

INVEST. INNOVATE. INTERNATIONALIZE.

Medical Technology

Industry Clusters in Eastern Germany

Medical devices made in Germany make a significant contribution to enhancing patient healthcare and quality of life around the world. Germany's new federal states are playing a frontline role in the country's internationally leading medical technology sector.

Medical Technology in Germany

Germany is Europe's largest medical technology market and ranks third internationally. Medical technology "Made in Germany" is highly valued around the world. In 2016, global demand for German quality saw almost 70 percent of medical technology products being exported to international markets. Medical devices developed in Germany benefit from a world-class research and business environment, with the sector's predominantly small and medium-sized companies enjoying an international reputation as innovators and market leaders.

Germany is a major global innovation player and Europe's leading nation in terms of medical technology patent applications. Public and private R&D spending across all industries is significantly above the OECD average – thanks to a progressive innovation policy and the country's longstanding specialization in research-intensive industries. In 2015, a record EUR 14.9 billion in public R&D funding was made available – a EUR 261 million increase on the previous year's spending.

Internationally, the "Made in Germany" seal continues to be held up as a guarantee of quality. This is especially the case in the medical device sector. In 2016, global demand for German quality saw almost 70 percent of medical technology products being exported to international markets. More than 99 percent of the country's 82 million residents are covered by health insurance. German health insurers cover around two thirds of Germany's total annual spending on health – EUR 344 billion or 11.3 percent of GDP. The out-of-pocket market is worth around EUR 60 billion.

Medical Technologies for the World

The German medical technology industry, made up almost entirely of small and medium-sized enterprises, is highly innovative and generates a large share of its revenues from exports. In 2015, the approximately 1,200 medical device manufacturers (20 employees or more) and their 130,500 employees generated EUR 27.6 billion in sales – an increase of more than nine percent on the previous year. Export markets are particularly important to German companies – around two thirds of sales in 2015 were generated outside the domestic market. Exports grew nearly nine percent to a total of EUR 17.6 billion in 2015. With a share of 10.2 percent of worldwide medical technology production, Germany is the third largest manufacturing nation behind the US (39.6 percent) and China (11.1 percent).

Medical Technology in Eastern Germany

More than 25 years have passed since the successful reunification of Germany. In this time, the new federal states in Eastern Germany have been recognized internationally as a highly competitive and innovative industry location. Constant investment in innovation has been the key to sustained economic growth and international competitiveness. By building on the traditionally strong industrial heritage of the region, Eastern Germany has also become an international force in the medical technology fields of the future.

Research and development intensity levels in the new federal states compare with the world's best. Eastern Germany's R&D GDP share of 2.5 percent is significantly higher than the EU-28 average, and almost equivalent to US R&D share of GDP. Public sector commitment to innovation in the region is further reflected in a public-private R&D spending ratio of 60:40.

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Medical Technology Clusters in the New Federal States

Eastern Germany is home to six specialized cluster networks focusing on medical technology, most of which are recognized by the national "go-cluster" initiative. Their goal is to achieve continuous innovation in research and development as well as in manufacturing by connecting companies, hospitals, universities, and other research institutions. Dedicated cluster management teams help obtain funding for joint R&D projects, provide shared facilities, and organize educational training programs for their members.

BioCon Valley®

BioCon Valley

BioCon Valley is the initiative for life sciences and health economy in the federal state of Mecklenburg-Vorpommern. Cluster internationalization activities include acquiring and implementing research and collaborative projects including, for example, the BioCon Valley GxP Incubator clinical trial network. BioCon Valley's medical technology focus is largely in the areas of plasma technology and telemedicine.

www.bioconvalley.org



Cluster Medical and Health Technology

The Cluster Medical and Health Technology aims to strengthen the competitiveness of Saxony-Anhalt as a leading region for medtech industries. Joining medical technology businesses and research institutions in a cluster will help to intensify knowledge transfer and innovative activities by strengthening existing R&D cooperations. The integration of expert knowledge and state-of-the-art technologies in regional companies will result in long-term innovative products that businesses in Saxony-Anhalt can capitalize.

www.medizintechnik-sachsen-anhalt.de/en



HealthCapital

The Berlin-Brandenburg region is one of the world's leading life science and health economy locations. Technology parks and networks from different fields, particularly biotechnology and medical technology, form an excellent infrastructure

for the transfer of the latest scientific findings into innovative health economy products. Cardiovascular products developed in the region are international market leaders. Medical imaging and telemedicine are further areas of activity of the approximately three hundred companies in the cluster.

www.healthcapital.de



Medways

Headquartered in the city of Jena, a major hotspot in Germany's medical optics industry, Medways is the medical technology and biotechnology industry association in Thuringia. Cluster members and affiliated research institutions and universities focus their activities on the development of innovative products and procedures for the diagnosis and treatment of age-related diseases in a number of medical disciplines. One of the ongoing joint research projects (Molecular Diagnostics of AMD) is dedicated to the improvement of diagnostics and therapy of age-related macular degeneration.

