 2028).

The ongoing COVID-19 pandemic and long-term shutdown have significantly impacted the healthcare industry. The government of several countries has reported that active pharmaceutical ingredients were in short supply of drugs and surgical equipment because of the COVID-19 epidemic. This is due to the barrier across the country's border that has an ultimatum effect on the import and export facilities of medicinal products, among others. Thus, negatively impacting the growth of the market.

The increasing efforts of healthcare providers to reduce costs and improve the quality of supply and the rising demand for quality inventory management systems are all projected to increase the market growth over the forecast period.

Increased service prices are an issue for healthcare, which is one of the fastest-growing businesses. The increased provision of quality in the healthcare supply chain is driving up supply chain management costs. Manufacturers have been reliant on high costs to sustain higher quality. Hospitals are currently looking for strategies to improve their competitiveness and reduce costs. It has become essential in these efforts to concentrate on supply chain management, which will enhance patient care and provide great services at competitive pricing. Companies are using a variety of strategies to reduce the cost of a supply chain in healthcare in the modern era of technology. Automation of manual operations during manufacturing, reduction of waste generated during product creation, and the establishment of a trading relationship among suppliers, partners, and customers are just a few of the efforts done by companies. As a result, the manufacturer's actions are assisting in the enhancement of the supply chain's quality as well as cost reduction.

Suppliers are constantly striving to strike a balance between cost and quality. Some suppliers, for instance, are allowing regional

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care networks to automate. The hospitals (care networks) benefit from supply chain automation systems in terms of data visibility, efficiency, and cost savings. Thus, the increased demand for high-quality inventory management systems is also propelling the healthcare supply chain management market forward. Also, the emergence of cloud-based and mobile-based solutions across the healthcare industry is contributing to the growth of the market.

Furthermore, the market is expected to be propelled by the increasing implementation of GS1 standards and unique device identification (UDI) for medical devices. In the healthcare system, global standards have considerably enhanced patient safety and supply chain efficiencies and effectiveness. Anti-counterfeiting efforts have been aided by the implementation of global standards such as barcodes and RFID. By establishing laws allowing unique device identification (UDI) for medical devices, the European Commission, the United States Food and Drug Administration (FDA), and other regulators have made the healthcare supply chain a strategic focus worldwide. Counterfeit medical products are becoming more common with each passing year, making the use of unique device identification (UDI) on medical equipment critical. Unique Device Identification (UDI) also improves inventory management by providing a standardized method of identifying items for distribution. All the above-mentioned factors are increasing the demand for a managed supply chain system in the healthcare industry, thereby increasing market growth.

However, the high cost of implementation of supply chain management software in low and middle-income countries is restraining the market expansion.

## Healthcare Supply Chain Management Market Trends

### Hardware Segment Expects to Register a High CAGR in the Forecast Period

The hardware component type, which includes barcodes and barcode scanners, RFID (radio-frequency identification) tags, and readers which are used to track the information from the tags that are attached to the object, either drug or medical equipment, is expected to grow significantly over the forecast period owing to the increasing strictness in maintaining a secure drug supply in the wake of rising counterfeit drugs, the introduction of innovations and technological advancements, and the rising need for an efficient supply chain management.

The rising number of counterfeit drugs is the key driving factor for the growth of the hardware component segment over the forecast period. Due to the COVID-19 pandemic, the incidents of counterfeit products have increased. According to the World Health Organization report, in 2021, the number of cases of substandard and falsified (SF) medical items has increased by 52% 2020 to 2021. Recently, the majority of the incidents involved COVID-19-related medical products, such as vaccines, medicines, COVID test kits, antibiotics, face masks, and sanitizers. Similarly, in 2021, World Health Organization's worldwide surveillance and monitoring system for substandard and counterfeit medical products discovered fraudulent versions of the COVID-19 vaccine Covishield in India and Uganda. Thus, the rising incidences of counterfeit drugs and supplies are increasing the demand for strict identification systems to improve the supply chain system, which is expected to increase the demand for hardware components, thereby increasing the market growth over the forecast period.

Moreover, the recalling of these counterfeit drugs, which possess serious side effects on patients globally, is increasing the demand for effective systems in the healthcare supply chain management, thereby increasing the market growth. For instance, according to an article published by the Cardiology Journal, in February 2022, titled "The plague of unexpected drug recalls and the pandemic of falsified medicines in cardiovascular medicine as a threat to patient safety and global public health: A brief review", Valsartan is recalled due to identified contamination with N-nitroso dimethylamine (NDMA), a potentially carcinogenic substance, resulting from unintended changes in the manufacturing process in China. Valsartan is used as a long-term medication in patients with high blood pressure and heart diseases which will cause carcinogenic effects in patients.

Thus, the rising number of counterfeit drugs and their recalling is expected to increase the market growth over the forecast

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period.

## North America is Expected to Have the Significant Market Share

North America is anticipated to hold the major share of the market over the forecast period owing to the increasing risks from substandard and falsified drugs and stringent regulatory frameworks, and mandatory implementation of GS1 and Unique Device Identification (UDI) on pharmaceutical drugs and medical devices, coupled with the presence of large manufacturing hubs.

In addition, the market expansion is aided by continually evolving healthcare and IT infrastructure, as well as rising demand for cloud computing and the adoption of scanning technologies such as barcodes and RFID by manufacturers to curb counterfeit drugs.

Furthermore, the increasing adoption of various business strategies by the market players, such as collaborations, partnerships, and product launches in the region, is also contributing to the market expansion. For instance, in February 2022, Avery Dennison launched its AD Minidose U9 RAIN RFID inlay for pharmaceutical applications, unlocking critical RFID value for healthcare, pharmacies, and laboratory asset management. Similarly, in May 2022, Jump Technologies developed a cloud-based software solution called JumpStock that integrates with EMR, ERP, or scheduling systems and s well as enhances its mobile scanning solution to improve compliance for recording lot and serial numbers, as well as expiration dates of products used in hospitals, allowing hospitals to save money on supply hoarding, physician preference variances, and stock-outs.

Thus, increasing product launches and the adoption of advanced technologies are likely to drive market growth in the region over the forecast period.

## Healthcare Supply Chain Management Market Competitor Analysis

The global healthcare supply chain market is a fast-growing market. The current market share is majorly controlled by a few medical technology companies that have expertise in providing service solutions in the healthcare domain. Some of the key market players are SAP AG Group, Oracle Corporation, McKesson Corporation, Avery Dennison Corporation, Henry Schein, Inc., Ochsner Health System, and Providence Health & Services.

Additional Benefits:

- <li> The market estimate (ME) sheet in Excel format </li>
- <li> 3 months of analyst support </li>

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