



News release

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<i>Pages</i>	3

Emerging markets are gaining ground in medical technology innovation, finds PwC's Medical Technology Innovation Scorecard

Opportunities for Middle East to leverage global partnerships to boost innovation in the region

Dubai, United Arab Emirates – Emerging markets, led by China, India and Brazil, are gaining ground in their capacity to produce the latest in medical technology innovation and may surpass developed countries in innovative healthcare delivery over the next decade, according to a PwC report titled ***Medical Technology Innovation Scorecard: The race for global leadership***. Growth in these emerging market economies is attracting the focus of the world's innovation resources and activity, and they are taking the lead in developing a new generation of small, faster, more affordable medical devices.

The report is based on the findings of the PwC Medical Technology Innovation Scorecard, a new, multifaceted assessment of the capacity of nine countries to adapt to the changing nature of innovation: Brazil, China, France, Germany, India, Israel, Japan, the United Kingdom and the United States.

Sally Jeffery, Advisory Partner for PwC in the Middle East said, "Most of the GCC countries, especially the UAE, are increasingly focusing on innovation in healthcare. Four key components are required to enable successful innovation; intellectual capital, innovative ideas, funding and sufficient demand to make it commercially viable. The report provides some good insights for Middle East companies on effective partnering strategies to optimise these four components."

"For intellectual capital, this region should continue to partner with the U.S. and the UK as their universities and research institutes still rank amongst the best. For innovative ideas, some of the most interesting innovations for a developing region however, are those that are simple, mobile and consumer driven. We believe the Middle East should look to partner with more emerging market countries like India and China. These markets are under extreme pressure to improve efficiency levels and drive down costs, thus providing the optimal context for stimulating innovative ideas."

The PwC study confirms that these countries are evolving quickly and are the source of some of the most exciting medical innovations. Funding is not typically a problem in this region, but accessing sufficient volumes to help commercialise innovation is an issue for many of the wealthy GCC countries. To achieve economies of scale therefore, partnering with Asian countries is viable, particularly as the regulatory approval process is a lot faster than in the US or Europe.



Sally added, “The Middle East generally references the regulatory standards from the U.S. or Europe, in order to get medical devices approved and on to the local market. This approach risks overlooking innovations that are increasingly only commercialised in India and China, where there is sufficient local demand.”

The high incidence of chronic diseases in the Middle East and the relatively young technology obsessed population offers a good opportunity for medical innovation, provided investors get the partnering strategy right. There are a few examples where Middle East innovators are introducing simple, personalised mobile technologies such as hand-held diagnostic devices, as a means of making healthcare more patient focused and consumer driven. In KSA for example, the telecommunications company Mobily recently launched a mobile medical imaging service enabling ultrasound images and video clips to be sent directly from an ultrasound machine to a mobile device. The UAE is also actively looking at wellness programmes that are enabled by mobile diagnostic devices and medication compliance trackers.

While there has been much anecdotal evidence that the centre of innovation is moving away from the U.S. the incumbent global leader, PwC is the first to analyse the specific factors that contribute to medical technology innovation. PwC quantified five factors, using 86 different metrics, to evaluate how well each nation promotes the advance of innovation, looking at the past five years and projecting change over the next decade to 2020.

Looking to the future, the U.S. is expected to continue to lead in medical technology innovation, but also will lose ground to other countries during the next decade. The Innovation Scorecard also projects relative declines for France, UK and Germany. By contrast, China, India and Brazil are likely to see gains during the coming decade. China, which has shown the largest improvement in its medical technology innovation capacity during the past five years, is expected to continue to outpace other countries and reach near parity with the developed nations of Europe by 2020.

The complete report is available for download at www.pwc.com/InnovationScorecard.

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Notes to the Editor

Methodology

The PwC Medical Technology Innovation Scorecard incorporates 86 qualitative and quantitative data and analysis to identify and provide support for industry best practices. The overall scores and rankings in each of 10 dimensions, as well as in aggregate, should be regarded as a general guide to help support the advancement of regulatory and advocacy work within the medical device industry.

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