www.medways.eu



Optonet

OptoNet represents the interests of around 100 actors in Thuringia's photonics cluster, providing a platform for networking, exchange and partnership to all photonics industry players in the state. The cluster promotes optical technologies in the region in order to improve competitiveness and optimize cluster visibility - both nationally and internationally.

www.optonet.de



Biosaxony

Biosaxony is the association of the biotechnology and medical technology sector in the region of Saxony. Its members represent the various actors working in biotechnology in these and the related areas of engineering and material sciences. Since 2016, biosaxony has been actively developing its Medical Technology Section. Combining biotechnology with medical technology is intended to enable new areas of innovation to be identified, network actors from different fields, and sustainably strengthen the regional economic structure of both sectors.

www.biosaxony.com

Cluster Voices



Florian Schlehofer
*Department Head of Cluster Management,
HealthCapital Berlin-Brandenburg*

What does Brandenburg Economic Development Corporation and the Cluster HealthCapital do?

At the interface of business, science and clinics, the HealthCapital cluster management drives networking and the technology transfer in the region and supports German and international companies interested in relocating to the German capital region. The aim is to promote innovation and cooperation between companies and research institutions with the result of increasing competitiveness for smart, sustainable and integrative growth. The cluster management is responsible for implementing the HealthCapital master plan of the state governments of Berlin and Brandenburg, and developing the region into one of the leading centers for the healthcare industries and life sciences in the world.

Why is the Capital Region Berlin-Brandenburg an attractive medical technology location?

Medical technology is a technology field of the future for Berlin-Brandenburg, the German capital region. Small and medium-sized companies in particular have operations in medical technology business areas. A total of around 300 medical technology companies with in-house products or production-related services were doing business in 2011 in Berlin and Brandenburg. Collaboration between all of the important actors in the region is outstanding. There is a dense network of companies and medical institutions and institutes here in which research and application go hand in hand. The state governments of Berlin and Brandenburg support networks and major joint plans for enhancing the excellence of this technology field.

Company: Brandenburg Economic Development Corporation

Activity: Technology transfer, state funding, location services, networking

Employees: 170

 www.wfbb.de/en, www.healthcapital.de/en/



Manja Kollascheck
*Marketing Manager,
XotonicsMED GmbH*

What does XotonicsMED GmbH do?

XotonicsMED, headquartered in Treuen (Saxony), is specialized in developing innovative technology solutions for the healthcare sector. This applies in particular to optical camera systems that support documentation for quality assurance, diagnostics and medical history purposes.

Why is Saxony an attractive medical technology location?

XotonicsMED chose Treuen as a medical technology location because the region offers not just jobs but also an intact environment, which means a well-kept and healthy natural environment, good infrastructure, rapid transport connections, and well-trained specialists in the medical field. The company is conveniently located close to the University of Applied Sciences Zwickau and is a short distance from the highway and Dresden Airport. The promotion and economic support of new businesses – and the expansion of existing businesses – is another factor that speaks for Saxony.

What does the future hold for XotonicsMED GmbH?

Every day XotonicsMED sets itself the goal of providing effective solutions for the well-being of patients and a new easy workflow for medical institutions and professionals. The continuous development of innovative new products that are state-of-the-art, easy to handle, legally compliant, affordable and produced to the highest quality standards makes XotonicsMED one of the most watched companies in medical technology.

Company: XotonicsMED GmbH

Activity: Manufacturer of medical cameras for mobile photo and wound documentation

Employees: 10

 www.xotonicsmed.com





Klaus-Dieter Jakobs
Sales Manager,
Primed Halberstadt Medizintechnik GmbH

What does Primed Halberstadt Medizintechnik GmbH do?

Primed has been working with innovative and top-quality medical products for over 30 years; starting from the development (including product design) to material testing and mold building. Our expertise also incorporates product approval, full-line production (injection molding, extrusion, blow molding and assembly) and product sterilization at our own ETO sterilization facility. This enables us to be extremely flexible, which guarantees a constant development of our products according to market demands. Our diverse and flexible range of products is designed for application both in hospitals and in homecare treatment.

Why is Saxony-Anhalt an attractive medical technology location?

This geographically central location offers us the possibility to benefit from short distribution channels, which allows us to supply our customers in Germany and across Europe quickly and efficiently.

How important is internationalization to your activities?

In the medical technology field, we believe that internationalization is a by-word for progress. Our products are currently sold in 65 countries and can be found in hospitals and medical care facilities around the world. Thanks to our experience, we are thoroughly familiar with the challenges of the healthcare market and we fully understand the special needs of our customers and their patients. In our opinion, international cooperation is a key element to fulfilling our dream of international recognition.

