



The medical technology industry in Europe

Brussels, 25 May 2011

John Wilkinson, Chief Executive

Agenda

- **Introduction**
- Healthcare: overview, trends and challenges
- Medical Technology: overview and perspectives

Summary - The medtech industry in Europe

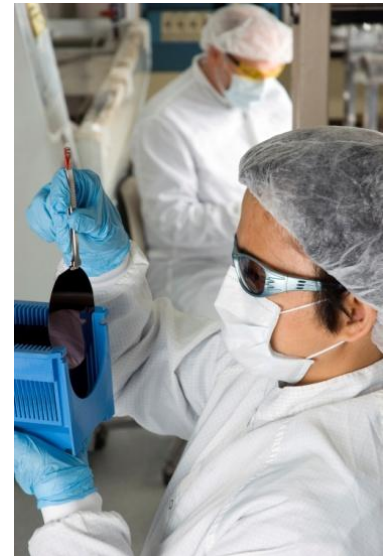
- € 95 billion sales in 2009 (30% of global sales)
- € 7.5 billion investment in R&D (8% of sales)
- 500.000 people are employed by 22.500 medtech companies (80% are SMEs)
- Medical technology accounts for 4.2% of total healthcare expenditure
- One new European patent every 38 minutes



About Eucomed

Eucomed represents the European medical technology industry:

1. Promote balanced policy environment
2. Demonstrate value of the medical technology
3. Provide membership services (data, training, etc)



About Eucomed

- Based in Brussels, Belgium
- 25 staff
- Members:
 - 25 national associations
 - 58 direct corporate members
 - 3 associate members
- 60+ working groups:
 - National Associations Network, Economic Affairs, Communications, International Affairs, Public Affairs, Regulatory Affairs, Environment, Legal Affairs, Procurement, Macroeconomic Value
- 6 sectors represented:
 - Cardiovascular, Ophthalmic Surgery & Vision Care, Orthopaedic, Community Care (Ostomy, Incontinence & Wound care), Surgical Care, eHealth



Selection of the 58 corporate members

Johnson & Johnson



Medtronic



COVIDIEN

PHILIPS



Coloplast



ST. JUDE MEDICAL™
MORE CONTROL. LESS RISK.



Abbott
A Promise for Life

B | BRAUN

Baxter

Boston
Scientific

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- Introduction
- **Healthcare: overview, trends and challenges**
- Medical Technology: overview and perspectives

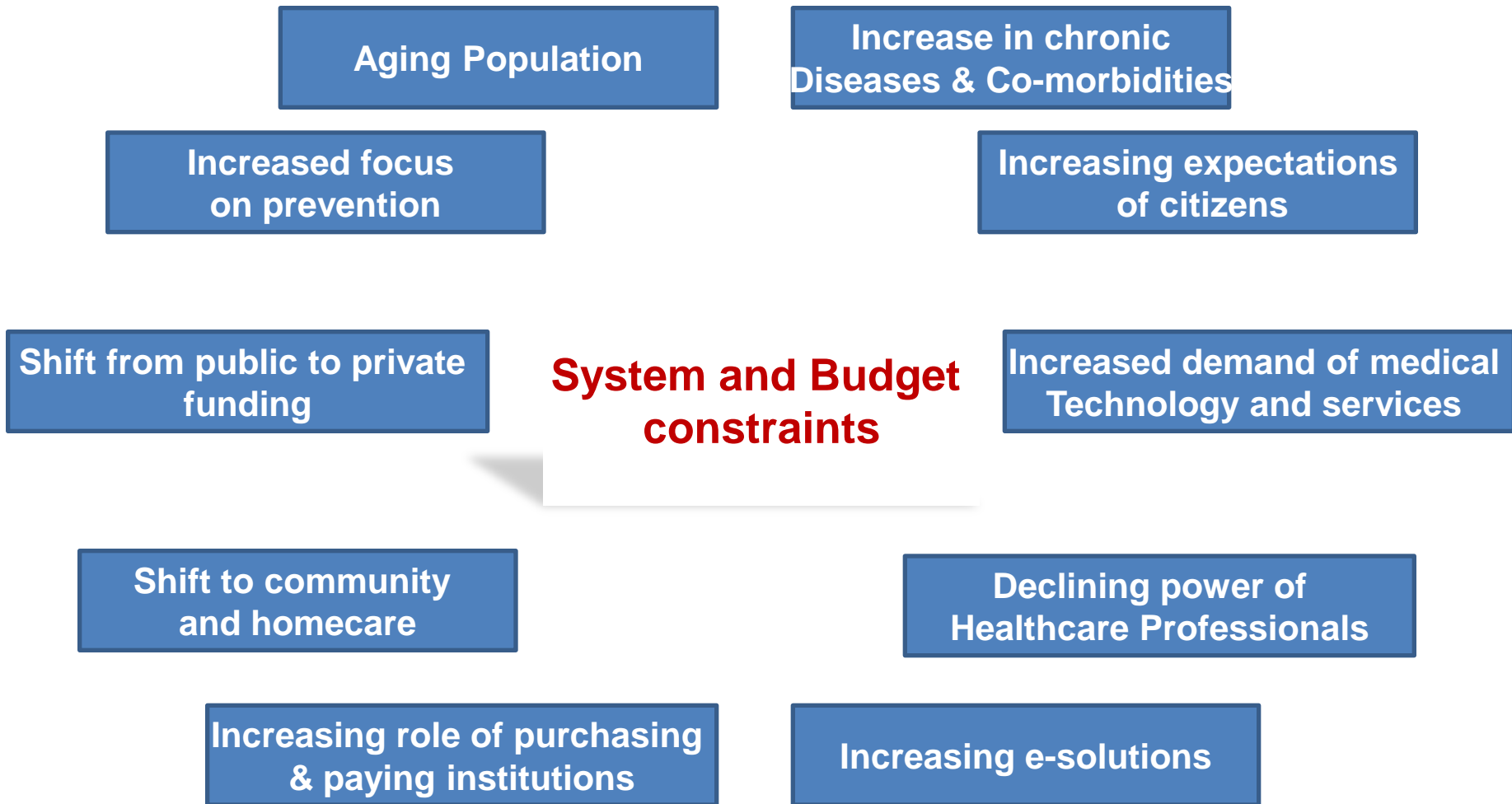
Overall Better Health

Since 1986:

