SWITZERLAND GLOBAL ENTERPRISE

KEY FIGURES

1,400
companies

63,000
employees

17.9
CHF billion in revenue

2.6
% of GDP

Sources: SMTI, 2020

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.

Top 10 Medtech Companies
According to number of employees, 2019

J&J Medical	Zimmer Biomet
Roche Diagnostics	Straumann
Biotronik	Jabil
Sonova	Ypsomed
Medtronic	Dentsply Sirona

Source: SMTI, 2020

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," 2019

Country	Rank
Switzerland	1
Denmark	2
Sweden	3
Austria	4
Luxembourg	5

Source: IMD World Talent Ranking, 2019

- 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.

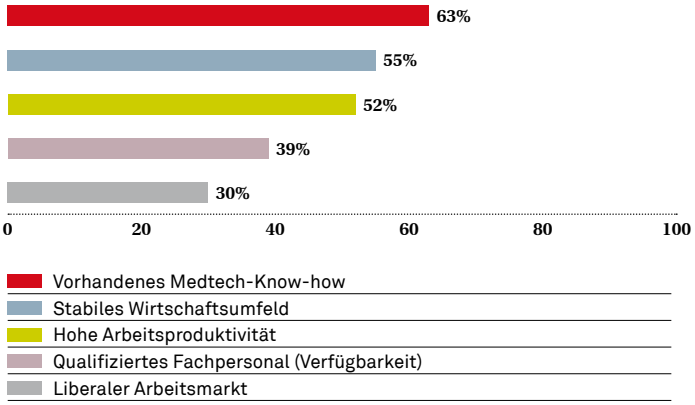
- More than ten professors are currently conducting research into medical technology at the Swiss Federal Institute of Technology in Zurich (ETHZ). The ETHZ is to be further reinforced as a **hub for medical technology** in the next few years by ten additional professors, a new infrastructure and a medical 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.

- The EMPA St. Gallen is conducting research in the area of medical technology with its programme to develop a digital twin of the human skin. In cooperation with the Cantonal Hospital St. Gallen, EMPA St. Gallen is conducting research in the field of personalized medicine. Furthermore, the MedTech Lab at the University of Applied Sciences Rapperswil bundles the expertise in the field of medical technologies from the various institutes at the HSR.

- 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.

Top-5-Gründe für Investitionen in der Schweiz von Medtech-Firmen
in % aller Nennungen; Hersteller und Zulieferer (n = 139)



Quelle: SMTI-Umfrageergebnis, 2019

- At the European Patent Office, 770 medtech patent applications from Switzerland were received in 2019. 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.

- The **Swiss stock exchange** is **Europe's leading exchange for life sciences companies**, representing around 40% of the European life sciences market capitalization across Europe's major stock exchanges. Switzerland's capital-rich investor base, strong banking system and its leading industry know-how make up the country's vibrant life sciences ecosystem. This enables companies to efficiently raise capital with the view to drive scientific discovery through to market launch.

- 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 2019
Top 10 export countries

	Volumes in billion CHF
USA	3.3
Germany	1.9
The Netherlands	1.1
Belgium	0.7
China	0.7
Japan	0.5
France	0.5
Italy	0.4
United Kingdom	0.3
Spain	0.2
Total exports	**9.6**

Source: SMTI, 2020

- 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 17.9 billion Swiss francs, work productivity for 2019 amounted to 280 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.The EU's framework programmes are the most important source of public funding for research and innovation for Swiss firms, particularly for SMEs.

FRAMEWORK CONDITIONS AND MARKET ENTRY

- Switzerland provides a unique medtech cluster thanks to its high density of manufacturers, industry-specialized suppliers and service providers. The Swiss medtech market has an extremely **international focus**: Medtech departments of various international groups are located here and the majority of all medtech goods produced is exported abroad.

- The sales growth of medical technology in Switzerland is mainly **driven by exports**: With a volume of 12 billion Swiss francs, the industry accounts for 5% of the country's total exports and 6.1 billion, around 16.4%, of Switzerland's export surplus. The USA and Germany are the most important export and import markets.

- **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.

TESTIMONIAL

"As a world leader in dental implants and esthetic dentistry, Straumann benefits significantly from the Basel Area as a global center for healthcare, science, technology and education in the middle of Europe. With its dense cluster of world-leading healthcare companies, teaching hospitals, technical colleges and university, the city provides Straumann with access to a skilled, international and diverse talent pool. It is an attractive place to live and work, offering big city amenities and culture with the cozy familiarity and charm of a town. The strategic location in Switzerland bordering France and Germany and excellent infrastructure are great assets for employees and business partners as well as for managing the whole supply chain."

MARK HILL
Head Corporate Communication & Public Affairs Straumann
www.straumann.com

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.

- **Sitem-insel** - the Swiss Institute for Translational and Entrepreneurial Medicine in Berne – was created to establish a national center of excellence that assists in the transition from research findings or prototypes to marketable products.

- 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. In connection with the COVID-19 pandemic, the full implementation of the MDR will be deferred by one year to 26 May 2021. The revised IVDR legislation is not affected by this postponement.

CONTACTS AND FURTHER INFORMATION

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

Swiss Innovation Agency Innosuisse
innosuisse.ch

Institute for Intellectual Property
ige.ch

Swiss Agency for Therapeutic Products
swissmedic.ch

Associations and networks
bioalps.org
healthtech.ch
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Innovation and startup support/ Financing
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Publications
The Swiss Medtech Industry 2020 - Sector Study
www.swiss-medtech.ch

Guide to the regulation of medical devices
swissmedic.ch

Swiss Implant Register
www.siris-implant.ch

S-GE resources
Handbook for Investors
s-ge.com/handbookforinvestors

More fact sheets on Switzerland as a business location
s-ge.com/factsheets

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