Company: Primed Halberstadt Medizintechnik GmbH

Activity: Manufacturing and distribution of medical devices

Employees: 200

 www.primed-halberstadt.de



Stefanie Zenk
Senior Manager Medical Technology,
HEALTH MADE IN GERMANY

What does HEALTH MADE IN GERMANY do?

HEALTH MADE IN GERMANY is the export initiative for the German healthcare industry. It supports international companies and organizations that are interested in contacting potential German partners and suppliers. Set up by the German Federal Ministry for Economic Affairs and Energy (BMWi), the initiative bundles expert market intelligence for easy market entry. One of our main goals is to promote the German healthcare sector through international networking for the mutual benefit of international partners and German companies alike.

What sets medical technology "Made in Germany" apart from the competitors?

German medical technology's reputation for ingenuity, quality, safety and service has made it an industry leader of long standing in Europe and the world. Statistics consistently place Germany among the top five in terms of numbers of innovative medical technology patents filed. Synergies between science and industry mean that the latest research findings are rapidly tried, tested and transferred to product designs to benefit patients sooner. What is more, many of Germany's medical technology companies are SMEs, which gives them the edge in terms of filling market niches and flexibility in meeting customer needs.

What is the best way to find partners and products in German medical technology?

After HEALTH MADE IN GERMANY, the first bases to touch are the major industry associations – a number of which are part of the initiative's Medical Technology Working Group. Beyond that, Germany is home to 30 specialized medical technology clusters, with six located in Eastern Germany. These are supported in part by the federal government and harness the expertise of hundreds of companies and numerous hospitals and research institutions.

 www.health-made-in-germany.com

Germany Trade & Invest Cluster Marketing Activities

Industry clusters – in which companies, research institutions and universities come together to join a particular industry in a geographical region – provide numerous partnership opportunities and synergy effects for their members. Member companies and organizations also benefit from the cluster umbrella brand when venturing into international markets.

Germany Trade & Invest's (GTAI) cluster marketing activities strengthen the internationalization of the Eastern German economy, and the global visibility of both Eastern Germany as an investment location and the cluster in the region. To this end, GTAI has already published the "INVEST. INNOVATE. INTERNATIONALIZE. Industry Clusters in Eastern Germany" booklet highlighting the innovative capacity and attractiveness of the new federal states as an investment location based on the example of a selection of industry clusters in Eastern Germany.

As part of GTAI's 2017/2018 activities, these clusters are now being individually presented in selected international target markets. GTAI provides the accompanying cluster representatives – companies, research institutions and cluster management – with the opportunity to learn more about their target markets and to expand and intensify their network of contacts.

GTAI Cooperation Forums allow cluster delegation members to enter into "matchmaking" discussions with local companies and institutions about potential partnership. Investor events at the selected locations allow Eastern Germany to be presented to foreign companies in order to generate cluster settlement interest. GTAI works closely with the respective federal state economic development agencies and cluster management.

Powerhouse Eastern Germany

GTAI activities that market Eastern Germany as a business location to the world are bundled together under the "Powerhouse Eastern Germany" umbrella brand. Prospective international investors are advised about market opportunities available in the new federal states.

GTAI's Powerhouse Eastern Germany division promotes the benefits of doing business in the new federal states to international investors as well as seeking to increase the opportunities of Eastern German businesses in the international marketplace. International business delegation and exchange trips play a central role in achieving this dual objective.

Powerhouse Eastern Germany branded conferences and trade fair visits and special events help communicate the message that the regenerated region has established itself as one of Europe's most attractive and innovative production and service locations.

Particular focus is attached to the region's strong and dynamic industry sectors including the renewable energies, chemical, mechanical engineering, automotive, biotechnology, and service sectors. All international companies interested in locating in Eastern Germany are supported by GTAI and the responsible economic development agencies of the respective new federal states.



OUR SERVICES

About Us

Germany Trade & Invest (GTAI) is the economic development agency of the Federal Republic of Germany. The company helps create and secure extra employment opportunities, strengthening Germany as a business location. With more than 50 offices in Germany and abroad and its network of partners throughout the world, GTAI supports German companies setting up in foreign markets, promotes Germany as a business location and assists foreign companies setting up in Germany. All investment services and related publications are free of charge.

Investment Location Services

- Market and industry reports
- Market entry analyses
- Business and tax law information
- Business and labor law information
- Funding and financing information

Business Location Services

- Legal and tax-related project support
- Funding and financing advisory services
- Site visit organization
- Local partner and network matchmaking
- Public and private partner coordination

Imprint

Publisher

Germany Trade and Invest
Gesellschaft für Außenwirtschaft
und Standortmarketing mbH
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Print

Kern GmbH, 66450 Bexbach
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Order Number

20963

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Picture Credits

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Map of Germany:
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Notes

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