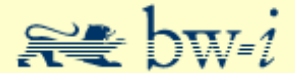


# Medical Technology in Europe



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# The Medical Technology Sector in Europe

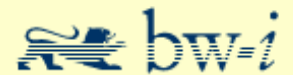
The purpose of this presentation is to:

- Demonstrate the importance of the European Union – the world's largest single market
- Outline its future dimensions as it expands towards the east
- Describe the present status and future prospects for the medical technology sector within this market
- Explain why Baden-Württemberg is the ideal location from which to serve the medical technology market – Europe wide

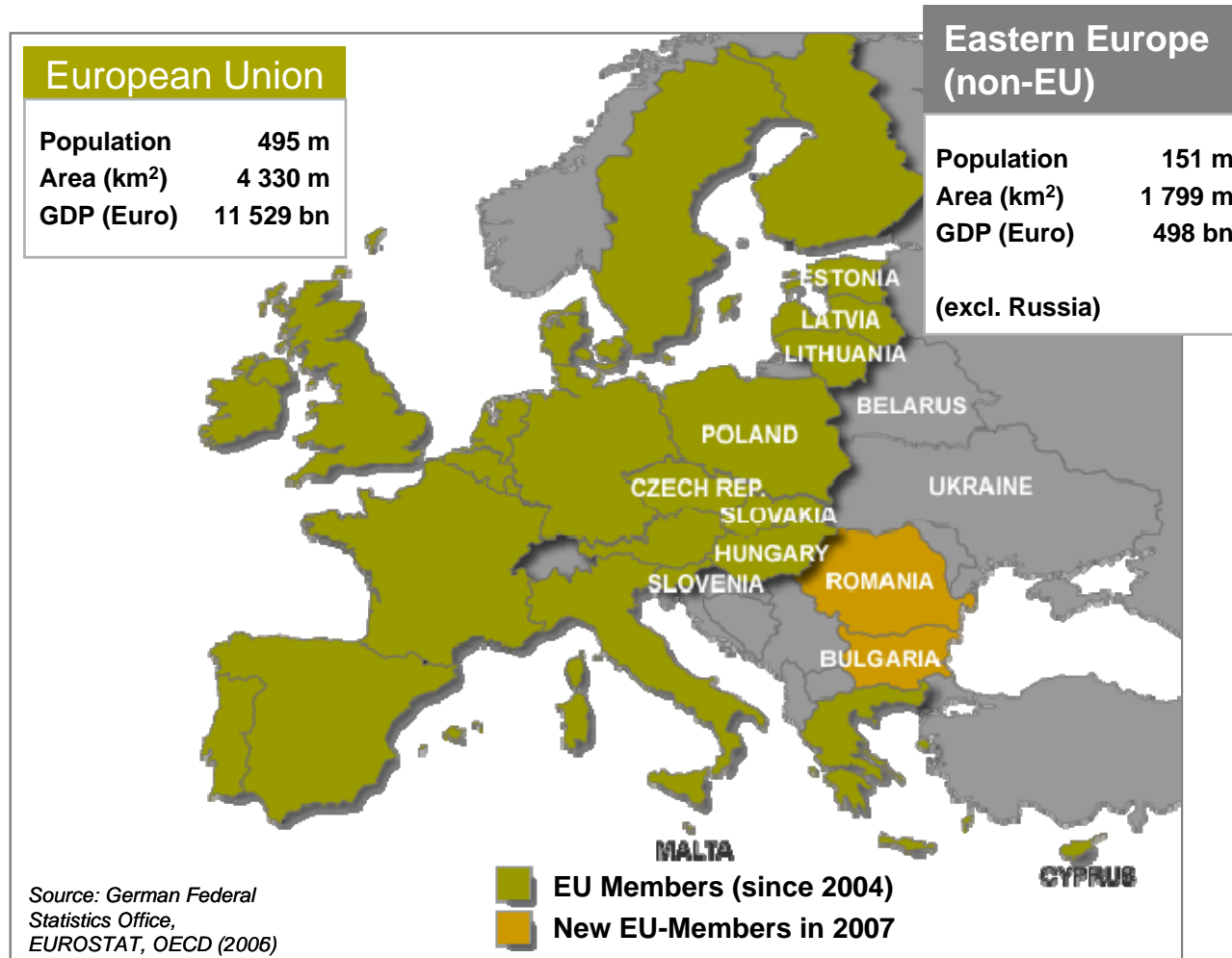


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# Europe is expanding towards the East



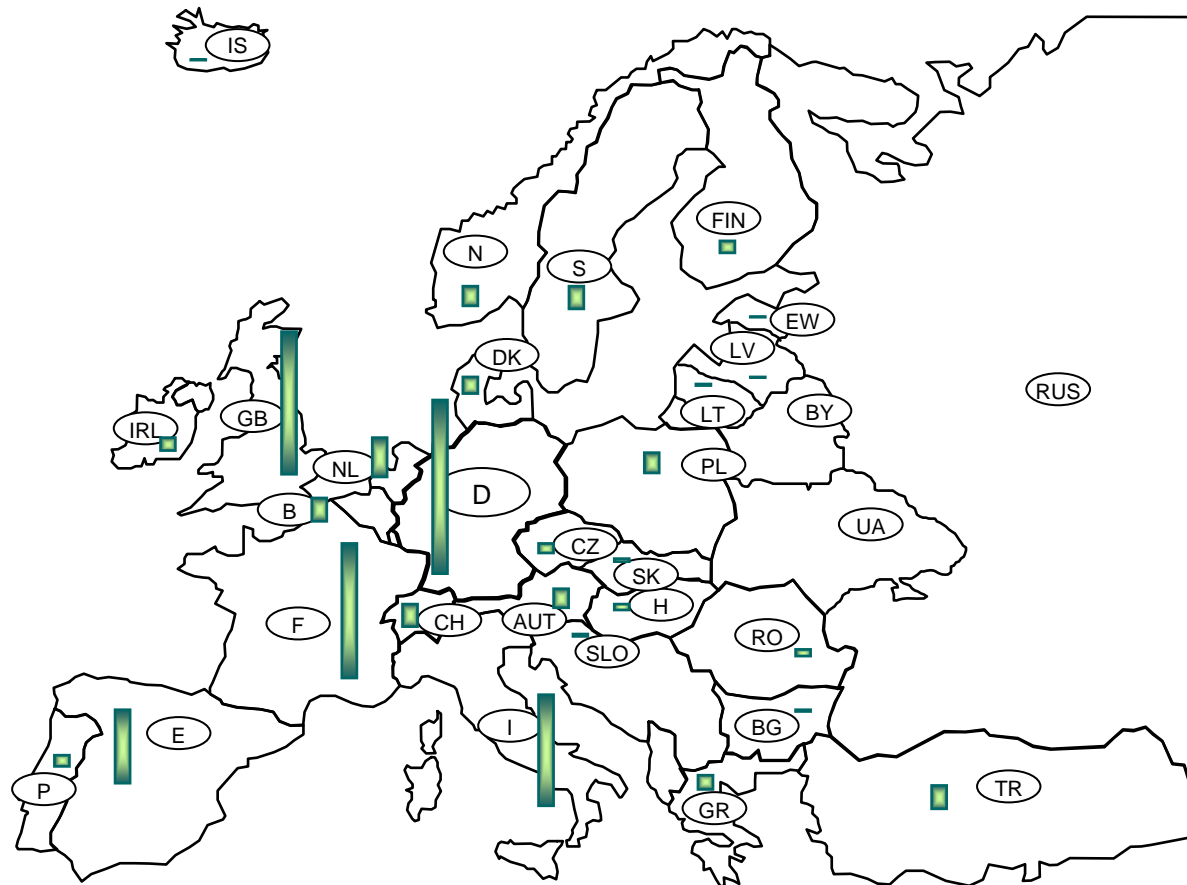
In the last two decades, the sharp contrasts between the Western and the Eastern European countries have been fading and the European Union is the major driver for Europe's integration.

