
Appendices

Appendix A.—Capsule Descriptions of Major Firms in the Industry

Abbott Laboratories

Abbott Labs is a large producer of various health-care products, including pharmaceuticals and nutritional products as well as laboratory and hospital instruments. Total company sales were about \$3 billion in 1983. As of 1980 its sales of dialysis products were extremely small, but the company is moving into the CAPD market (5,79).

Asahi Medical Co.

This Japanese company is a subsidiary of the \$3.5 billion Asahi Chemical Co. It has been in the dialysis equipment market since about 1975 and began full-scale marketing of its hollow fiber dialyzer in 1979. Although still relatively unknown in the United States, the company is a major force in Japan and the world. Some observers expect a movement by Asahi into the U.S. dialyzer market. The company's licensing arrangement with Cordis Dow apparently prevented U.S. sales until 1983 (7,8,57,79).

Baxter Travenol Laboratories

This company is involved in producing a wide range of medical care products. Its renal and urological therapy product line represents about 20 percent of its total sales of \$1.7 billion (10). It is active in producing both disposable and equipment for hemodialysis. The company has also made a strong effort in the CAPD market, where it has captured a 90-percent share (5).

BD Drake Willock

As of 1976, this company has been part of Becton Dickinson, which now has over \$1 billion in sales of various medical, laboratory, and industrial equipment. The company has focused its efforts on equipment rather than disposables. However, Becton Dickinson has expressed an interest in selling Drake Willock (11).

CD Medical, Inc.

CD Medical is the successor to Cordis Dow. The company was created in 1983 when the Dow Chemical Corp. purchased Cordis Corp.'s 50 percent interest in their joint venture, Cordis Dow, for \$4 million in cash and real estate (114). The company has been engaged primarily in the production of hollow fiber

dialyzers, and, indeed, the joint venture was established in part as a mechanism to utilize Dow's patents on hollow fiber technology. The company has experienced some difficulties, including some losses, in recent years (17,59,114,115).

Cobe Laboratories

Cobe entered the hemodialysis market in the late 1960s. The company offers a complete line of equipment and supplies, and, indeed, has emphasized a complete system approach in its marketing activities. It is focused in this market, with about three-quarters of its approximately \$100 million in sales coming from hemodialysis products (5,60).

Erika

Erika is a subsidiary of National Medical Care, the largest provider of outpatient dialysis care through its approximately 180 centers treating more than 13,000 patients (88). Erika produces and distributes a variety of dialysis products to both its parent and unaffiliated customers. Sales of artificial kidney products accounted for about 13 percent of National Medical Care's \$295.5 million in sales in 1982 (5,63).

Extracorporeal

Extracorporeal produces both disposables and equipment for hemodialysis. It is also integrated backwards into the manufacture of membranes for dialyzers. Since 1978 it has been a subsidiary of Johnson & Johnson, a large medical care products company with almost \$6 billion in sales in 1983. As of 1980, Extracorporeal represented only about 2 percent of the parent company's sales (5,45,68,79).

Gambro AB

Gambro is an international company incorporated in Sweden. Shares of the company are publicly traded, but close to 80 percent of the voting stock is controlled by members of the family of Holger Crafoord, a Swedish industrialist who founded the company in 1965. Gambro is the world's largest producer of hemodialysis and hemofiltration products, but its sales are widely dispersed, with no more than 20 percent coming from any one country. It has had manufacturing facilities in the United States for several years (61,68).

Hospital

Hospal manufactures dialyzers as a joint venture of Rhone-Poulenc and Sandoz Ltd. Rhone-Poulenc is a multibillion-dollar French company, nationalized since 1982, that makes various chemical, pharmaceutical, and textile products. Sandoz Ltd. is Swiss and also has sales in the billions of dollars. Its activities range from chemicals and pharmaceuticals to seed and food products. Its pharmaceutical products include cyclosporine, which is used for transplant purposes (58,74).

Organon Teknika Corp.

This manufacturer of dialysis and other medical products falls within a complex organizational structure. The company is 50 percent owned by Organon Teknika N. V., a subsidiary of Akzo N. V., a Dutch holding company, and Akzona, Inc., of the United States. Within the Akzo empire is also Enka, a major manufacturer of membranes for dialyzers (2,57).

Terumo Corp.

Terumo is a Japanese-based multinational corporation involved in the manufacture and sale of a variety of medical products. Consolidated net sales of the company were 62 billion yen [approximately \$265 million] in 1981. U.S. operations include a sales office in California and a production facility in Maryland (90). The company is Japan's second largest producer (behind Asahi) of hollow fiber dialyzers (39).

Toray Industries, Inc.

This company is engaged in the production of fibers, plastics, and chemicals and has annual sales in excess of \$3 billion. It is Japan's third largest hollow fiber dialyzer producer (behind Asahi and Terumo) and is reported by Information Resources International as planning to market in the United States in 1983 (39, 57,92).