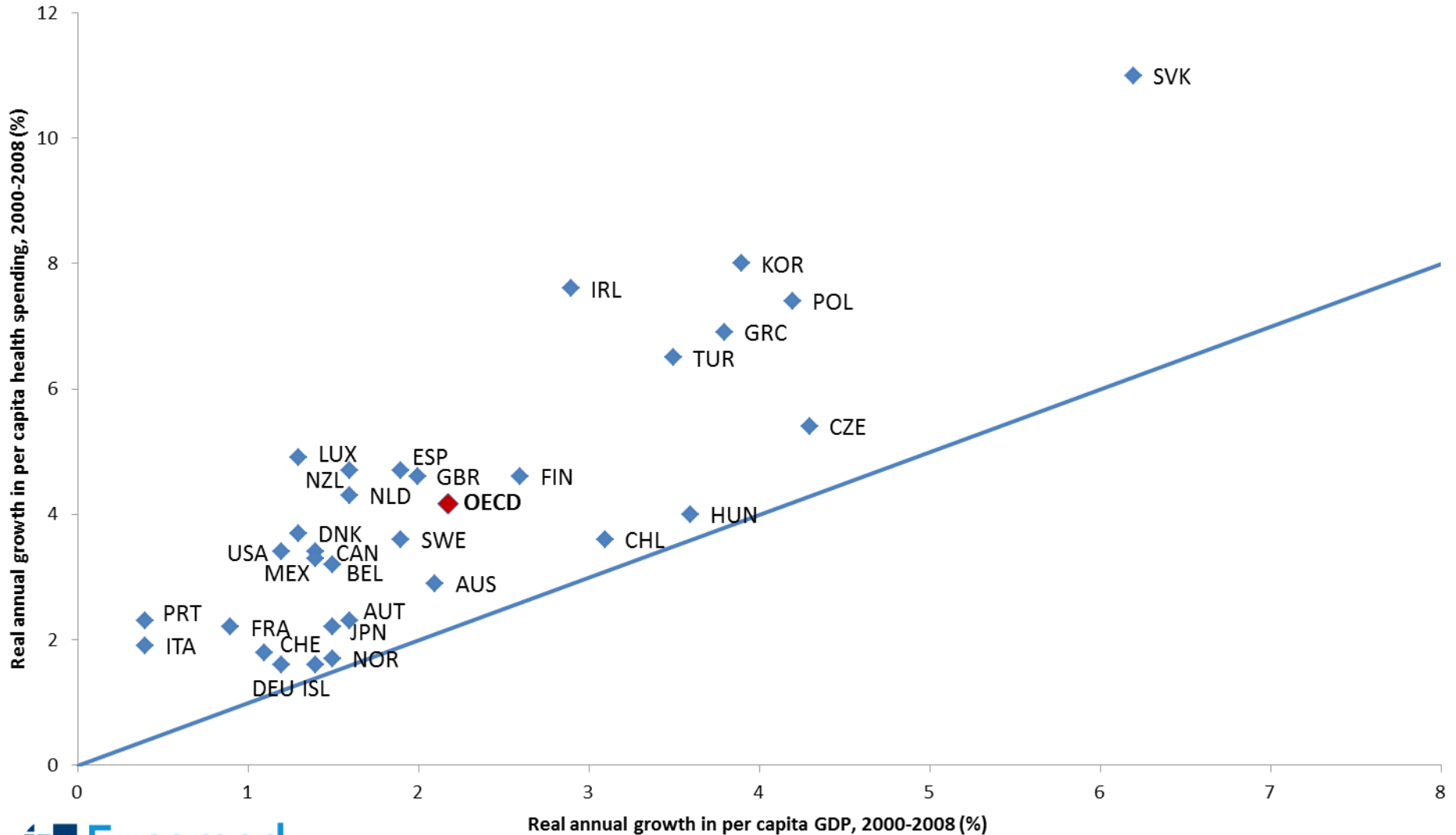
- Overall death rate **down by 25%**
- Life expectancy from birth **increased by 4.3 years**
- Life expectancy for those **over 65 up by 12%**
- Mortality rates from **acute myocardial infarction (heart attack) down by 50%**
- Mortality rates for **cerebrovascular diseases (stroke) down by 44%**
- Mortality rates for **breast cancer (female) down by 18%**