Since May 2004, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, the Baltic States, Cyprus and Malta are members of the European Union. In 2007, Romania and Bulgaria are have joined the EU.

European integration opens up a vast market for your company with untold market opportunities.



# The leading Markets in Europe



In 2006, the 27 member states of the European Union had a total Gross Domestic Product of Euro 11 529 bn, exceeding the GDP of the USA (Euro 10 550 bn) and Japan (Euro 3 478 bn).

Four of the member states – Germany, Italy, France and the UK – are among the six largest economies of the world. Of these, Germany has the highest GDP, the largest population, and the highest purchasing power.

Within Germany, the State of Baden-Württemberg, Germany`s southwest, is one of the most prosperous and innovative regions.

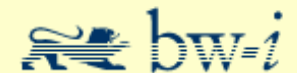
Source: German Federal Statistics Office, EUROSTAT, OECD (2006)

■ Dimension of total GDP

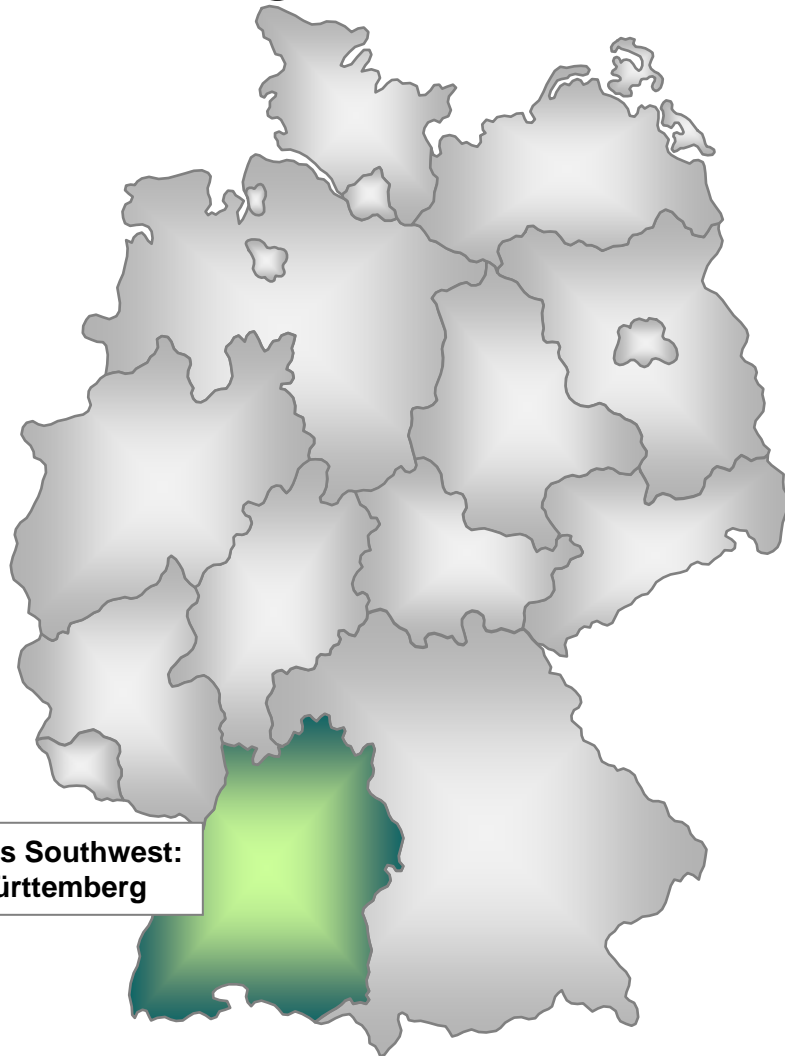


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# The right Location for Growth and Prosperity



Germany's Southwest:  
Baden-Württemberg

Baden-Württemberg is already the most highly industrialized and one of the most prosperous regions in Germany.

Its proximity to important markets – east and west – makes it an ideal location for pan-European activities.

And it has further merits:

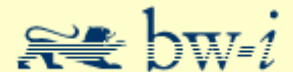
- It has a highly developed infrastructure – suppliers, R&D facilities, business services.
- Its workforce is well trained, innovative and productive.
- Its companies have an established export orientation and know how to penetrate new markets.

It is set to succeed in the 21st Century.



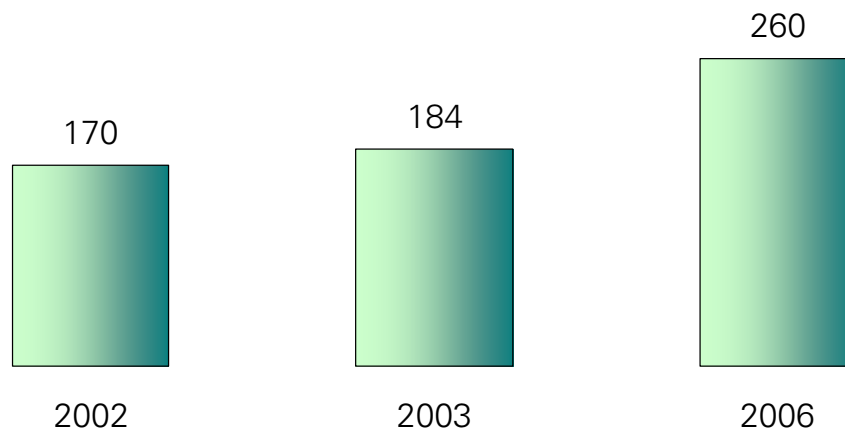
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# The World Market for Medical Technology

## The World Market for Medical Technology



Source: EUCOMED/IKB

Experts estimate that the world market for medical technology will amount to € 280 billion by 2007.

