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POLMED
OGÓLNOPOLSKA IZBA GOSPODARCZA
WYROBÓW MEDYCZNYCH

Medical device sector in Poland

Size, influence, importance

Executive Summary

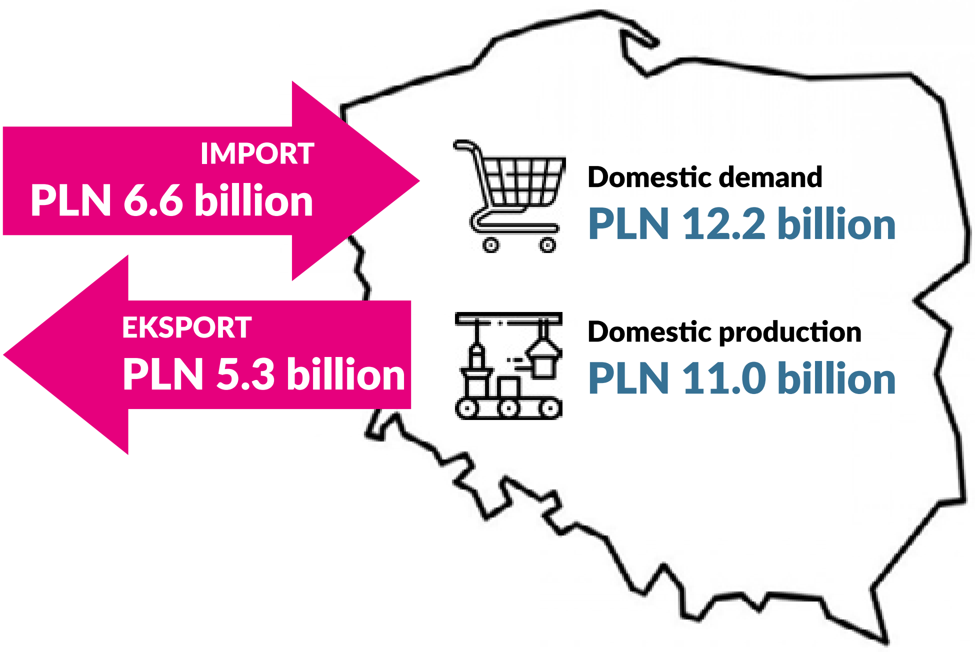
» **Medical devices consist of a wide variety of different types of products.** They include for example basic bandages but also very complex implantable devices. Due to such a diversification, the number of medical devices in use is estimated to be around 2 million on global market and 300 thousand on Polish market. The sheer number of products is one of the reasons why it is difficult to capture the importance of the medical device market for the economy and public health.

» **The analysis of available international data places Poland among countries with a low level of use of medical devices in the healthcare system.** The average cost per person of goods and services related to using medical devices (laboratory and imagery services, cost of other nondurable medical goods and therapeutic devices as well as other durable medical goods) places Poland below the average of the 22 OECD countries analysed. However, such data cannot be used to determine the size of the total medical device market because they do not include the purchases of medical devices by professional healthcare providers.

» **According to official Polish records, there are 5,266 unique entities that are medical devices producers, importers, or distributors.** Based on individual financial data of those entities, the size of the medical device market in Poland was estimated. In this estimate, only the entities that deal solely with medical devices and at the same time are not market intermediaries were taken under consideration.