Key Trends in Healthcare

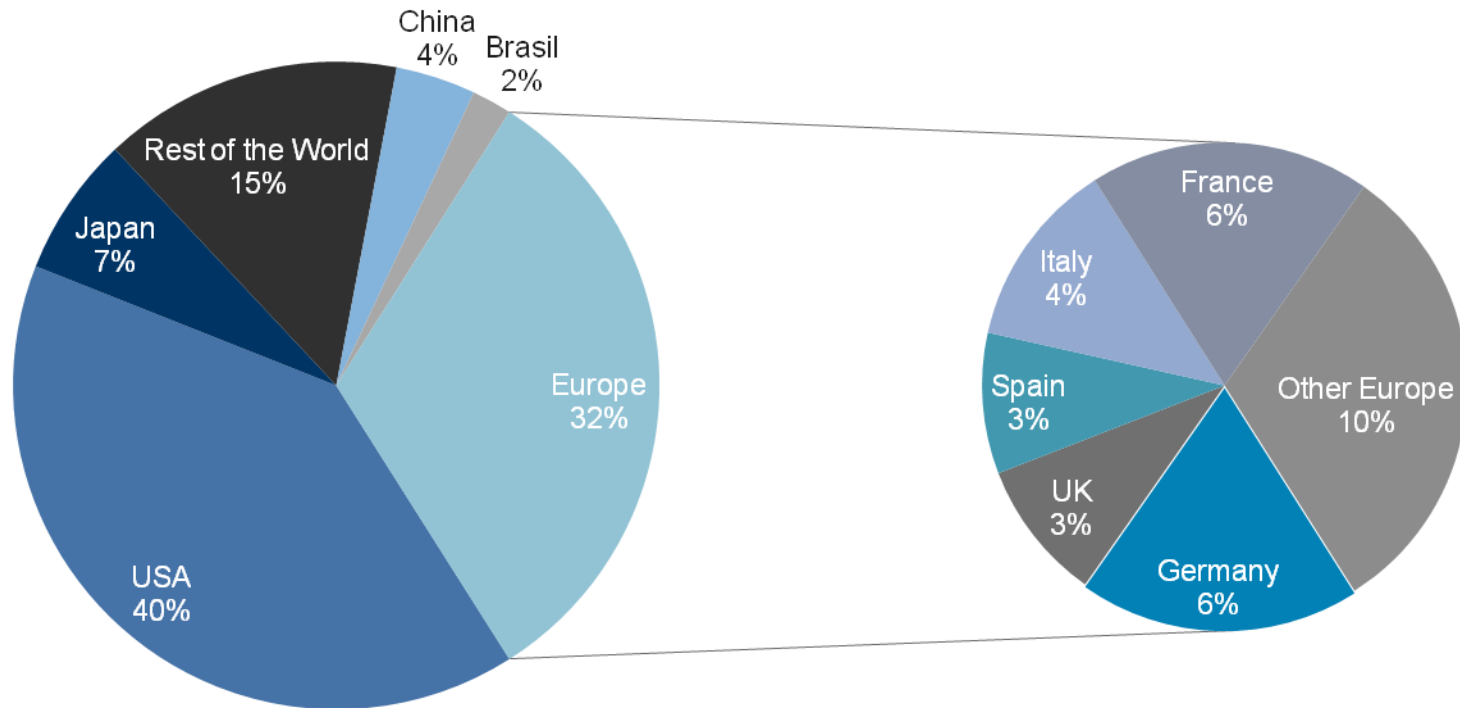


Annual Growth in Health Expenditure and GDP, 2000-2008



Global Healthcare Expenditure

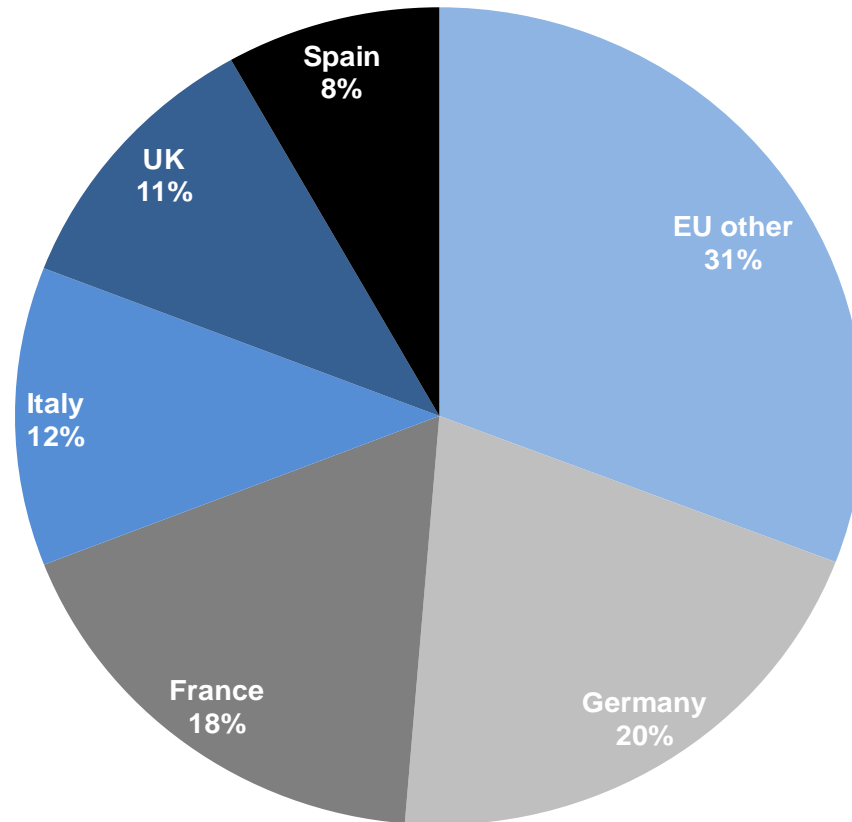
The total global healthcare expenditure counts for 5.7 trillion US\$ in 2009*.



*Source: World Bank, EDMA, Espicom and Eucomed calculations, 2009
Europe refers to EU - 27 plus Norway and Switzerland

