



# Australia's Fastest Growing **BIOTECH SECTOR**



The medical technology industry is growing rapidly around the world, with annual revenues forecast to be over (USD) \$288 billion in 2011, driven by the increasing affluence of developed and developing countries, improvements in medical technologies and the resultant increases in life expectancy fuelling demands for a higher quality of life, regardless of health conditions.

AusMedtech, part of AusBiotech, is the national industry group that represents the medical devices and diagnostics industry sector. AusMedtech works to a strategic plan to grow and support this important and fast-growing industry sector, by:

- Providing information to allow for better decision making by medical technology businesses - facilitate success in product development, manufacturing and business;
- Representing Australian developers and manufactures and focus the industry on commercialisation and export success – taking Australian medical technology to the world;
- Supporting future sustainability by encouraging links between industry, research bodies and government;
- Leading advocacy for industry issues and to raise community awareness of the Australian medical technology industry.

The Therapeutic Goods Administration has defined a medical device as any technology, including devices, software or diagnostics, intended to be used by human beings for the prevention, monitoring or treatment of a disease, injury or physiological process. It includes joint replacements, artificial hearts and heart stents, as well as implants like the cochlear implant.

Driving the demand in medical

Industry success stories include ResMed, maker of devices to treat sleep disorders, and bionic ear pioneer, Cochlear. These two companies have a market capitalisation of more than (AUD) \$5 billion and almost \$4 billion respectively.

These are the largest amongst, and perhaps best known of the estimated group of more than 1,000 companies that make up Australia's medtech industry.



devices in Australia, is one of the world's fastest ageing populations. By 2050, over 30% of the population will be over 65 years of age and the '85 or older' age group is the fastest-growing segment.

Australia has seen its medtech sector advancing vigorously for some years and now has an established community of companies, particularly in Victoria and New South Wales (NSW).

The majority of companies are at the start-up end of the spectrum and employ fewer than 20 people. Around 10% of the sector now employs over 100 people.

Industry turnover in Australia is over \$6.5 billion annually, with revenue from local manufacturing more than tripling, from \$898 million in 2003-04 to \$3.2 billion in 2010-11. There are at least 17,500 people employed



by 1,890 enterprises in the sector, generating more than \$1.1 billion in wages. This reflects the strong growth since 2003-04 when there were only 710 enterprises employing 4,800 people.

Around 80% of enterprises are on the eastern seaboard with many companies involved in importing, sales, marketing and distribution and undertaking a complex range of activities including the research, development and manufacture of products. It is

an exemplary knowledge-based industry with healthy prospects, expected to grow at a compound annual growth rate (CAGR) of 6 – 9% over the next five to ten years in line with global trends, provided a sufficient skills base is available. This strong projected growth in demand is expected to lead to increased rates of expansion for start-up and mid life companies, with many mature domestic companies expecting to double their revenues in the next three years and importing

companies expanding operations.

The industry is strongly export-focused, exporting over 80% of domestic production. Trade is mainly with the US, EU, Japan and China. While exporting most of the medical devices produced, Australia imports more than 80% of medical devices consumed, demonstrating the truly global nature of this industry.

The industry is advancing rapidly, using research developments to facilitate innovations in the biomedical sphere. An increasing convergence of technology platforms has resulted in greater collaboration across the disciplines of biomedical, electronic and mechanical engineering, nanotechnology, ICT and software development to develop the next generation of medical bionics.

The Australian industry's pre-

mier medical technology conference, AusMedtech 2011 ([www.ausmedtech.com.au](http://www.ausmedtech.com.au)) is to be held 23-24 May in Sydney, providing business partnering opportunities for decision-makers and networking with key industry players. The annual event brings together key stakeholders of the Australian and international medical devices and diagnostics sector, to discuss the major issues in global medtech success with a focus on emerging markets. This is a must-attend event for any-

one interested in the sector.

Special features of AusMedtech 2011 include a Medtech Investment Summit and the Medtech Trade Exhibition. This conference will provide information to help you plot your course to global success, targeting key commercial issues such as export opportunities, finance and investment, hot technologies and updates in the fields of IP, regulatory approvals, reimbursement and sales networks.