

**KEY FIGURES**

Sources: SMTI, 2018

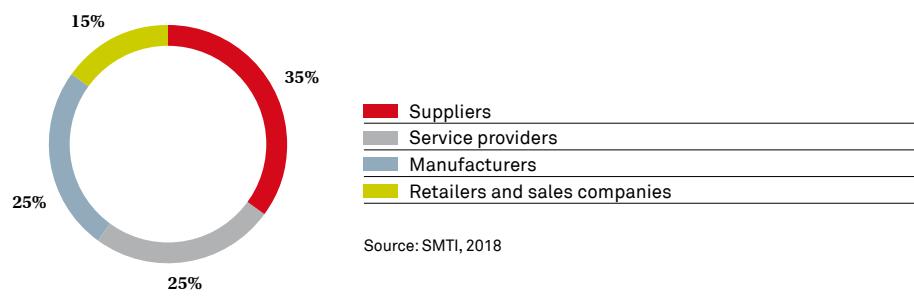
SWITZERLAND AS A MEDICAL TECHNOLOGY HUB

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, 2018

Top 10 Medtech Companies

According to number of employees, 2017

J&J Medical

Roche Diagnostics

Biotronik

Sonova

Medtronic

Zimmer Biomet

Straumann

B. Braun

Ypsomed

Dentsply Sirona

RESEARCH AND DEVELOPMENT (R+D)

- Switzerland is the global leader in attracting highly qualified specialists from abroad.

Most Attractive Destinations for Highly Qualified Foreign Workers

Rank in "World Talent Report," 2017

Country	Rank
Switzerland	1
Denmark	2
Belgium	3
Austria	4
Finland	5

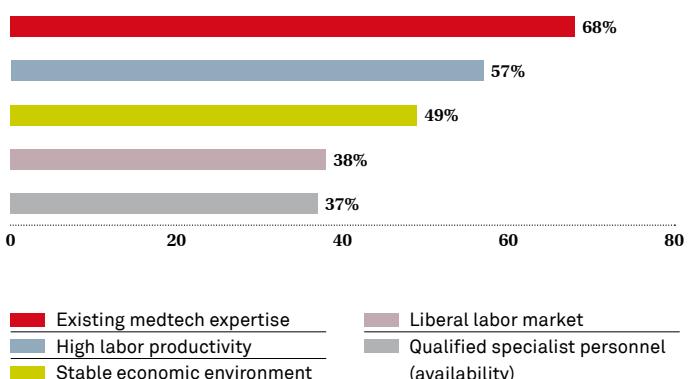
Source: IMD World Talent Ranking, 2017

- 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. With its high density of manufacturers and industry-specific suppliers and service providers, Switzerland is a unique medtech cluster. Switzerland is also characterized by a multiplicity of technology companies, from whose specialist know-how the industry also benefits.
- In 2017, 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 (ETHZ). The ETHZ 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. Furthermore, the Department of Health Sciences and Technology at the ETHZ spans the spectrum from basic research to clinical application.
- In 2017, Swiss medtech manufacturers invested between 6% and 18% of their turnover – and their suppliers 5% to 9% – into R+D. In terms of manufacturers as well as suppliers, micro- and medium-sized companies spent the largest share of their turnover on R&D in 2017.
- 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.

Medtech Companies' Top 5 Reasons for Investing in Switzerland

As % of all reasons mentioned. Manufacturers and suppliers (n = 116)



Source: SMTI survey findings, 2018

- At the European Patent Office, about 600 medtech patent applications from Switzerland were received in 2016 – 11 percent more than in the previous year. In the European rankings, Switzerland ranks third behind Germany and the Netherlands.

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 2017 went to companies in the Life Science sector. Medtech startups generated CHF 87 million of investment capital.
- Switzerland, as one of the premier banking centers and the most important life sciences stock exchange in Europe, offers a wide range of opportunities for raising capital. The Swiss Exchange (SIX) invests 49% of traded capital in life science projects.

- 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**. 93% of the companies employ less than 250 people and four out of five employ less than 50 people. Micro-companies with fewer than 10 employees represent the largest group. This provides opportunities, for example, for the development of specialist companies or for takeovers.

Swiss Medtech Exports 2017

Top 10 export countries

	Volumes in billion CHF
USA	3.0
Germany	2.2
The Netherlands	0.8
Belgium	0.6
France	0.6
China	0.5
Japan	0.5
United Kingdom	0.3
Italy	0.3
Australia	0.2
Total exports	11.3

Source: SMTI, 2018

- The Swiss life science industry boasts the **highest level of productivity** per employee when compared to other top international locations. With medtech industry sales of 15.8 billion Swiss francs, work productivity for 2017 amounts to 270 thousand Swiss francs per employee.
- The Swiss Innovation Agency (Innosuisse) specifically promotes cooperation between science and the market with innovation projects, networking, training and coaching. **Innosuisse** has an annual funding budget of around 200 million Swiss francs. The lion's share of this goes to the promotion of innovation projects.
- There is easy **access to public subsidies**, even outside Switzerland. As part of the European Union's 7th Framework Programme, grants amounting to CHF 172.4 million (2.2% of all grants) have been promised for the period 2014-2020. The high success rate of the Swiss project proposals in comparison with other countries is worthy of remark.

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.
- Growth** in the medtech sector has been stable for years and is regularly well above that of Switzerland's GDP. 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.
- Free trade agreements with the EU/EFTA and 40 other countries including China and Japan provide access to the most important export markets. 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.zukunftsfonds.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 (www.sitem-insel.ch).
- The **EU regulations** regarding medical devices (MDR) and in-vitro diagnostics (IVDR) have been in force since 26 May 2017. Their goal is to improve patient safety. The **introduction of MDR and IVDR** requires corresponding adjustments to the national legal bases within the European transition periods. The revised Swiss Medical Products Law is due to enter into force in spring 2020. The Swiss medtech industry is committed to maintaining a high level of innovativeness, while at the same time making greater use of unexploited digitization potential.

CONTACTS AND FURTHER INFORMATION

Authorities and regulators

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

Swiss National Science Foundation
www.snf.ch

Swiss Innovation Agency Innosuisse
www.innosuisse.ch

Institute for Intellectual Property
www.ige.ch

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Products
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Associations and networks
www.bioalps.org
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Health Tech Cluster
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www.healthtech.ch

Innovation and startup support
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