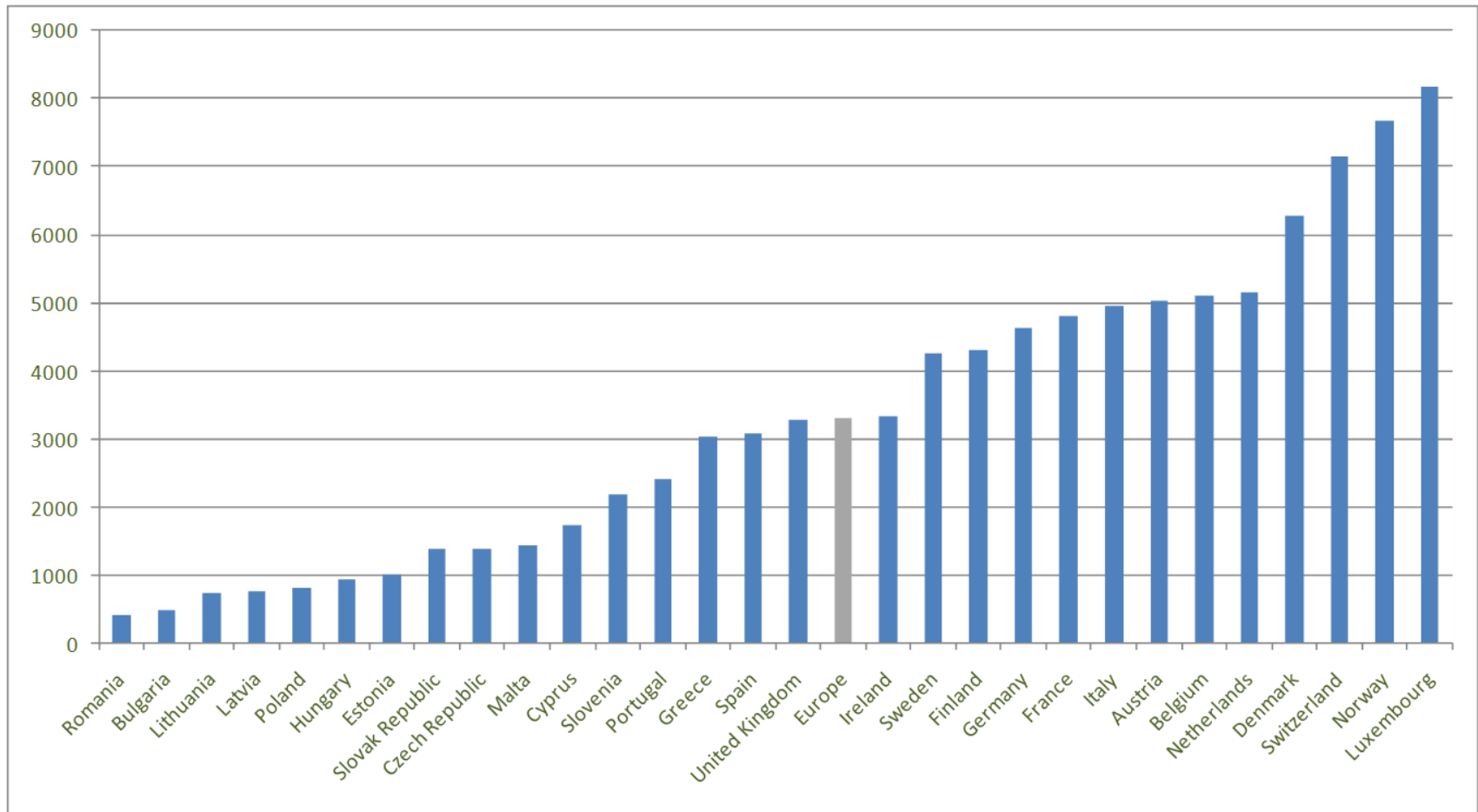
European Healthcare Expenditure

The European healthcare expenditure counts for 1.78 trillion US\$ in 2009*



Health Expenditure per capita, Europe, US\$,2009

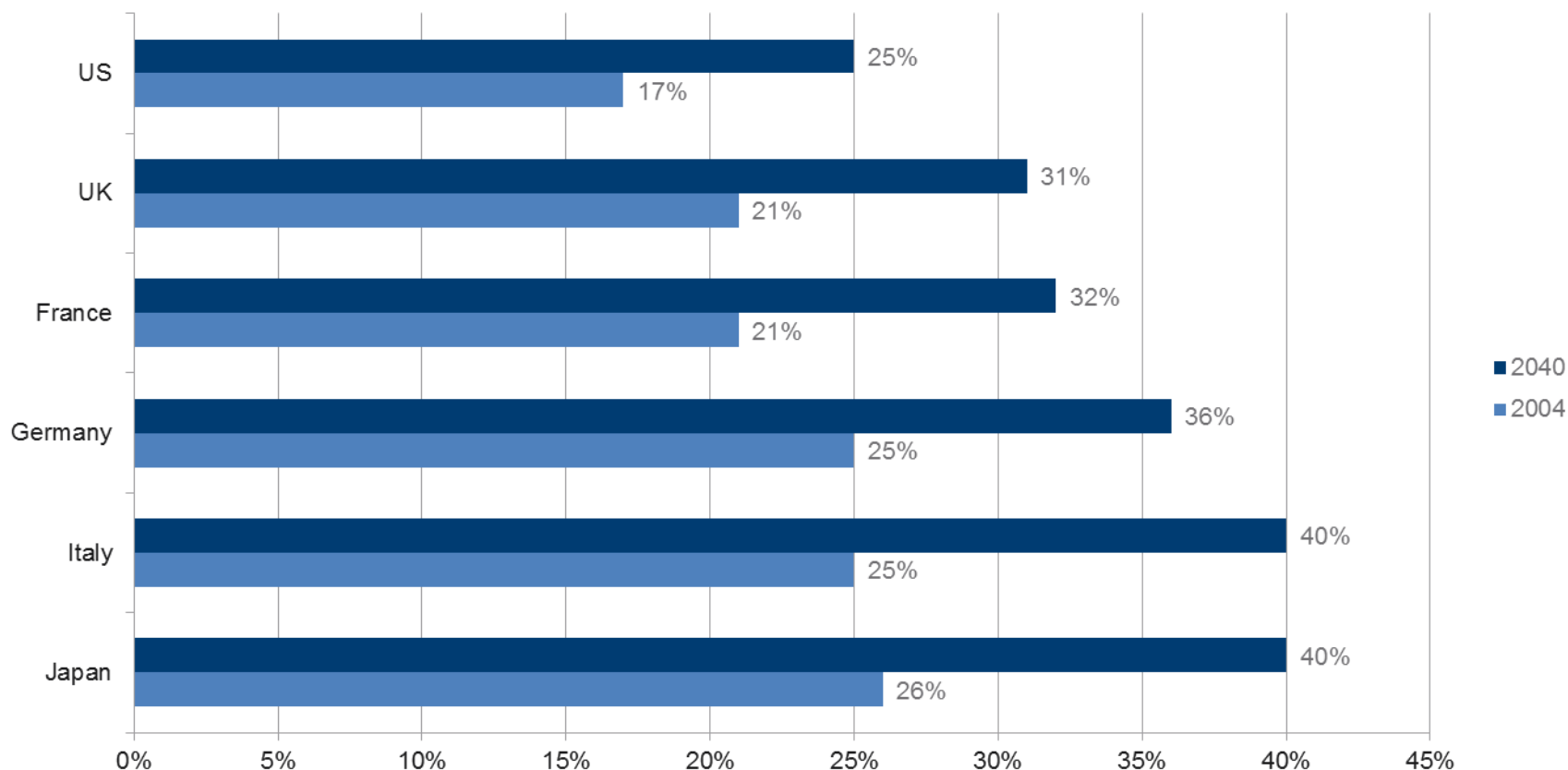
The US spent \$ 7,410 per person on health in 2009



