



KEY FIGURES



Sources: SMTI, 2016

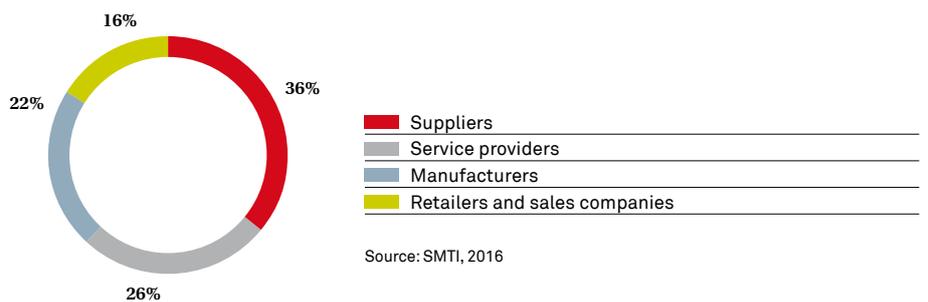
SWITZERLAND AS A MEDICAL TECHNOLOGY HUB

AT A GLANCE

Switzerland is one of the most important locations for the global medical technology industry. There is in fact no other country in which medical technology enjoys such high status in comparison with total GDP and the working population than Switzerland. The combination of first-class research facilities and a highly developed healthcare system that demands the right products and stimulates innovation makes Switzerland an extremely attractive location for research, development and production in the medtech sector.

Focus of Activities

Of Swiss medical technology companies



Source: SMTI, 2016

Top 10 Medtech Companies

According to number of employees, 2016

Johnson & Johnson Medical	Zimmer Biomet
Roche Diagnostics International AG	B.Braun Medical AG
Biotronik Schweiz AG	Dentsply Sirona
Sonova Group	Ypsomed AG
Medtronic Schweiz	Straumann Schweiz

Source: SMTI, 2016

RESEARCH AND DEVELOPMENT (R+D)

- Switzerland is the global leader in attracting highly qualified specialists from abroad. This makes it **easy to find talented recruits**.

Most Attractive Destinations for Highly Qualified Foreign Workers

Rank in "World Talent Report," 2016

Country	Rank
 Switzerland	1
 Denmark	2
 Belgium	3
 Sweden	4
 Netherlands	5

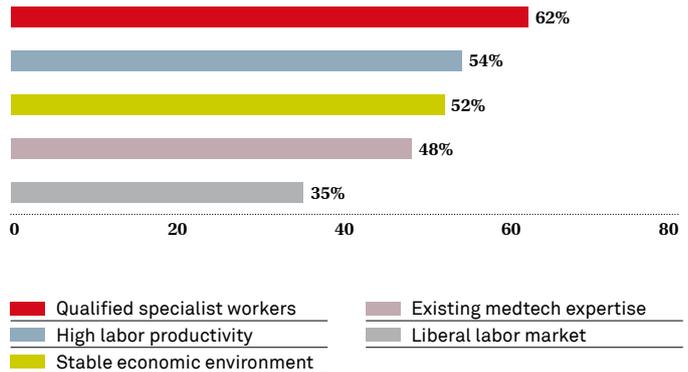
Source: World Talent Report, 2016

- The **transfer of expertise and the level of cooperation** in the Swiss medical technology industry are unique. 94% of the medical equipment manufacturers in Switzerland collaborate with partners – whether they are universities, hospitals or companies from related sectors, such as in mechanical engineering or pharmaceuticals. This very specifically promotes innovation. Over 500 suppliers, service providers, retailers and distributors can be found in Switzerland, along with around 300 medtech manufacturers.
- In 2016, there were around 1,000 individuals studying Life Sciences at the Federal Institute of Technology in Lausanne (EPFL), at Bachelor, Master or Doctorate level. In the same year, 2,600 students attended Life Science courses at universities of applied science. More than ten professors are currently conducting research into medical technology at the Swiss Federal Institute of Technology in Zurich (ETH). The ETH is to be further reinforced as a **hub for medical technology** in the next few years by ten additional professors, a new infrastructure and a medical technology project fund. In addition, the Department for Biomedical Engineering at the University of Basel and the University Hospital of Bern are host to intensive research and development work into medtech.
- In 2016, Swiss **medtech manufacturers invested between 9% and 20%** of their turnover – and their **suppliers 11% to 13%** – **into R+D**. With both manufacturers and suppliers, micro companies spend the largest share of their turnover on R+D.
- Efficient and straightforward application procedures are in place to protect intellectual property. One central, internationally valid registration procedure provides **access to international systems for the protection of intellectual property** (European Patent Office EPO, World Intellectual Property Organization WIPO). Local representatives in other countries are not required.
- Switzerland Innovation** is intended to contribute to securing the leading role of Switzerland as an innovation nation and thus maintaining its competitiveness. The Innovation Park was launched at the start of 2016, including two hubs close to the two Federal Institutes of Technology in Zurich and Lausanne and the three network locations in Aargau, Basel and Biel.