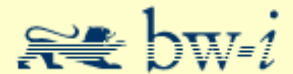
The driving forces behind this growth are:

- longer life expectancy and more medical care
- technological innovations
- harmonization of norms and standards and thus the possibility to sell to a wider market
- a generally higher level of health consciousness.



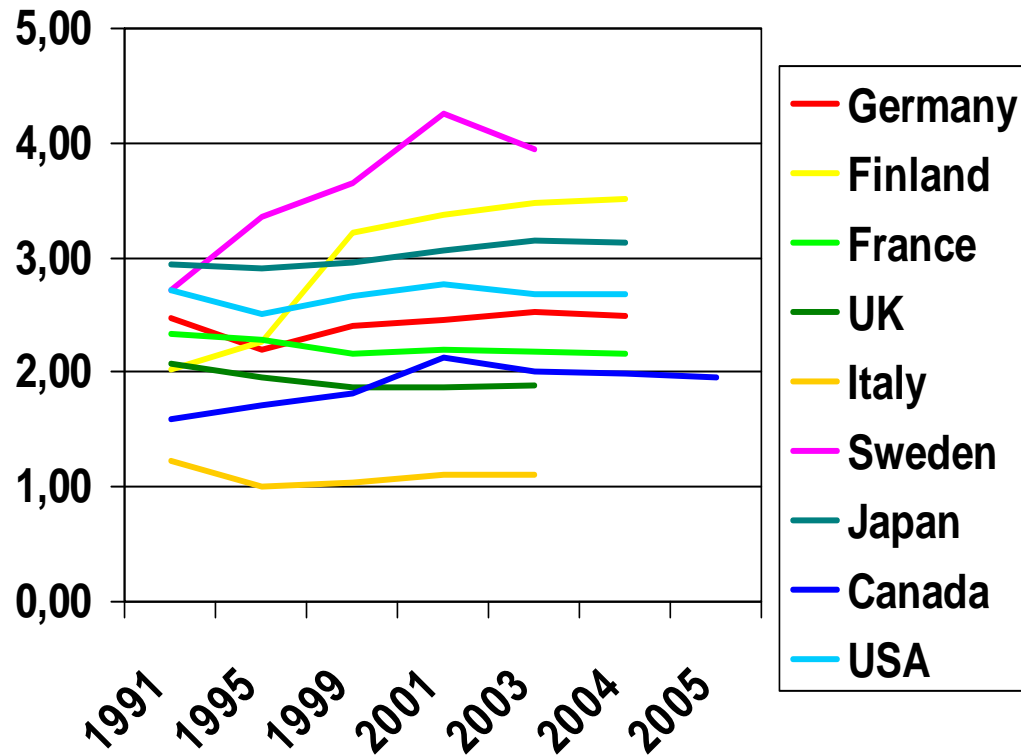
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# R&D and Product Specialization play a decisive Role

Research and Development Expenditure (% of GDP)



Source: German Federal Ministry of Education and Science

The medical technology sector is comprised of a great many small suppliers and only a few major corporations. Production technologies vary very widely, leading to an increased level of product specialization.

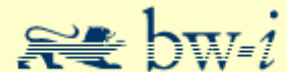
Medical technology is, of course, very research-intensive. R&D has made technological innovations possible that have acted as a stimulus on demand – in, for example, endoscopes, videodiagnostics, cornea measurement and new materials in prosthetics.

On the whole, medical technology products have become easier to handle. As a result, patients can be increasingly treated as out-patients, rather than in hospital – altering the structure of market demand.



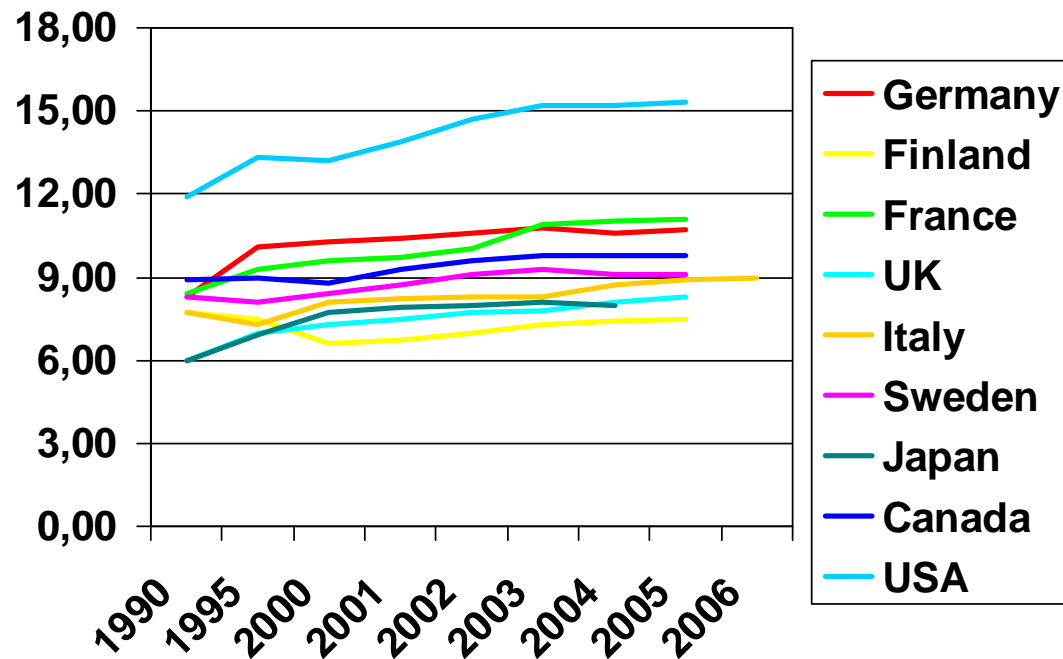
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# Highest healthcare expenditure in Europe is in Germany

Healthcare Expenditure (% of GDP)



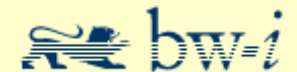
The general level of healthcare in Germany is high. There are on average, 3.4 doctors for every 1.000 inhabitants, compared with 2.4 doctors for every 1.000 inhabitants in the USA.