Source: World Bank, 2009
Europe refers to EU-27 plus Norway and Switzerland

Demographics Driving Demand for Healthcare

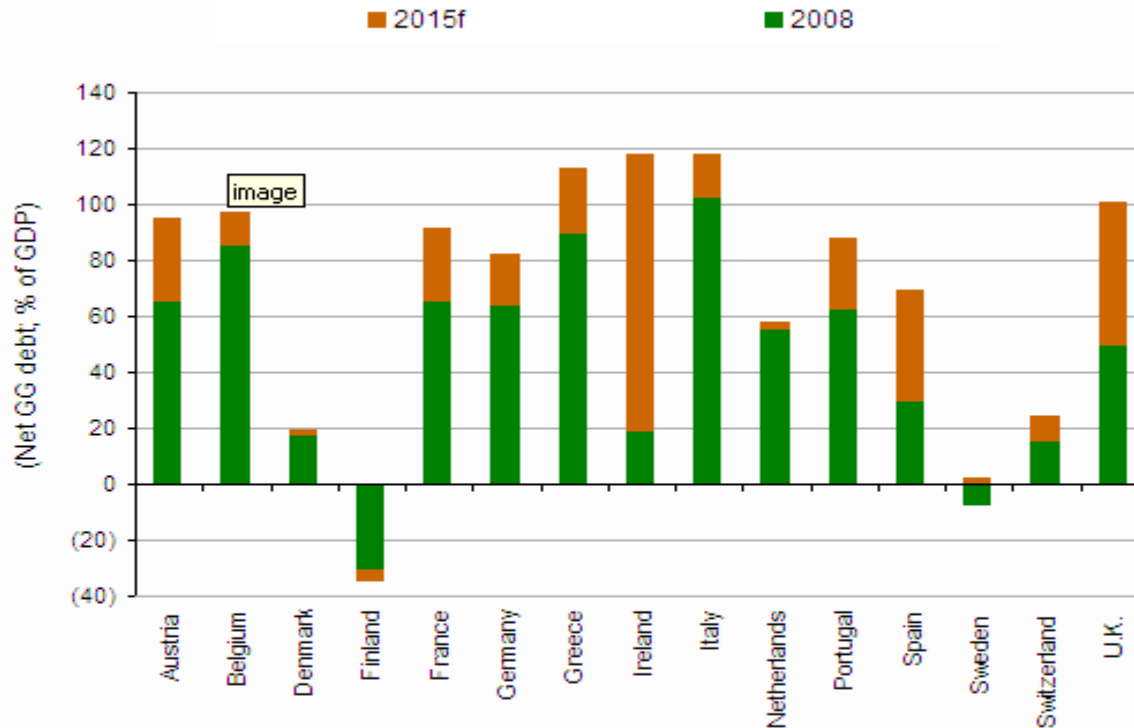
% of Population Over 65 Years of Age



Source: The Silver Book: *Chronic Disease and Medical Innovation in an Aging Nation*
Partnership for Solutions 2004, *Chronic Conditions: Making the case for ongoing care*

Europe's Debt Mountain

European Sovereigns' Increasing Net General Government Debt



Note: Gross government debt net of liquid government assets. Assets acquired as part of financial sector support measures have not been considered. Austria: Including debt of infrastructure companies Asfinag and OeBB-Infrastruktur Bau AG. France: Including the debt of Réseau Ferre de France, not including the debt of Societe de Financement de L'Economie Francaise. f--Forecast. © Standard & Poor's 2009.

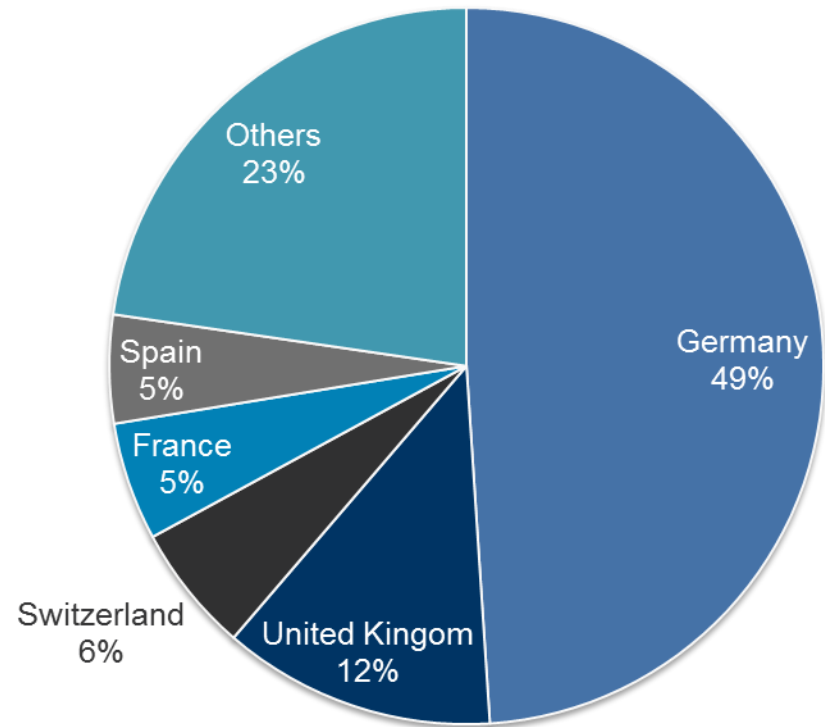
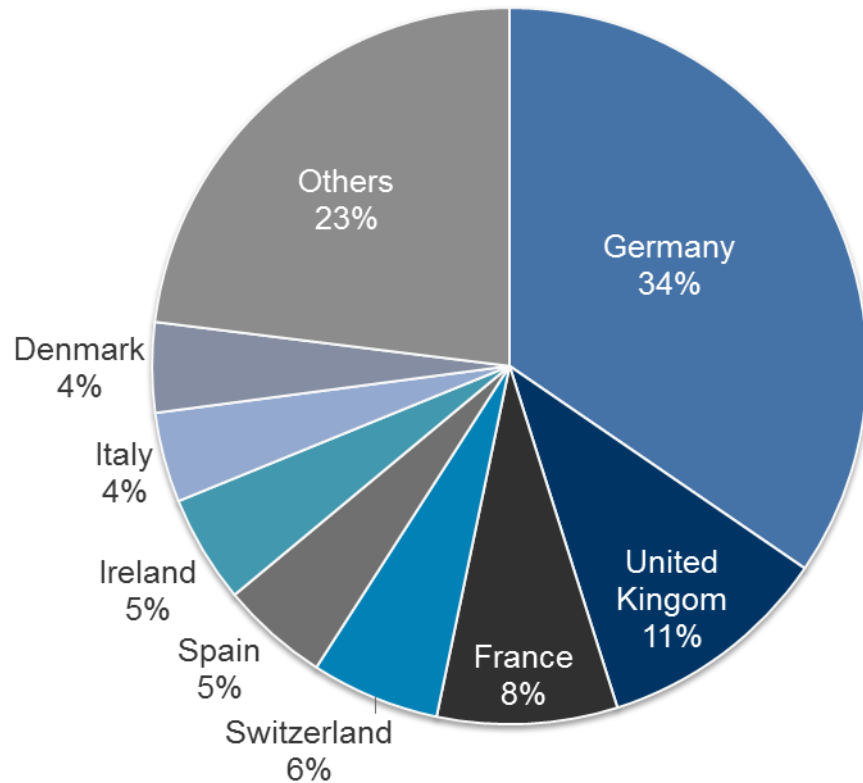
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European MedTech Industry

