



CBI  
*Ministry of Foreign Affairs*

# **CBI Trade Statistics:**

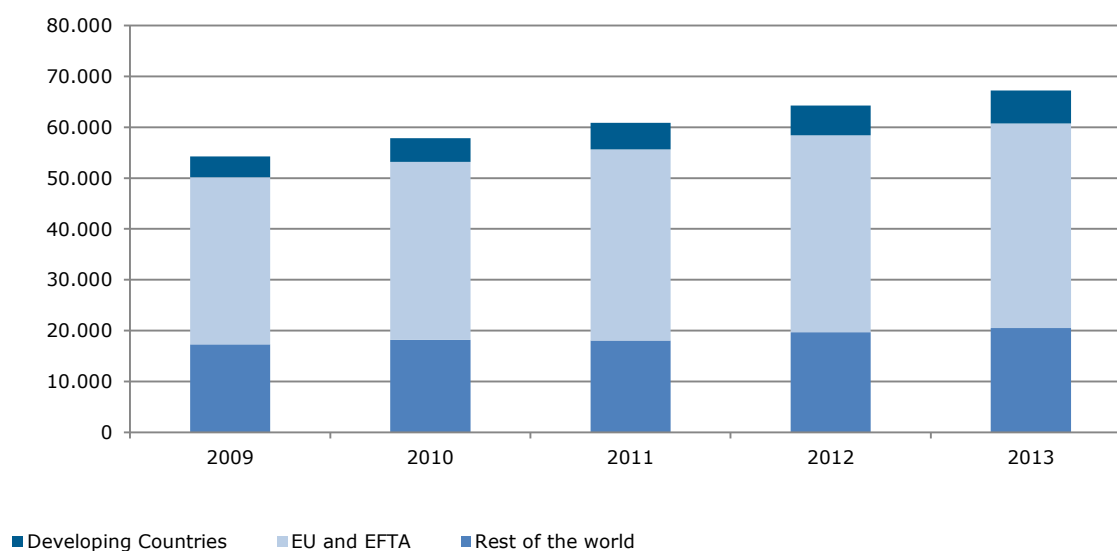
## **Medical and Laboratory Devices**

## Introduction

The current economic climate provides a challenging time for DC manufacturers of Medical and Laboratory Devices (MLD) to connect with European buyers. However, because of the continuous focus on price and cost reduction, the importing of MLD products from Developing Countries (DCs) is expected to show continued growth in the next few years.

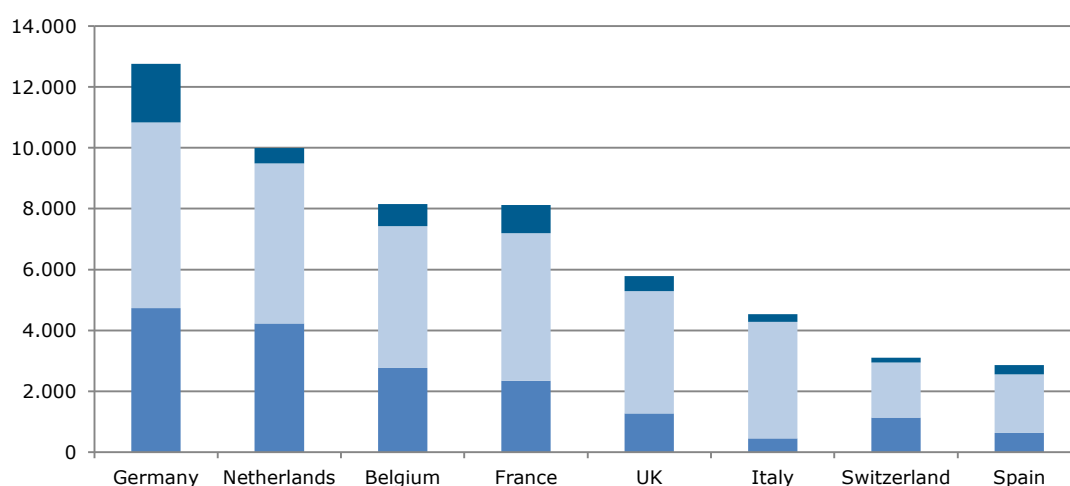
## Imports

**Figure 1 EU imports, by main origin, € million**



Source: Trademap (2015)