- At the European Patent Office, about 540 medtech patent applications from Switzerland were received in 2015 – 22 percent more than in the previous year. In the European rankings, Switzerland ranks third behind Germany and the Netherlands.

Medtech Companies' Top 5 Reasons for Investing in Switzerland

As % of all reasons mentioned. Manufacturers and suppliers (n = 145)



Source: SMTI survey findings, 2016

COSTS AND FINANCING

- The **close proximity to one of the world's most important financial centers** provides the best possible conditions for new companies in particular for different finance solutions, including the easy availability of venture capital and private equity funds.
- Almost three quarters of the venture capital invested in Switzerland in 2016 went to companies in the Life Science sector. Medtech startups generated CHF 72.7 million of investment capital. The strongest sales in the medtech industry in 2016 were recorded by Hocoma, which develops tools for robotics and sensor-based rehabilitation.
- Switzerland has by far the **most important stock exchanges** for life science companies in Europe. Around a third of the market capitalization on the SIX Swiss Exchange is attributable to life science companies. By the end of 2016, SIX Bio + Medtech had a market capitalization of 60 billion Swiss francs.

Employees in the Medical Technology Field

As a percentage of the employed population

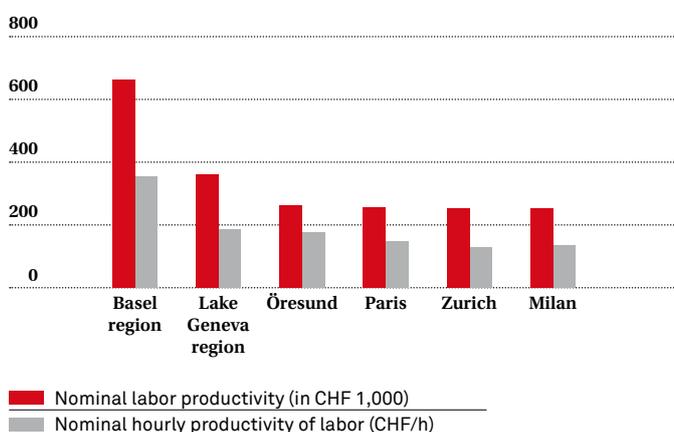
Country/Economic area	%
 Switzerland	1.1
 Ireland	1.5
 Germany	0.3
 USA	0.3
 Singapore	0.3

Source: SMTI, 2016

- Startups and newly-established foreign companies are eligible for partial, or in some cases **complete, exemption from corporate and capital taxes** at cantonal level for a period of up to ten years.
- In addition to global corporations, the Swiss medical technology sector also consists of numerous **SMEs**. In 2016, 41% of medtech companies in Switzerland employed ten people or fewer. This provides opportunities, for example, for the development of specialist companies or for takeovers.
- The Swiss life science industry boasts the **highest level of productivity** per employee when compared to other top international locations. In 2016, this resulted in CHF 260,000 being generated per employee in this major business sector.

International Rankings for Labor Productivity in Life Sciences

Nominal hourly productivity of labor and labor productivity, 2014



Source: BAKBASEL, 2016

- **Accessing public funding** is straightforward in Switzerland (Swiss Federal Commission for Technology and Innovation, CTI) and in the European Union. As part of the European Union's 7th Framework Programme, grants amounting to 172.4 million Swiss francs (2.2% of all grants) have been promised for the period 2014 to 2020. The CTI promotes technology transfer by funding up to 50% of the expenditure of R+D projects that involve collaboration between industry and the universities.
- The **number of funding applications approved** by the CTI has increased far more than tenfold since 1997. The approval rate of applications for R+D projects amounted to 48% (313 granted requests) in 2016. In 2016, the medtech funding sector received CHF 18.7 million in federal contributions from the CTI. The quality of applications for R+D projects remained high, as evidenced by the 55% approval rate. The CTI Medtech Award is presented to a particularly outstanding research project every year.