Nearly 500,000 Employees in Europe

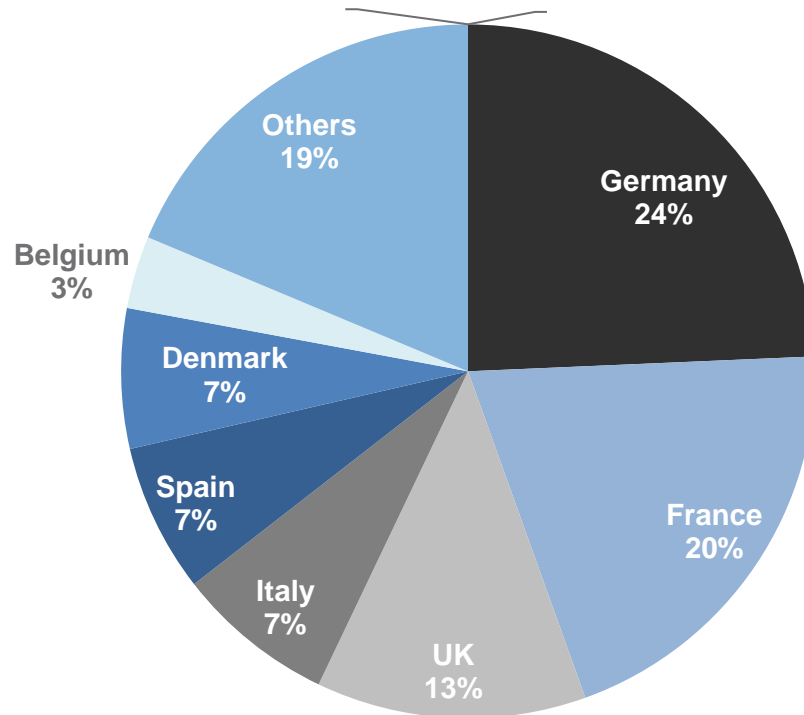
Almost 22,500 companies active in MedTech



Source: World Bank, EDMA, Espicom and Eucomed calculations, 2009
Europe refers to EU-27 plus Norway and Switzerland