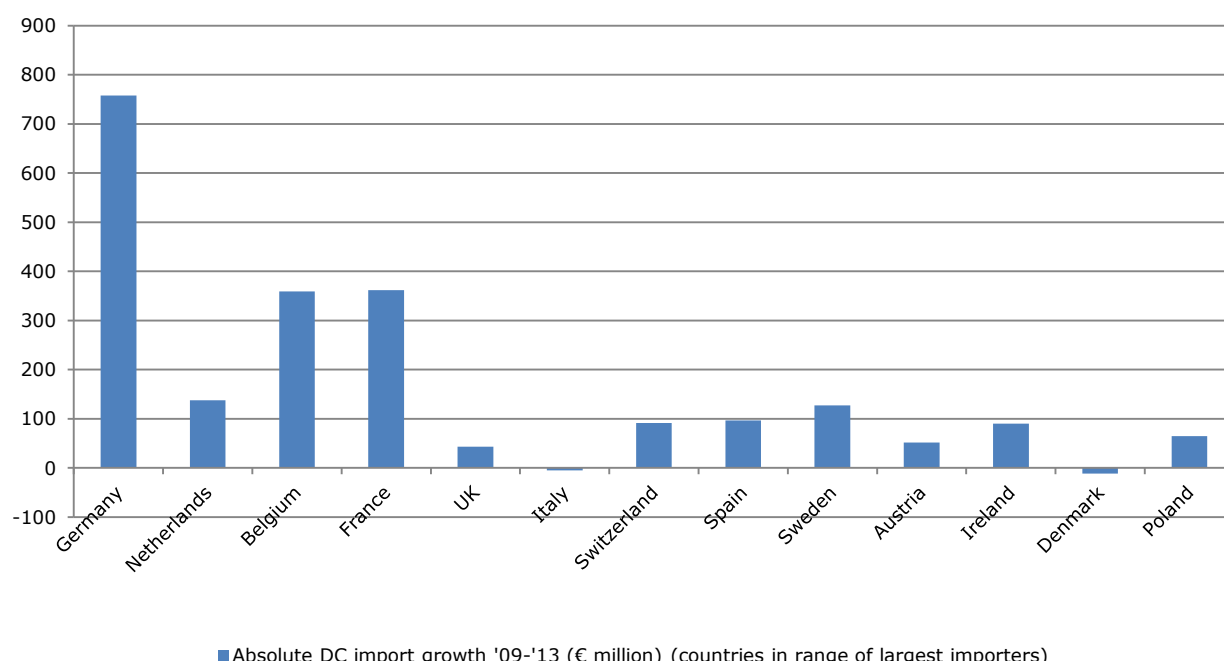
**Figure 2 Main importers, 2013, € million**



Source: Trademap (2015)

Imports of MLD products from DCs reached € 6.5 billion in 2013 (Trademap). Their share in total EU imports grew from 7.6% in 2009 to 9.6% in 2013.

**Figure 3 Absolute DC import growth '09-'13 (€ million) (countries in range of largest importers)**



Source: Trademap (2015)

This was the result of strong rising imports from Germany, to a very large extent, which is evident from Figure 3. With compound annual growth of 8.2% since 2009, Germany strengthened its position as the main destination for MLD from DCs. The country accounted for 19% of the total EU import value in 2013. Other countries that contributed to the growing imports from DCs were France, Belgium, the Netherlands, Sweden, Spain, Switzerland and Ireland.

**Tip:**

- Growth of imports from DCs will continue, albeit slowly, as relocation of manufacturing from Europe to (mainly Asian) DCs will go on in the next few years. Germany will continue to be the largest market for MLD from DCs, followed by France, Belgium and the Netherlands. Therefore, focussing on these countries can be a very rewarding strategy.