FRAMEWORK CONDITIONS AND MARKET ENTRY

- The Swiss medical technology market has an **extremely international focus**. On the one hand, the medtech departments of various international groups are located here. On the other hand, 75% of the medical equipment manufactured in Switzerland is exported abroad – primarily to the USA and Germany, but also to some extent to China and Japan. The Swiss Export Risk Insurance (SERV) guarantees protection for high-risk export transactions.
- For 2017-19, **sales growth of 8.6%** is expected, according to industry surveys. This amounts to slightly above the European average. Growth in the medtech sector in Switzerland has also significantly exceeded growth in the economy as a whole in recent years. The highest growth over the coming years is expected in the US, German, Swiss and Chinese markets.
- Thanks to its **highly-developed and financially sound healthcare system**, Switzerland is considered to be an important strategic and clinical market for medtech products.
- Switzerland is one of the **highest spenders on its healthcare system per capita**, making it an attractive sales market for medical equipment manufacturers. The strength of the domestic market is also enhanced by the ability of the country's social security funds to reimburse expenses incurred for medicines in a rapid and uncomplicated manner.
- Thanks to **free-trade agreements with the EU and 38 other countries** including China, access to the most important markets is guaranteed. The mutual recognition of conformity and quality control enables Swiss medtech companies to benefit from significant cost savings when trading with the EU, the EEA and the EFTA states.
- The mutual recognition of **product regulations and conformity assessments** makes it easier to access EU markets.
- After Germany and China, Switzerland has the **third most comprehensive network of bilateral investment protection agreements**.

TESTIMONIAL



“Johnson & Johnson Medical is the largest American manufacturing employer in Switzerland with over 6,000 employees. As a manufacturer of medical technology products, it is particularly important that our workforce possesses great expertise and is of a high quality. These are two assets that are especially prominent in Switzerland.”

CHRISTIAN FLOREY
General Manager of Johnson & Johnson Medical
www.jnj.ch

CURRENT DEVELOPMENTS

- The Swiss parliament has asked the national government to develop proposals for setting up a **Future Fund** (www.zukunftsfondsschweiz.ch). The aim is to encourage pension funds to invest venture capital in promising economic sectors, especially the medtech sector. This measure will primarily be of benefit to startups.
- Switzerland has its own **implant register** (siris). This instrument is useful for benchmarking within the industry and in hospitals. As a database for long-term results and survival analyses, siris serves as an important advance warning system and aid for the medtech industry.
- The creation of a **National Center of Excellence for Translational Medicine and Entrepreneurship** in Bern will simplify the cooperation process between industry and research clinics and improve the framework for turning this center into a global focal point for competition.
- In 2014 the industry's leading association, FASMED, along with Interpharma, formed the **IG Biomedical Research and Innovation Center**. In the political arena, it strives to maintain and improve the quality of Switzerland as a business location and thus to maintain the industry's innovative energy.

CONTACTS AND FURTHER INFORMATION

Authorities and regulators

State Secretariat for Education,
Research and Innovation SBFI
www.sbf.admin.ch

Swiss National Science Foundation
www.snf.ch

Swiss Federal Commission for
Technology and Innovation (KTI)
www.kti.admin.ch

Institute for Intellectual Property
www.ige.ch

Swiss Agency for Therapeutic
Products
www.swissmedic.ch

Associations and networks

www.bioalps.org
www.swiss-medtech.ch
www.scienceindustries.ch
www.switt.ch

Health Tech Cluster
Switzerland (HTCS)
www.healthtech.ch

Innovation and startup support

www.agire.ch
www.baselarea.swiss
www.biovalley.ch
www.bio-technopark.ch
www.campusbiotech.ch
www.ctistartup.ch
www.lifescience-zurich.ch
www.lsnb.ch
www.swissparks.ch
www.switzerland-innovation.com
www.theark.ch

Financing

www.cti-invest.ch
www.seca.ch
www.nvfund.com
www.newventuretec.com
www.devigier.ch
www.hbmhealthcare.com

Publications

The following documents can be found at www.swiss-medtech.ch under > Medtech > Publications: The Swiss Medtechnik Industry 2016 - Industry study

EY Medical Technology Report 2016
www.ey.com > Industries > Life Sciences > Pulse: medical technology report 2016

Collection of Swiss Health Laws
www.bag.admin.ch Documentation > Legislation

Guideline for Medical Product Regulation
www.swissmedic.ch > Medical products > Guideline Medical product regulation

Swiss Implant Register
www.siris-implant.ch

S-GE resources

Handbook for Investors
www.s-ge.com/handbookforinvestors

Information on the Swiss free trade agreements
www.s-ge.com/fta

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