Medtech sales in Europe 2009

€95 billion Medical Technology Sales in Europe



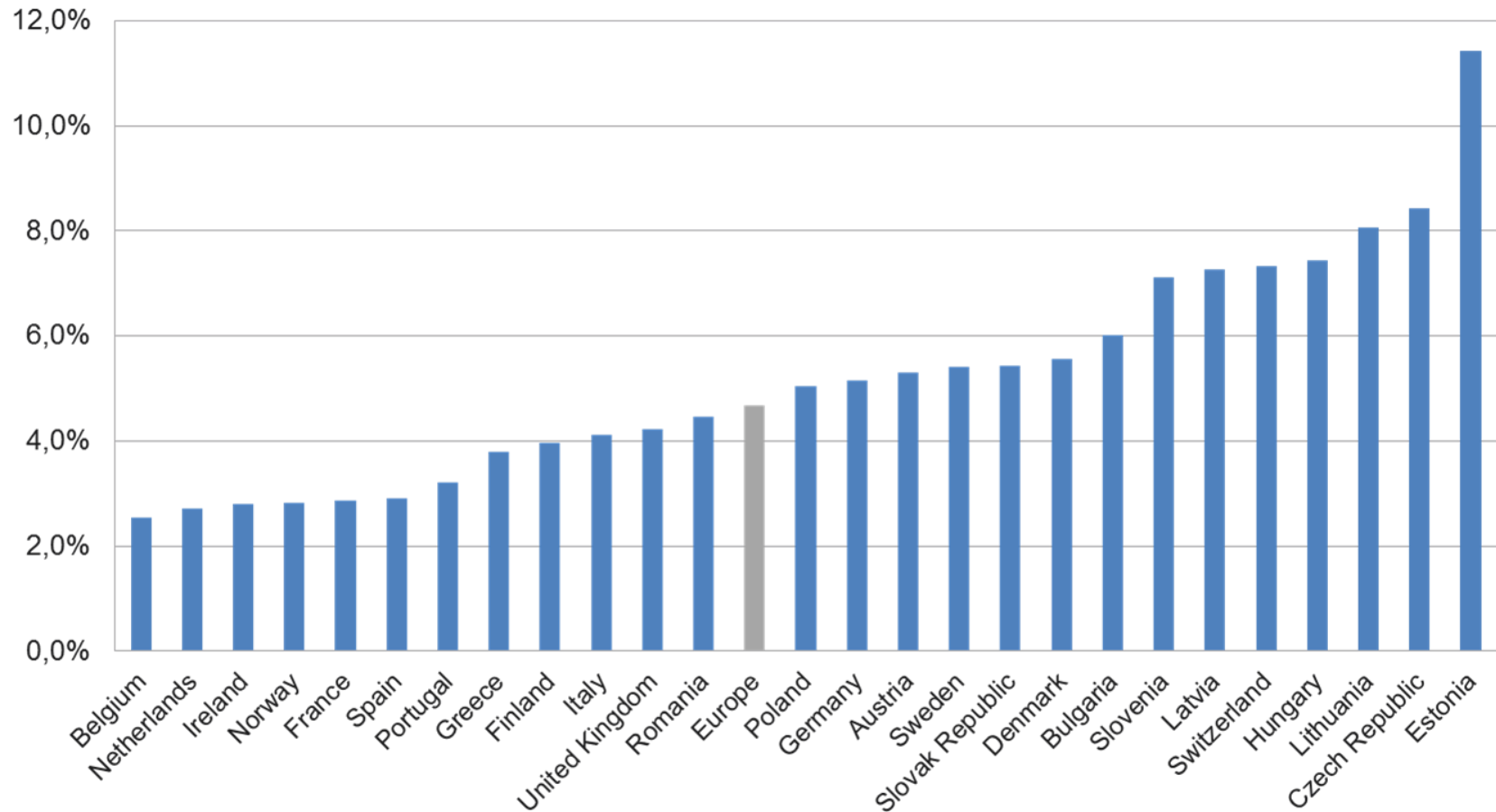
Medical Device Trade Balance

Country	Import						Export					
Germany	US\$ 13.8 billion (2009); Main Suppliers (%):						US\$ 22.2 billion (2009); Main Suppliers (%):					
	USA	Switz	France	Japan	Neths	China	USA	France	Neths	Italy	UK	Japan
	23.8	12.6	6.5	6.4	6.3	5.1	18.0	7.6	5.4	5.1	4.9	4.6
UK	US\$ 7,2 billion (2009); Main Suppliers (%):						US\$ 5.4 billion (2009); Main Suppliers (%):					
	USA	Germ	Neths	Belg	France		USA	Germ	Belg	Ireland	France	
	18.4	15.1	13.2	8.3	7.0		14.2	13.4	8.2	6.4	6.4	
France	US\$ 10.3 billion (2009); Main Suppliers (%):						US\$ 9.2 billion (2009); Main Suppliers (%):					
	USA	Switz	Germ	Belgium	Italy	Ireland	Neths	Germ	USA	Italy	Spain	Belgium
	22.2	21.9	11.6	5.6	3.7	3.1	17.6	14.4	9.1	8.2	7.0	6.8
Italy	US\$ 6.2 billion (2009); Main Suppliers (%):						US\$ 3.4 billion (2009); Main Suppliers (%):					
	Neths	Germ	Belg	France	USA	Ireland	France	Germ	USA	Spain	Neths	UK
	17.7	16.9	12.3	12.0	10.4	3.7	11.2	10.9	9.2	5.5	4.5	3.7
Switzerland	US\$ 3.5 billion (2009); Main Suppliers (%):						US\$ 8.9 billion (2009); Main Suppliers (%):					
	USA	Germ	Neths	France	Belgium		Germ	USA	Neths	France	Belgium	
	31.2	26.5	8.6	6.2	5.5		18.0	17.8	17.1	6.4	5.5	

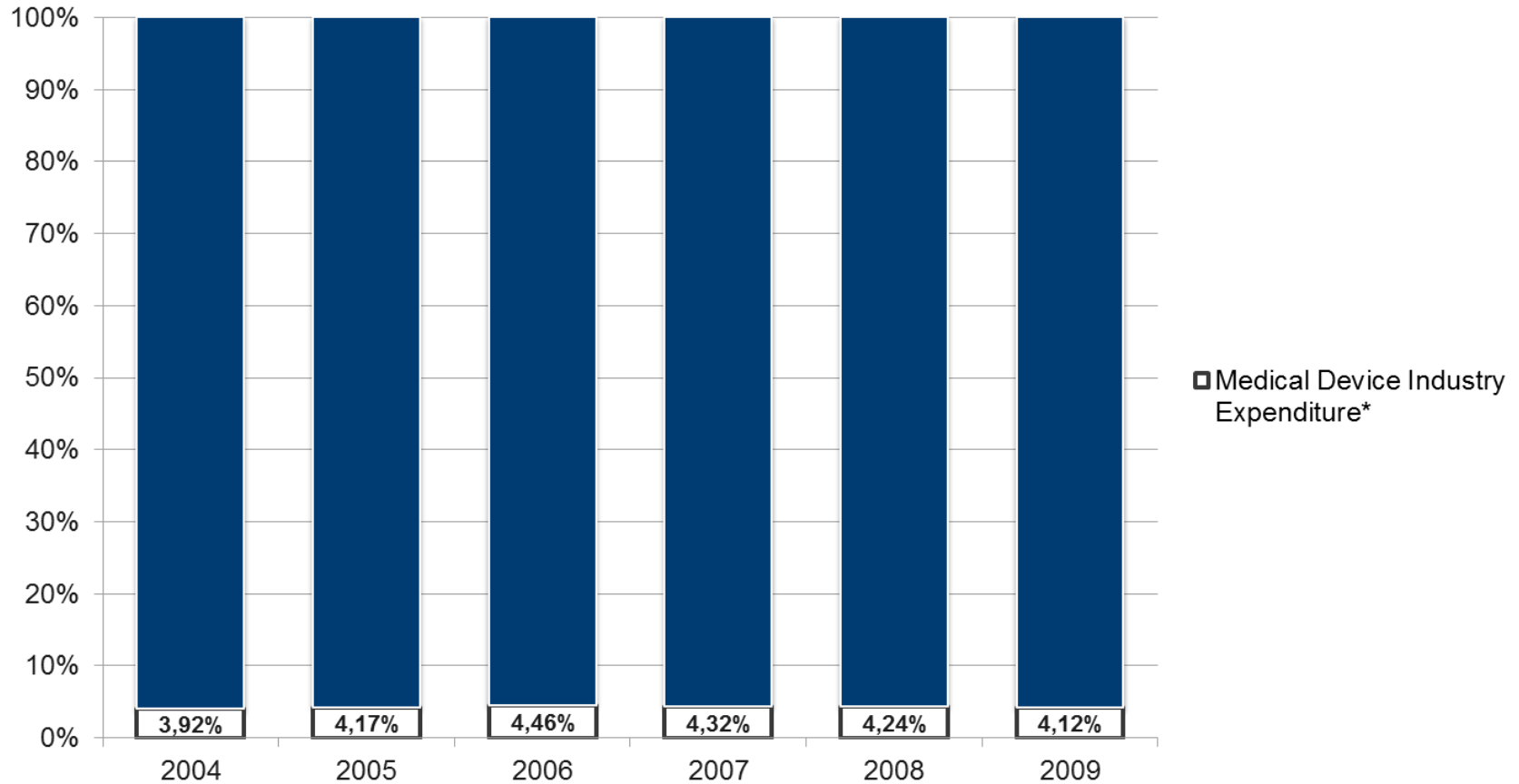
Source: Espicom

Medical Devices Expenditure in Europe (in % of GDP)