Imports of orthopaedic-related products (appliances and artificial body parts) have shown a relatively strong increase over the period under review. These products will also record high growth figures in the next few years, as the increasing number of elderly individuals will generate more demand for orthopaedic devices, as musculoskeletal disorders are common in this population group.

**Tip:**

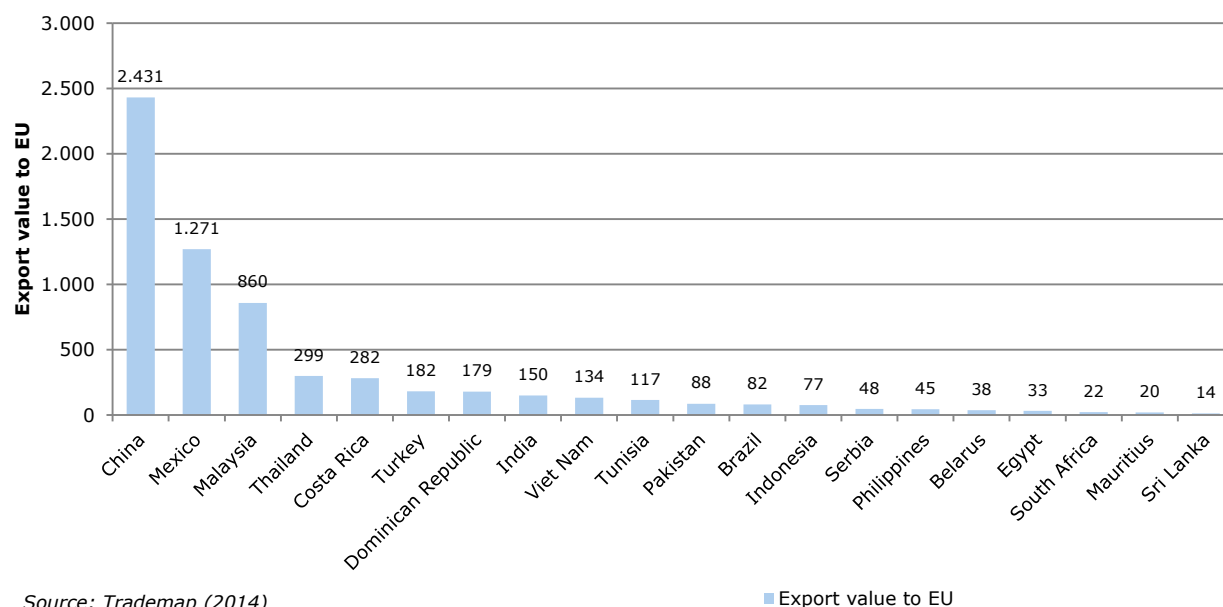
- DC exporters of orthopaedic-related products can benefit from such prosperous market circumstances in Europe.

The top four importers, namely Germany, the Netherlands, Belgium and France will continue to be the leading importers in the next few years, as these countries will continue to be the largest MLD markets and will depend on imports to a certain extent.