Source: OECD



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# Growth Opportunities for Medical Technology in the EU

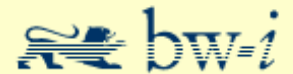


- The market is growing and will increase further
- High quality, high-tech products are particularly in demand
- There is room for new market entrants among the wide range of specialized producers
- EU norms and standards are not a hurdle, but an opportunity to serve an expanding market



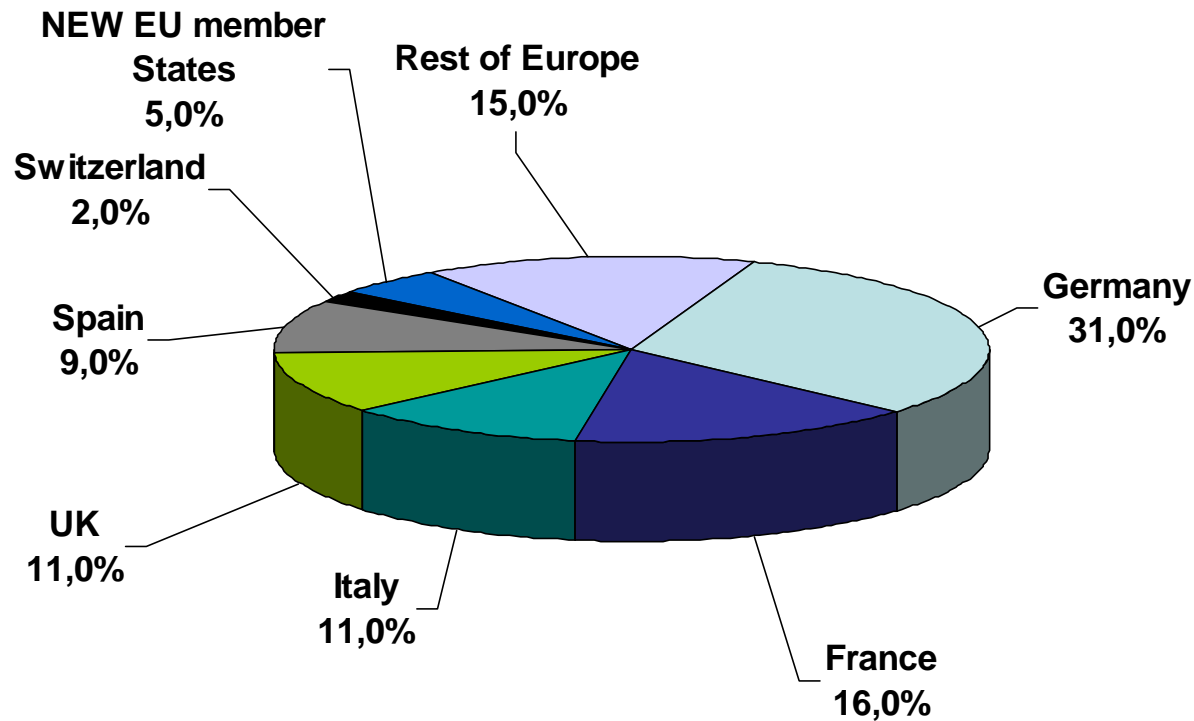
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# Germany: The biggest market in Europe

Shares of the European market in %



In 2005 the European medical technology market reached a volume of 63.6 bn Euros.

At this, Germany has the biggest market shares, followed by France, Italy and the UK.

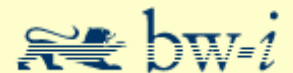
Altogether these four countries have a market share of more than 69%.

Source: EUCOMED



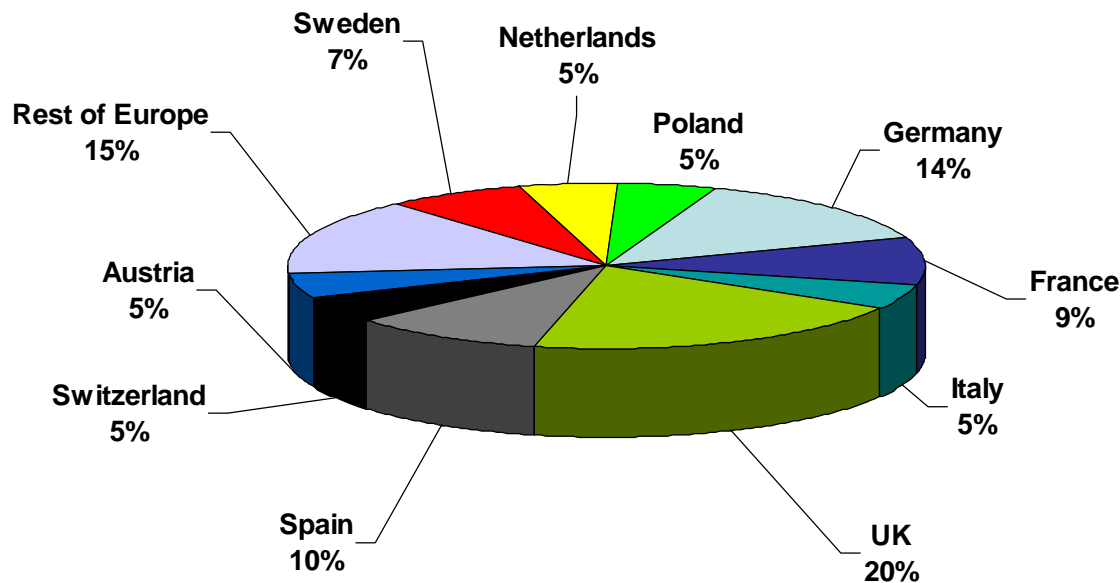
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# Many medical technology companies already located in Germany

Number of Companies in % out of the European total



There are approx. 11.000 medical technology legal entities in Europe. More than 80% of them are small and medium sized companies.

In Europe, most medical technology companies are located in the UK, Germany, France and Spain. All together 60% of the companies are located in these 4 countries.

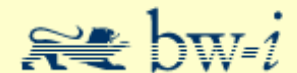
About 25 % of the labour force out of the medical technology sector in Europe work in Germany.