PLN 17.5 billion

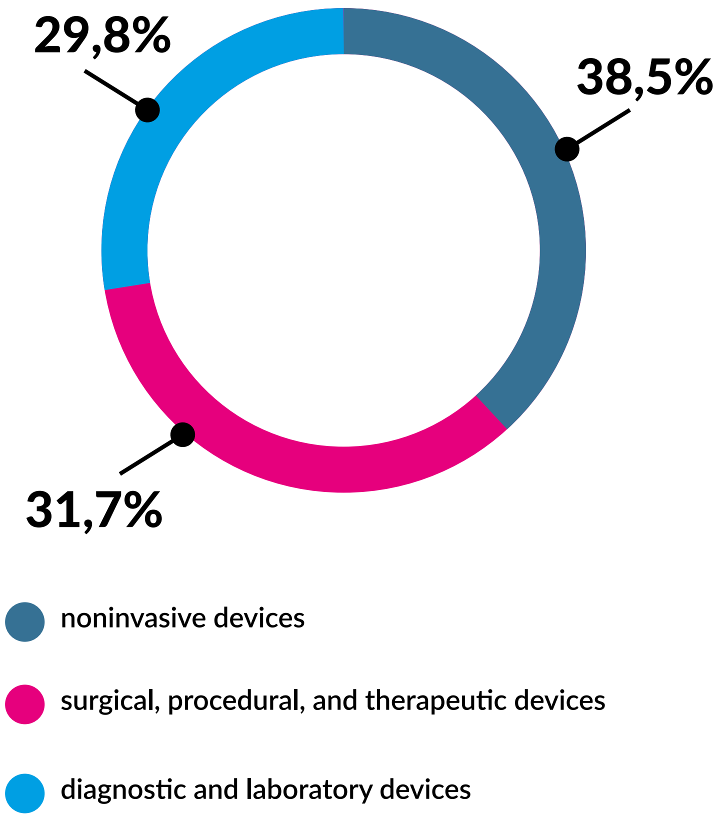
The size of the medical device market estimated using the sales revenue method based on 2020 data



- **Added value, which is the increase in the value of goods as a result of business activity, in medical device market in Poland in 2020 equalled PLN 4.5 billion.** This implies a contribution to Poland's domestic production of 0.19% GDP.

- **The employment in medical device market in 2020 amounted to 30 thousand people.** Only 30 companies employ 50% of the market's total workforce. The employment in medical device market constituted 0.19% of total employment in Poland in 2020.

- **Most of the medical devices sold in Poland are noninvasive. The second biggest group are surgical, procedural, and therapeutic devices followed by diagnostic and laboratory devices.** The number of entities operating in Poland that focus on noninvasive devices is also the biggest, which results in a lower average revenue compared to other entities in the market.



- **The producers of medical devices alone display even higher importance of noninvasive devices group in the total market.** 66% of the producers' total revenue is generated by noninvasive devices producers. It only confirms the thesis that medical devices producers in Poland mostly focus on non-active devices such as:

  - Orthopedic and remedial devices,
  - Hospital furniture,
  - Operating room equipment,
  - Single-use devices.

- **Diagnostic and laboratory devices constitutes the smallest chunk of the total domestic production.** It is mostly due to the fact that the majority of complex imaging devices (e.g., MRI, CT) is produced outside of Poland and then imported.

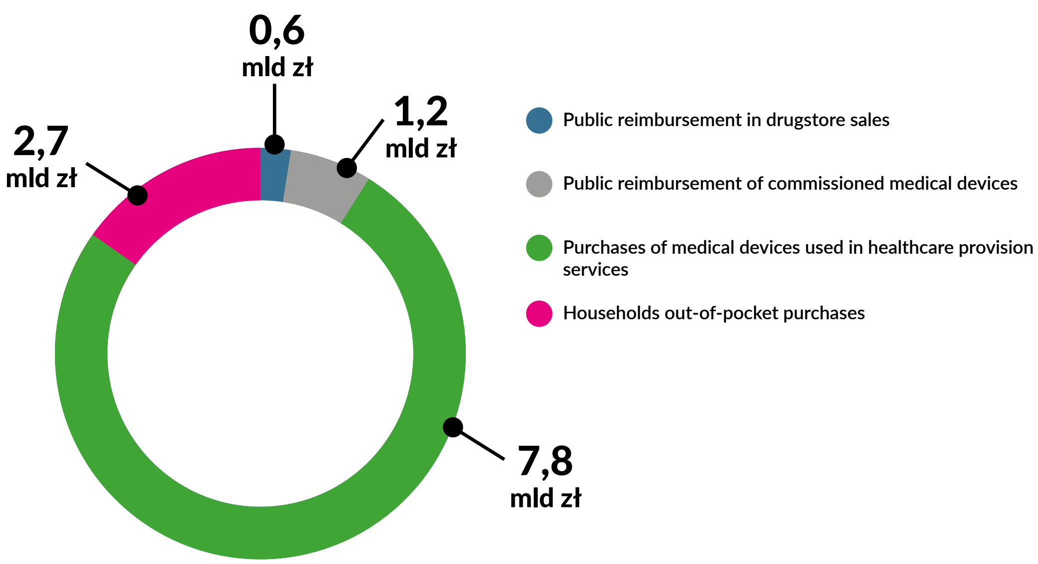
» **52.9% or 5.8 billion PLN of revenue was generated by production entities with the majority of Polish capital.** The producers of noninvasive medical devices were the group with the highest revenue generated. Among the producers with majority of foreign capital, the production of noninvasive medical devices was comparable to the surgical, procedural, and therapeutic devices production.