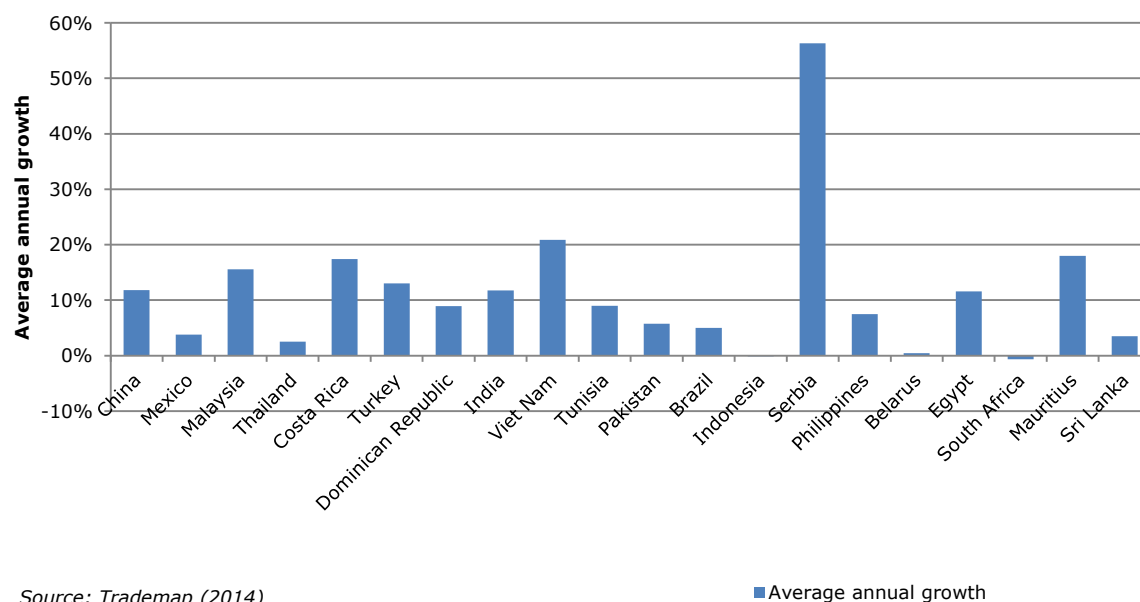
**Tip:**

- The top four importers offer good opportunities to DC exporters. However, DC exporters should realise that these are mature markets and can be difficult to enter. Other markets (number 5-15) also offer interesting opportunities only because of their size.

**Figure 4 Leading DC suppliers of Medical and Laboratory Devices to the EU region in 2013, by value, € million (%)**



**Figure 5 Leading DC suppliers of Medical and Laboratory Devices to the EU region in 2013, by average annual growth (%)**



Some interesting insights are also revealed when looking from a DC perspective. Refer to Figure 4 and 5. In total, there were 17 DCs that each account for more than 0.5% of total DC exports to the EU region. Together, these 13 countries represent 98% of all DC imports. It shows that only a dozen DCs have MLD production capacity and managed to expand sales to Europe.

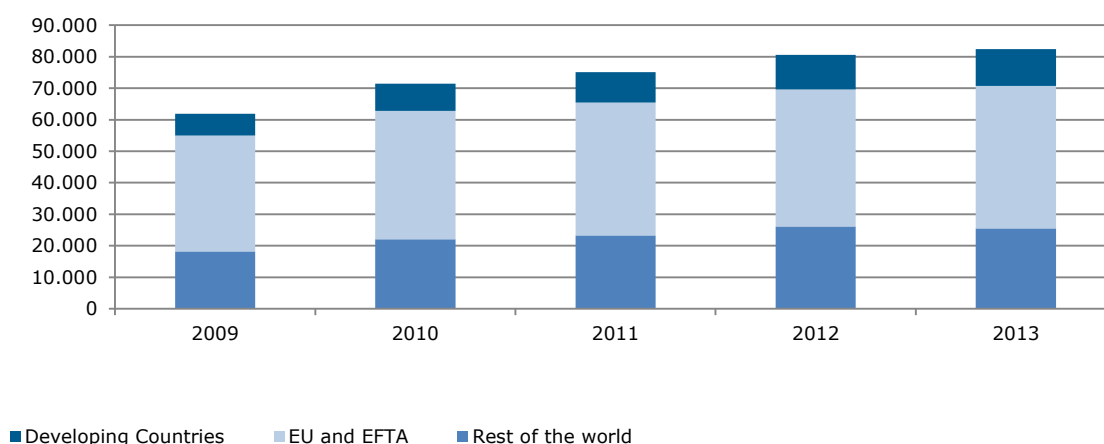
China will remain the main DC supplying country; however, growth of Chinese exports is expected to continue at a lower rate compared to the period 2006-2010. An analysis of export data in 2011-2013 already reveals that Chinese export growth to Europe was only some 5% on average per year, compared to a growth rate of 24% for Vietnam.

**Tip:**

- The expectations concerning China can provide opportunities for DC manufacturers from other countries, such as Vietnam.

