

Press Release



Ministry of Health and Welfare,
Republic of Korea

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Contact: Chi, Yoonsuh / Foreign Media Spokesperson(+82-44-202-2048 / cys12@korea.kr)

The 1st 5-Year Comprehensive Plan for Development & Support of the Medical Devices Industry for Korea to be a Global Medical Devices Export Powerhouse

- The first comprehensive plan consists of 4 strategies and 12 key tasks -

To double export volume of domestic medical devices (USD 8.6 billion in 2021 → USD 16.0 billion in 2027) and emerge as the world's 5th largest medical devices exporter.

- ☐ **Increase investment in government-private joint R&D** ▲ Concentrate investment on Korea's most competitive technologies, ▲ Gain presence in new markets with high potential like digital healthcare, ▲ Promote public investments and establish health security.
- ☐ **To incentivize the use of domestic medical devices** ▲ Support the clinical demonstration, education and training, ▲ Support demonstration in the field of digital healthcare, ▲ Improve global competitiveness of in vitro diagnostic medical devices.
- ☐ **To expand business globally** ▲ Build export support systems and prepare for tightening regulation in other countries, ▲ Provide customized consulting and information, ▲ Create an environment for open innovation.
- ☐ **To expedite market entry of innovative technologies including AI & digital technology** ▲ Rationalize and improve regulations, and systems, ▲ Foster innovative corporations, ▲ Train worksite-gearred personnel

On April 4, the Ministry of Health and Welfare (Minister Cho, KyooHong) announced "The 1st Comprehensive Plan for Development and Support for Medical Devices Industry (2023~2027)" for Korea to be a global medical devices export powerhouse.

The announcement was a follow-up to the “Strategies to Create New Bio-Health Markets” released at a meeting presided over by President Yoon Suk Yeol on February 28. It is the first mid- to long-term comprehensive plan* established according to the “Act on Nurturing Medical Devices Industry and Supporting Innovative Medical Devices,” enacted in May 2020.

“The 1st Comprehensive Plan for Development and Support for Medical Devices Industry (2023~2027)” included the outcomes of discussions with experts from industry, academia, and the research and medical industry** on the status of the domestic medical devices industry and issues facing the industry, and measures to support the industry overall.

* The plan should be made every five years according to Article 6 of the “Act on Nurturing Medical Devices Industry and Supporting Innovative Medical Devices.”

** The Strategy and Planning Council consists of 52 experts from industry, academia, and the research and medical industry, along with eight subcommittees (organized in May 2022).

The medical devices industry is expected to exhibit high and sustainable growth potential due to global trends, including economic growth, an aging population, and a growing interest in health.

* Global medical devices market: USD 454.2 bil in 2021 → USD 663.7 bil in 2026, 7.9% average annual growth

Korea’s medical devices industry, the 10th largest in the world with a market size estimated at USD 7.99 billion (KRW 9.1 tril) in 2021, has expanded rapidly, recording 10.2% in average annual growth from 2017 to 2021*. The export-driven industry, with its exports accounting for around 77% of total production in 2021, has a high job creation effect**.

* The industry’s exports grew 9.9% on average annually before the outbreak of COVID-19 (2017~2019) and 51.5% in the post-pandemic years from 2019 to 2021.

** Average annual employment growth rate (% , 2017~2021): medical devices(5.8) » pharmaceuticals (4.6) » cosmetics(2.2)/ all (4.4)

Korea recorded the first trade surplus in medical devices in 2020, led by a sharp increase in exports of in vitro diagnostic medical devices due to the COVID-19 pandemic, extending the surplus in 2021 as well.

- * Trade surplus of medical devices (exports-imports): KRW -0.3 tril (2018)→ KRW -0.5 trill (2019)→ KRW 2.6 tril (2020)→ KRW 3.7 tril (2021)

Particularly, **the two manufacturers of in vitro diagnostic medical devices have reached over KRW one trillion in sales** for the first time in the history of Korean medical devices industry. One of the manufacturers **recorded remarkable sales close to KRW 3 trillion for the first time in the history of Korean medical devices and pharmaceutical companies.**

- * (Sales) Seegene: KRW 83.9 bil in 2018→ KRW 1.48.6 tril in 2021 / SD Biosensor: KRW 65.6 bil in 2018→ KRW 8.47.2 tril in 2021

Recent developments including **growing interest in digital healthcare, the emergence of new infectious diseases and an aging society, and accelerating 4th industrial revolution technology, are all conducive to the growth of the medical devices industry.** Given this, it is crucial and urgent to create effective long-term support strategies to ensure the medical devices industry continues its growth with the momentum gained after it advanced to the next level in the aftermath of COVID-19.

The government has established the vision and goals to **make Korea a global medical devices export powerhouse by shifting a paradigm from a technology catch-up industrial structure to a global leading industry, and formulated four major strategies in R&D, support for the clinical demonstration, expansion of the market, and regulatory changes and 12 key tasks.**

Minister of Health and Welfare Cho KyooHong said, **“Our medical devices industry took a leap forward during the COVID-19 pandemic. Now, we need to come up with long-term support strategies to ensure the industry’s sustainable growth and maintain its export momentum”.**

“In this context, we have developed the first long-term comprehensive plan under the ‘Act on Nurturing Medical Devices Industry and Supporting Innovative Medical Devices’ to help the industry become globally competitive and lead the broader bio-health industry, and we will work even harder to strengthen cooperation with the industry and secure necessary budget,” he added.