Source: EUCOMED



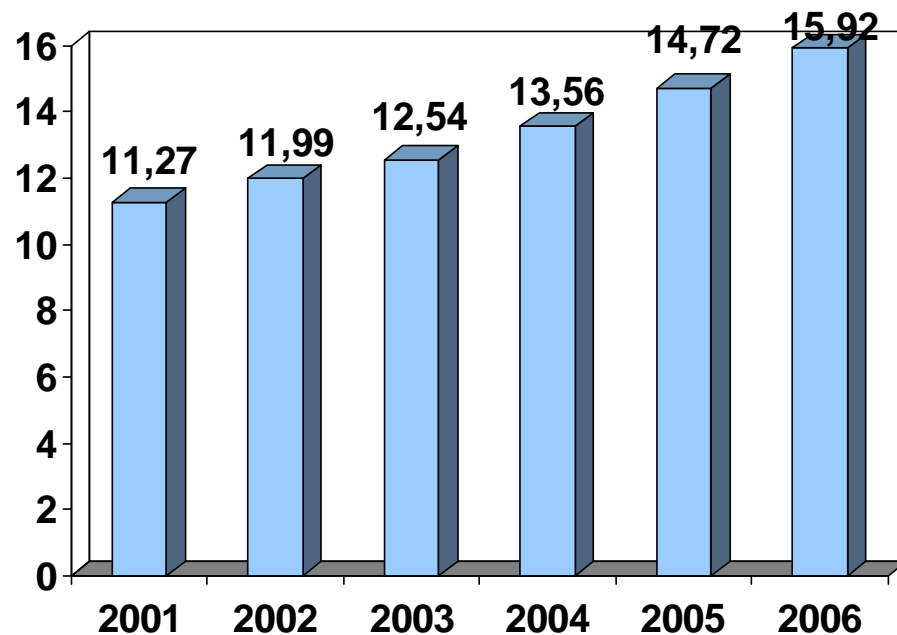
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# Germany – The EU's largest Producer of Medical Technology

The German Production of Medical Technology in billion Euro



Germany has a 31% share of the EU medical technology market. The EU market accounts for 33% of the world market, while the US market share is about 42%.

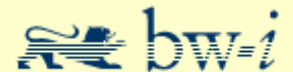
Production in Germany grew by 8.1% to an amount of Euro 15.92 bn. This includes the production of German companies and of the American, Japanese and other subsidiaries located in Germany.

Source: Association of Precision Engineering and Optics Manufacturers, figures from 2006



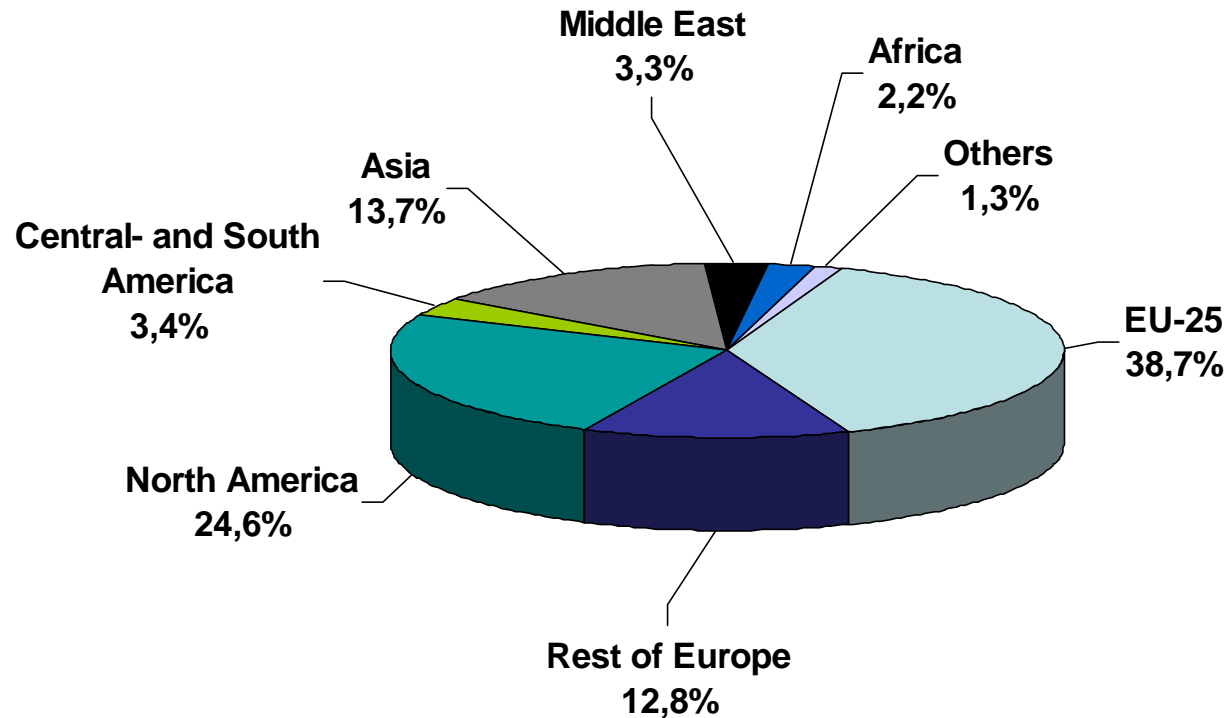
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# Germany – A leading Exporter of Medical Technology

Germany's Medical Technology Exports by Country of Destination



As in most sectors of German industry, exports are of predominant importance.

In 2006 German exports amounted to Euro 10.20 billion and accounted for more than 64% of total sales.

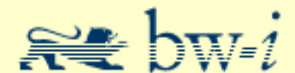
Main destinations were the EU, USA, Asia and a growing Eastern European market.

Source: Association of Precision Engineering and Optics Manufacturers, figures from 2006



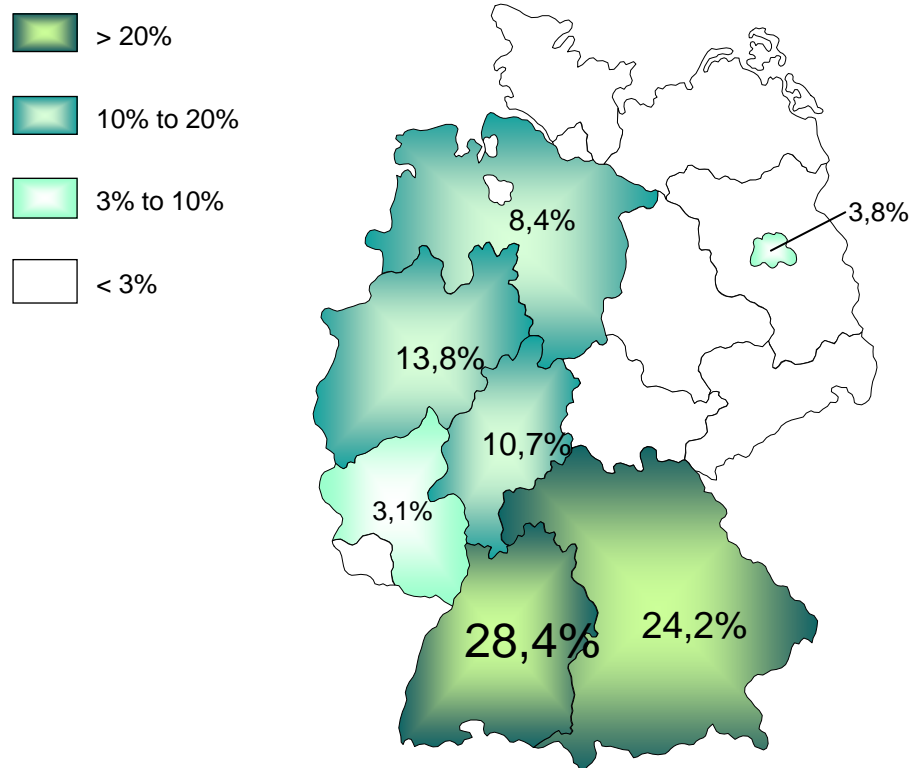
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# Baden-Württemberg's companies – leading in R&D Investment