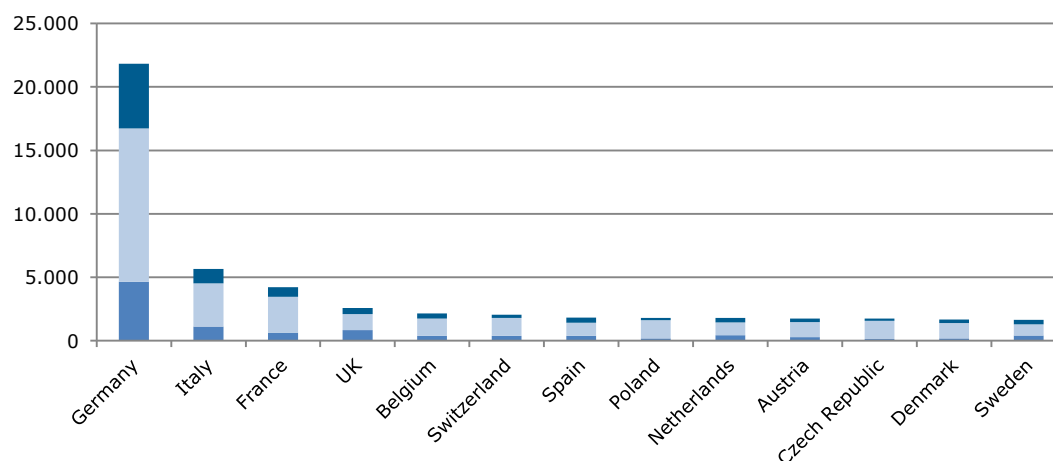
## Exports

**Figure 6 EU exports, by main destination, € million**



Source: Trademap (2014)

**Figure 7 Main exporters, 2013, € million**



Source: Trademap (2014)

The EU continued to keep the net-exporter position in the period under review (compare Figure 1 and 6), with a total trade surplus ranging from 7 to 16 billion Euro per year.












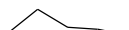
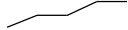



The EU ran trade surpluses (more exports than imports) for all product groups. The main products imported from DCs are 1) instruments and appliances, 2) needles and catheters, 3) surgical gloves of rubber, 4) dressings and 5) orthopaedic appliances. Surgical gloves of rubber play an important role as rubber as a resource is abundantly available in DCs. Dressings and needles are imported from DCs for reasons of cost reduction, while instruments and appliances comprise a very large group and therefore a leading position is logical. A few more products should be mentioned here: hearing aids and artificial teeth. DCs account for a relatively large share of EU imports for these products.

**Tip:**

- The net-exporter position of the EU means that the EU is home to a large production base of MLD. This offers good opportunities to DC exporters that are looking for subcontracting possibilities. This mainly applies to medical disposables (or 'single-use medical devices'), since disposables mostly concern labour-intensive, high-volume and low-cost products. If you are interested in subcontracting, it is important to realise that requirements in a subcontracting relationship are rather high. As a subcontractor, you must be able to produce according to the contractor's quality standards, meet deadlines and effectively communicate with the contractor. Although margins might be lower, it could result in a long-term business relationship with frequent orders. Certifications, such as CE and ISO, will set you apart from your competitors.







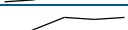


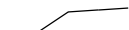








## Industrial demand and production



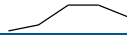

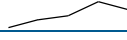
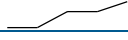




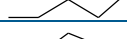

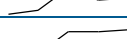
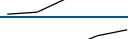

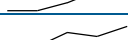






**Table 1 EU demand and production: size (€ billion), trend line, and growth (Compound Annual Growth) of MLD, by type of product, 2009-2013**