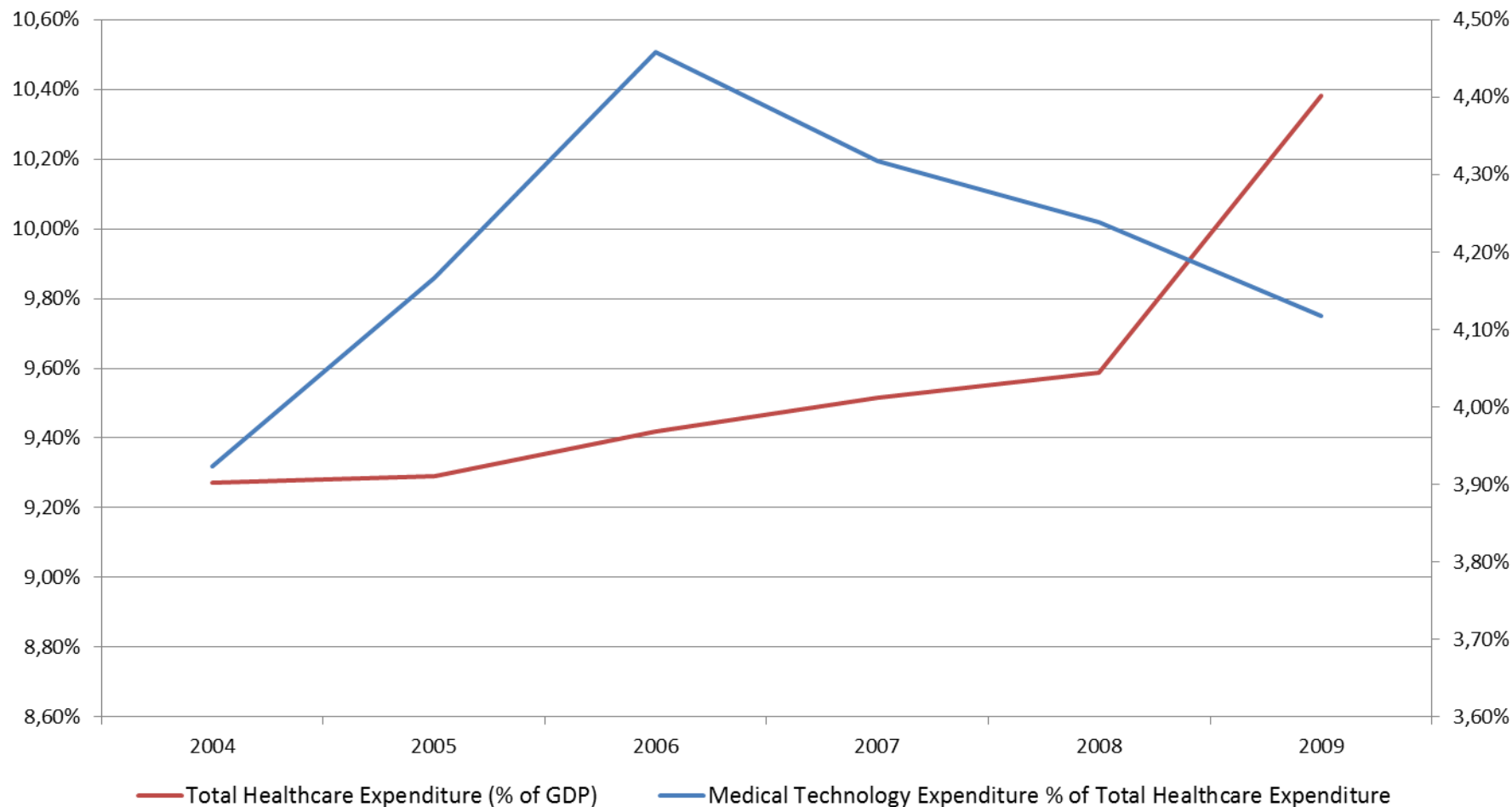
Europe: average spending (per capita) on healthcare is \$3,305 (\$136 - on medical devices)



Total Healthcare vs. Medical Device Expenditure, Europe

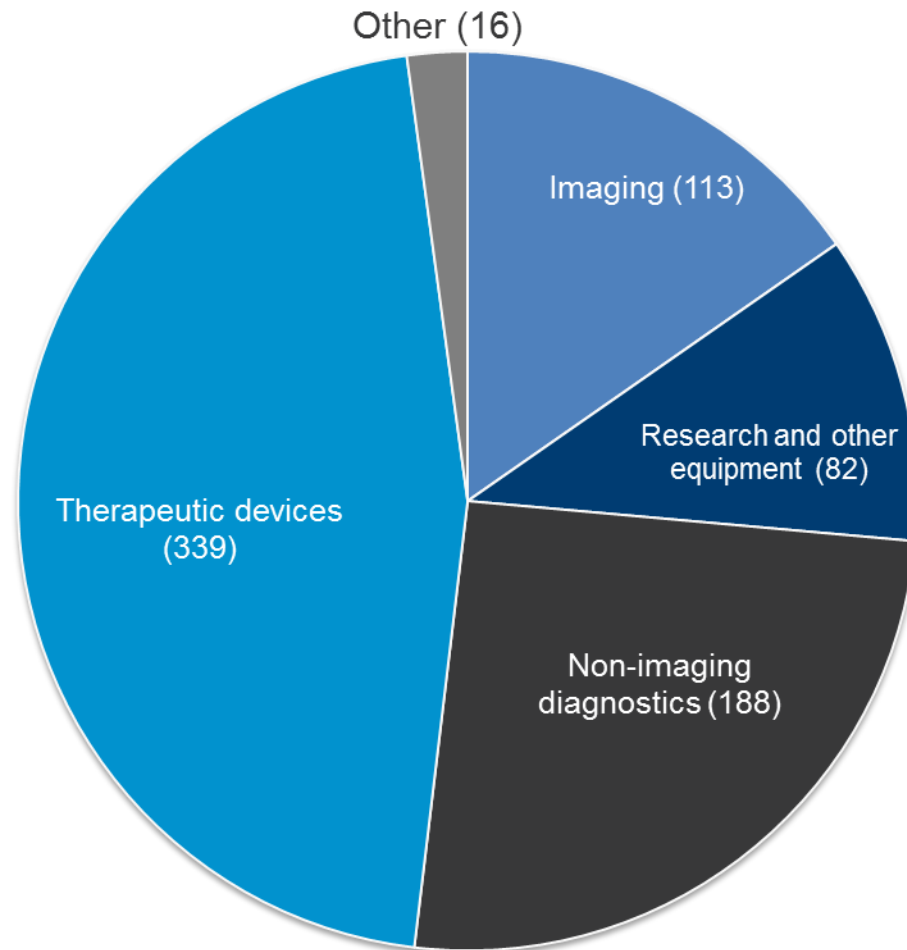


Expenditure Trend: Medical Technology vs. HC



Venture Capital Backed Companies by Segment (N=738)

Therapeutic devices N=339	
Orthopedic	66
Cardiovascular/vascular	49
Non-disease specific	48
Multiple	28
Ophthalmic	24
Dental	24
Wound Care	20
Oncology	17
Aesthetics	12
Neurology	11
Respiratory	10
Urology/pelvic	8
Ear, nose and throat	8
Women's health	7
Gastrointestinal	5
Hematology/renal	2



In conclusion

- Over the past decades, expenditure on both healthcare and medical technology has increased significantly.
- However, the proportion of healthcare expenditure spent on medical technology is still relatively small, and has remained more or less constant.
- Over the past decades, great improvements in health among the population have taken place, that suggests that the benefits of medical technology far outweigh its costs.
- Medical Technology Industry is the home of technological disruptive innovations or “enablers”– much needed solutions for healthcare challenges.



Driving Innovation in European Healthcare

healthy & active people - efficient systems - economic growth

12 -14 October 2011, Square (Brussels)

Programme and registration on

www.medtechforum.eu

Early bird rates:

Save up to 20% by registering before 12 August!