» **There is a significant dominance of domestic over foreign producers in terms of their number.** The latter constituted only 14% of the total number of producers. This means that an average revenue of domestic producers was over 5 times lower than the revenue of foreign producers.

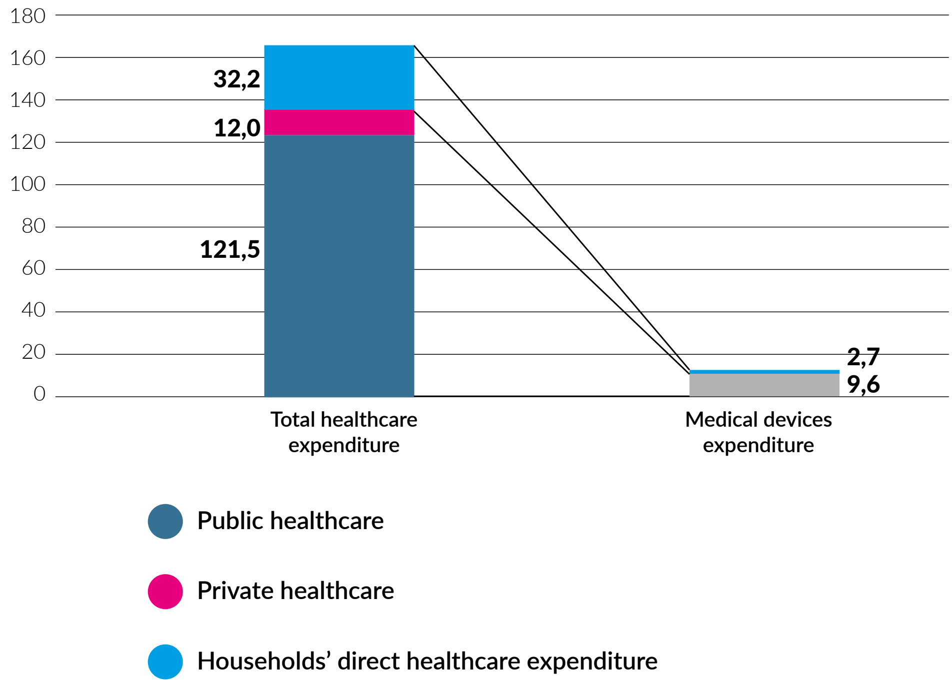
» **Members of POLMED Chamber make up 46.5% of the medical device market in Poland, while their revenue was estimated to equal PLN 8.2 billion.** Such sizeable revenue from only 86 companies implies that the Chamber gathers the biggest entities in the market. Although the majority of the member entities are distributors and importers, the value of the medical device production is also quite significant. One third of the entire revenue generated by entities within POLMED Chamber is generated by manufacturers.

» **Ten biggest entities in the market generate 35.3% of the total revenue and employ 25.3% of the industry's workforce.** Only three of these entities are not members of POLMED Chamber. Only two of the top ten are entities with the majority of domestic capital. There is no visible specialization among those entities. They consists of entities dealing in all major device groups, including absorbent medical devices, surgical and procedural devices, medical imaging systems, and complicated miniature implantable devices.