	2013	Trend '09-'13	Annual growth '09-'13	2013	Trend '09-'13	Annual growth '09-'13
<b>Total</b>	<b>54.6</b>		<b>9.6%</b>	<b>74.3</b>		<b>11.7%</b>
dental and orthodontic implants and instruments	14.7		7.1%	17.2		9.2%
dental equipment and devices	0.5		43.1%	0.6		35.4%
high-tech medical and laboratory equipment	3.7		5.7%	8.0		4.0%
medical and diagnostic equipment	14.9		23.8%	22.3		30.2%
medical and laboratory commodities	14.1		5.1%	16.7		8.0%
medical and surgical instruments and appliances	4.4		3.6%	5.9		-0.1%
ophthalmic equipment and instruments	2.4		6.2%	3.7		8.5%

Source: Eurostat Prodcum, 2015

**Table 2 EU demand and production: size (€ billion), growth (Compound Annual Growth) and trend line of MLD, by country, 2009-2013**

	Demand			Production		
	2013	Trend '09-'13	Annual growth '09-'13	2013	Trend '09-'13	Annual growth '09-'13
<b>Total</b>	<b>54.6</b>		<b>9.6%</b>	<b>74.3</b>		<b>11.7%</b>
Germany	12.8		13.2%	21.5		11.0%
Netherlands	7.6		12.4%	11.8		15.7%
France	7.0		10.0%	7.3		6.9%
United Kingdom	4.7		5.0%	4.9		8.1%
Italy	4.5		5.6%	3.5		10.0%
Belgium	4.0		10.0%	7.1		17.4%
Spain	2.7		6.4%	1.2		6.0%
Ireland	2.4		14.5%	7.2		10.7%

Sweden	1.3		5.3%	1.6		4.5%
Austria	1.1		8.5%	1.2		11.5%
Poland	1.0		9.9%	0.7		27.2%
Denmark	0.9		0.4%	1.9		2.9%
Luxemburg	0.7		73.9%	0.7		67.7%
Czech Republic	0.7		3.8%	0.7		10.5%
Finland	0.7		8.9%	1.5		24.2%
Portugal	0.5		3.2%	0.3		19.4%
Greece	0.4		-11.1%	0.1		8.2%
Hungary	0.4		10.8%	0.5		23.6%
Other	0.9		11.1%	0.7		32.0%

Source: Eurostat Prodcorn, 2015

The EU MLD industry is the second largest in the world, behind the USA and ahead of Japan. Production output totalled € 74 billion in 2013, after a double digit average growth in the period 2009-2013 (Eurostat Prodcorn). Refer to Table 1 for more information.

**Tip:**

- Because the EU market is large, there are significant opportunities for DC exporters of MLD. Several potential market entry strategies are possible, depending on the characteristics of your offering. Refer to CBI's Market Channels and Segments for Medical Devices for more details.

More than 50% of the EU market is supplied with MLD products produced locally (in the EU); imports represent the balance of total demand.

Many EU countries show comparable values for production and demand, or have a clear trade surplus (more production than demand). This is an indication of the self-sufficiency in the EU region. Italy and Spain are obvious exceptions: these countries have a (considerable) net trade deficit.

Demand for MLD in the EU is expected to continue to increase (slowly) in the years to come, which provides opportunities for DCs.

In terms of market value in 2013, Germany was the largest market in the EU, followed by the Netherlands, France, the UK, Italy, Belgium and Spain. Therefore, DC exporters should do their best to find a way to enter these markets.

**Tips:**

- Competition in the large markets is severe. However, the large market size often represents good opportunities to DC exporters, provided that DC exporters are able to find a good intermediary.
- Statistical data can be used to select priority markets. In that case, use the product codes that are specific to your product. Do not forget to include other criteria, such as cultural proximity. For example, an exporter from Colombia might find it easier to export to Spain where he will face lower language and cultural barriers than other EU countries.



**CBI Market Intelligence**

P.O. Box 93144  
2509 AC The Hague  
The Netherlands

[www.cbi.eu/market-information](http://www.cbi.eu/market-information)

[marketintel@cbi.eu](mailto:marketintel@cbi.eu)

This survey was compiled for CBI by Globally Cool  
in collaboration with CBI sector expert Leendert Santema

Disclaimer CBI market information tools: <http://www.cbi.eu/disclaimer>

May 2015