German company expenditure on R&D  
Breakdown by State (in%)



Source: Stifterverband, facts and figures from 2005

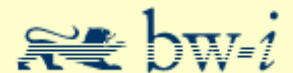
German companies in the 16 States of Federal Germany spend a total of Euro 38 bn. on R&D annually. 28,4 % of this amount is invested by companies in one State – Baden-Württemberg.

Baden-Württemberg's companies also employ far more people in R&D than in other German States. Of the total German companies workforce in R&D, 27.1 % of the employees are in Baden-Württemberg.



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# Medical Technology – A dynamic Sector in Baden-Württemberg



Baden-Württemberg is the chosen location of the European medical technology industry:

- 50% of Germany's manufacturers in this sector are based in Baden-Württemberg
- In the small town of Tuttlingen, there are more than 250 companies in this sector as suppliers and OEM's – justifying its renown as a World center of medical technology.

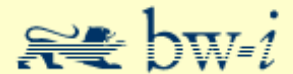
Important trend setting developments:

- Metrax GmbH, with its Primedic™ defibrillator for cardiac arrest shock treatment,
- Carl Zeiss, with its stereotactic operation systems for image guided surgery
- Widex, with the first fully digitalized hearing aid in the world
- Siemens Medical, with ist ultrasonic systems

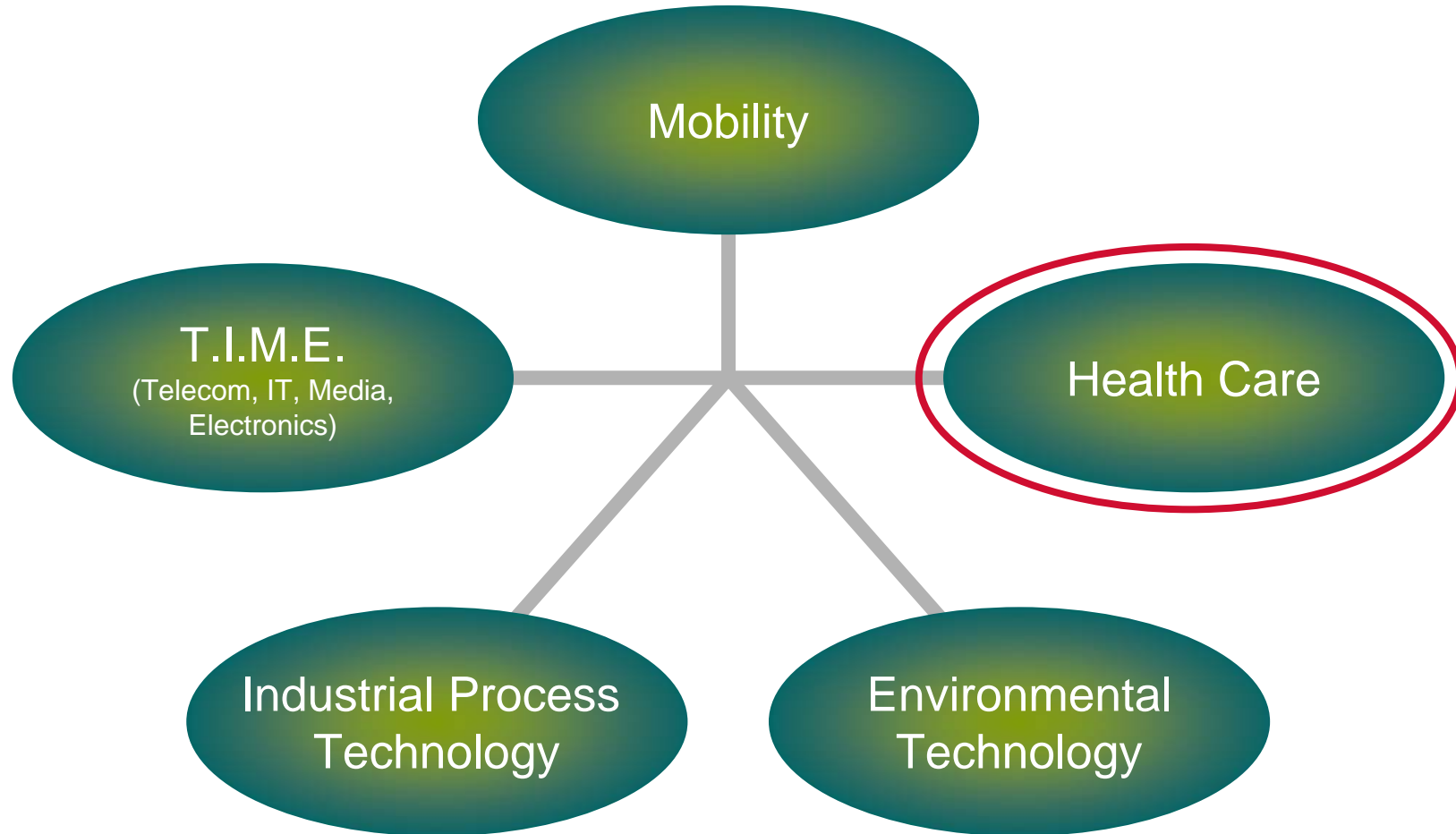


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# Health Care is one of Baden-Württemberg's Key Clusters



