

MARKET OPPORTUNITY KOREA

Healthcare & Medical Technologies



HEALTHCARE
& MEDICAL
TECHNOLOGIES

OVERVIEW

- The medical devices market has grown steadily in Korea. Market was sized at Korean Won (KRW) 5.87 trillion in 2016 and KRW 6.2 trillion in 2017, with a 6.2% Compound Annual Growth Rate (CAGR) (2012-2017). The industry is comparatively inelastic.
- Korea's healthcare market is the fourth largest in the Asia-Pacific. It ranks first among OECD countries in the rate of growth of its ageing population (4.3%).
- Drivers to market growth include increased insurance cover, ageing population and growth in the medical devices industry in emerging countries that import from Korean manufacturers.
- Industry trend: smart medical devices for the mass market, targeting an expanding base of health-conscious consumers.

Top Business Opportunities for EU companies

1	Dealing with healthcare and medical technologies for age-related conditions.
2	Dealing with Magnetic Resonance Imaging (MRI) and Computed Tomography (CT) equipment. While a few major companies lead the medical market, small and medium companies account for most mid/low-cost (budget) products in Korea. 62% of demand in the Korean medical industry continues to depend on imports, particularly MRI and CT equipment, which are expensive.
3	Trading smart medical devices. Good trade relations with the EU has resulted in smoother access to market; several distributors and importers of European medical devices are present in Korea.
4	Healthcare technology companies open to Mergers & Acquisitions opportunities and potential export partnerships with Korean companies operating in other parts of Asia. Korean brands have high value in the Asian market.

High-Frequency Diseases in Korea (2015-2017)

1	Acute bronchitis	6	Dental caries
2	Gingivitis, periodontal diseases	7	High blood pressure
3	Vasomotor and allergic rhinitis	8	Gastritis
4	Acute tonsillitis	9	Dorsalgia
5	Acute upper respiratory infections	10	Acute pharyngitis

Sector Characteristics

- Certification required for all medical devices in Korea for production, import and export by the Ministry of Food and Drug Safety (MFDS).
- MFDS definition of Medical Devices: Medical instruments, medical supplies, dental materials and reagents for in vitro diagnostics (IVD reagents).
- Medical instruments account for 60% of medical devices: includes physical devices, medical software and ubiquitous healthcare devices (u-healthcare).
- Smart healthcare market has expanded beyond medical services to individual lifestyles, diet, and sports/activities.
- Korean government actively supports private-sector-driven R&D in Bio and Healthcare industries. Sector deregulation has halved the approvals period from one year to six months and lowered market entry barriers for this industry.
- The key players in Korea tend to specialise in a few segments, e.g. SAMSUNG Medison for diagnostic imaging systems, LUTRONIC for laser apparatus and InBody for body composition analysers.

South Korea (51.7 mn)



€ 4.5 billion
market size by
2025

4th largest
healthcare market
in the Asia Pacific

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Key Players: Medical Devices (Unit: KRW, 2017)

* Ranked by revenue performance (2017)
Source: Ministry of Food & Drug Safety

<i>(Ranking) Company</i>	<i>Product</i>	<i>Revenue</i>
1 Osstem Implant	Endosseous implant	689 billion
2 Samsung Medison	Diagnostic imaging system	280 billion
3 General Electric Company	CT, MRI, Diagnostic imaging system	152 billion
4 Dentium	Dental implants	149 billion
5 Siemens Healthcare	Imaging system	102 billion
6 Samsung Electronics	X-ray, CT imaging system	83 billion
7 Vatech	Dental digital diagnostic X-ray system	78 billion
8 i-SENS	Glucose analyser Blood glucose monitoring systems	70 billion
9 Wontech	Aesthetic lasers	66 billion
10 Vieworks	Diagnostic imaging cameras and system	64 billion

Top Items

(Unit: KRW, 2017)

* Ranked by total product revenue (2017)
Source: Ministry of Food & Drug Safety

Production (by revenue)

- Dental implant-fixture (644 billion)
- Ultrasound imaging system (495 billion)
- Dental implant-superstructure (244 billion)
- Biomaterial graft and prosthesis (206 billion)
- Soft contact lens (190 billion)
- Medical image processing device (135 billion)
- Device for Dental implant (114 billion)
- Lens for glasses (89 billion)
- IVD Reagents for self-testing (83 billion)
- Heater medical use by personal (79 billion)

Export (by revenue)

- Ultrasound imaging system (551 billion)
- Biomaterial graft and prosthesis (188 billion)
- Soft contact lens (152 billion)
- Dental implant (140 billion)
- IVD Reagents for self-testing (132 billion)

Import (by revenue)

- Soft contact lens (120 billion)
- Stent (95 billion)
- Dialyser, disposable (85 billion)
- IVD reagents for clinical Immunochemistry (66 billion)
- Knee prosthesis (65 billion)