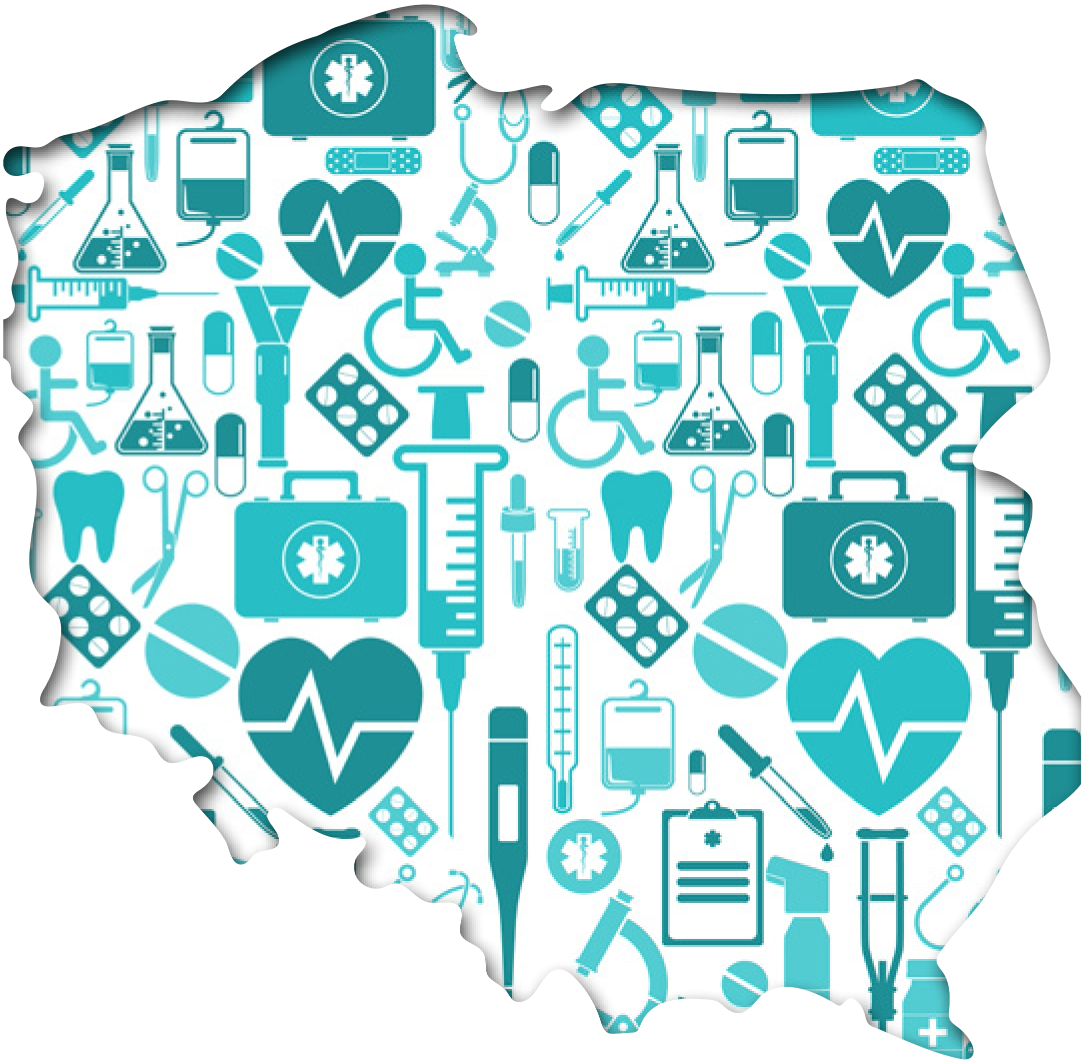
» **The demand for medical devices in Poland mainly originates from public and private healthcare providers, which are responsible for the 63.7% of the total domestic demand in 2020 i.e., PLN 7.8 billion.** The cost of medical devices directly purchased by households was estimated at 2.7 billion PLN. Public reimbursement in drugstore sales, which covers glucose test strips and a variety of dressings, amounted to ca. PLN 0.6 billion. The reimbursement of commissioned medical devices (stoma bags, adult diapers, prosthesis, etc.) equalled ca. PLN 1.2 billion.



» **According to the estimates provided in this publication, the costs of medical devices made up 7.4% of total Polish healthcare costs.** Medical devices made up 8.2% of the direct costs covered by households and 7.2% of public and private healthcare systems costs.



Report’s table of contents



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