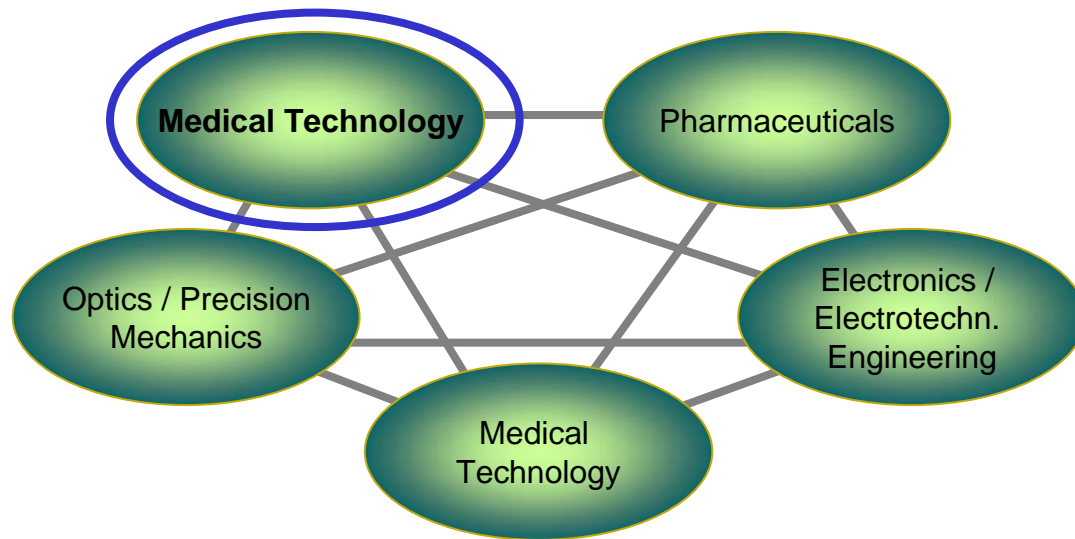
# Baden-Württemberg's unique Health Care Cluster

## Baden-Württemberg's Health Care Cluster

The Medical Technology industry, as a part of the Health Care sector, depends on a closely knit network of supplier industries.

In Baden-Württemberg, all the supplier industries are present in great density – one of the few regions worldwide that offers this advantage.

Many important innovations are the result of close cooperation between these different sectors.



# Companies

AESCLAP



MedizinTechnik



KaVo. Dental Excellence.



MAQUET

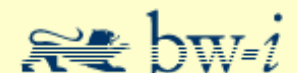


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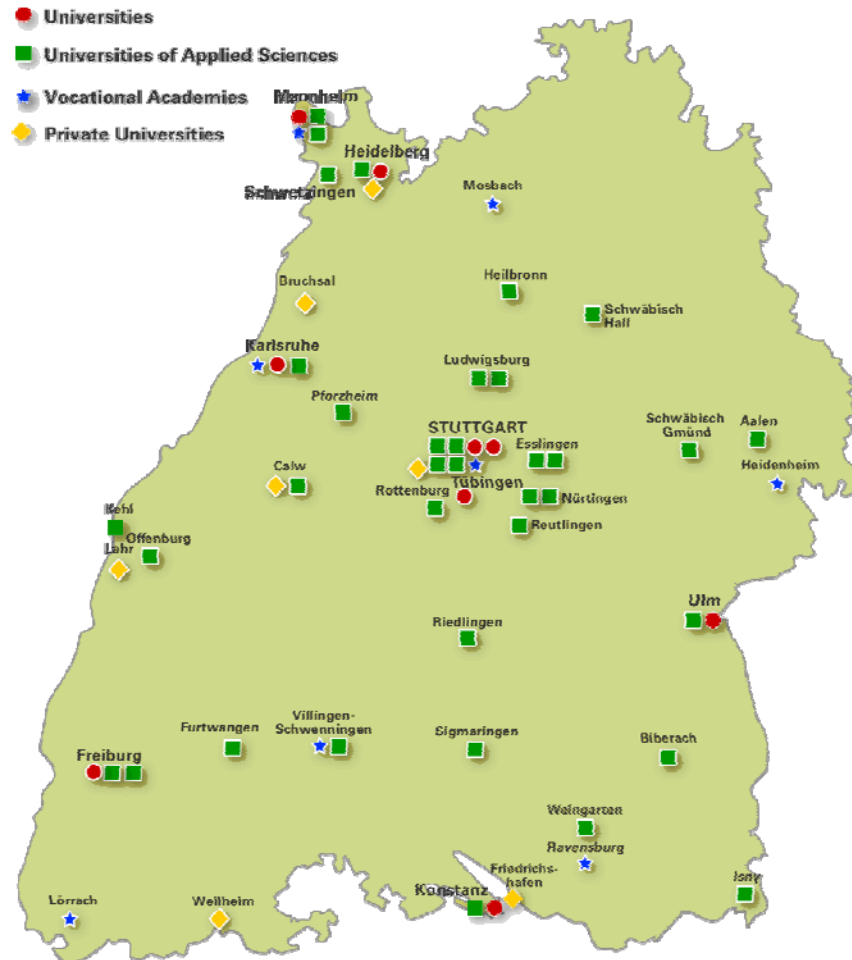


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# Baden-Württemberg – An excellent structure for higher education



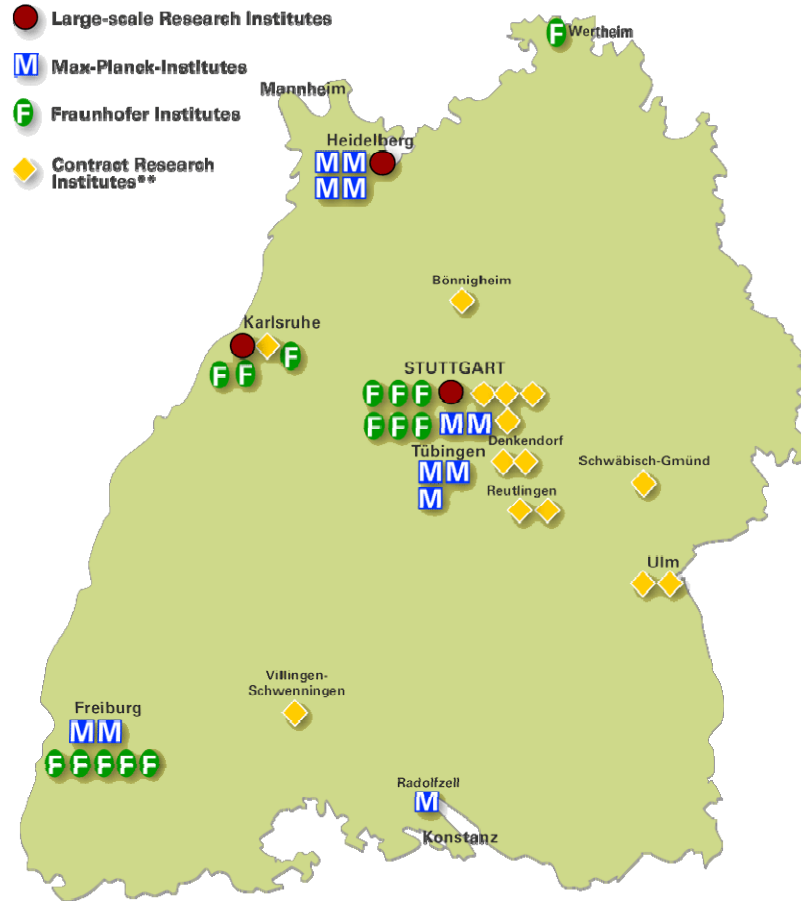
Baden-Württemberg has the most densest and the most modern structure of Universities and Academies for higher education, including

- 9 Universities
- 36 Universities of Applied Sciences
- 6 Universities of Education
- 8 Universities of Arts
- 8 Vocational Academies
- 7 Private Universities

A network of technology transfer centers provides the bridge between private industry and research institutes and guarantees rapid access to new results.



# Baden-Württemberg – A highly developed Research Infrastructure

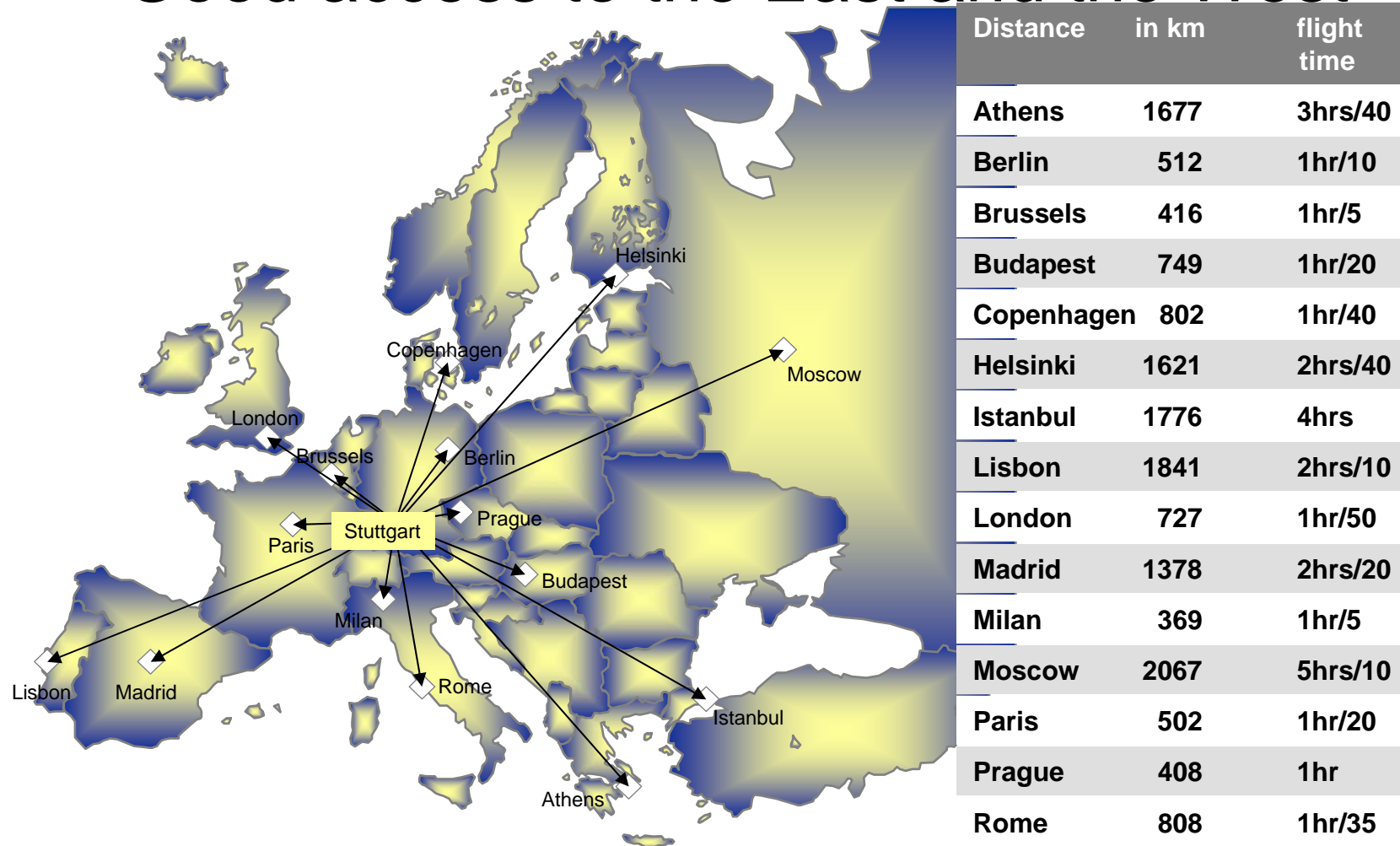


The State provides a unique research infrastructure consisting of

- 3 Large-scale research institutes
- 12 Max-Planck-Institutes
- 15 Fraunhofer Institutes
- 13 Contract research institutes

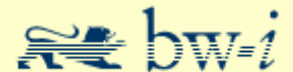


# Baden-Württemberg – Good access to the East and the West



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# Baden-Württemberg Facts & Figures

Population	10.7 million inhabitants
Gross domestic product (GDP)	Euro 353 billion
Expenditure on R&D	Euro 13.7 billion = 4,2% of the State's GDP
Patent applications per year	> 13 638 = 28,5% of German total
Number of manufacturing plants (with more than 50 employees)	4 500
Export quota (manufactured products)	51 %
Value of exports	Euro 150 billion = 1.8 % of the World's exports
Research facilities	> 100 major research institutes
University, technical and vocational college students	242 938



Baden-Württemberg

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# Services provided by Baden-Württemberg International

Baden-Württemberg International is your central port of call if you are looking for a location or a Baden-Württemberg partner with whom to establish fruitful business relations. Our range of services includes:

When you are looking for an industrial location:

- Information on Baden-Württemberg and on individual industrial sites.
- Consulting on government subsidies and programs.
- Assistance with all contacts to authorities, including permit procedures.
- Support in the search for suppliers and the selection of service companies.

When you are looking for cooperation partners:

- Information on market potential and market specifics.
- Planning of information visits, including appointment scheduling.
- Identification of potential partners that meet your specific demands.
- Assistance with trade fair activities in Baden-Württemberg.

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