Medical Device Industry Forecast
Current State of the Medical Device Industry

Developed markets world map

CANADA
USA
EUROPE
JAPAN
KOREA
Developed markets have tepid growth because they are saturated and subject to too many restrictions.
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LITTLE GROWTH
2%-3%/YR

*VentureBeat is the leading source for news & perspective on tech innovation.
Emerging markets are both a remarkable opportunity and great challenge.

“The value of high-potential, emerging markets is tough to tap” – L.E.K.

* L.E.K. is a global strategy consulting firm with offices across Europe, the Americas and Asia-Pacific.
Despite smaller bases, emerging markets’ explosive growth allows for more competition and opportunity.

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<tbody>
<tr>
<td>CHINA</td>
<td>$321</td>
<td>1,357</td>
<td>21%</td>
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<tr>
<td>LATIN AMERICA</td>
<td>$713</td>
<td>588</td>
<td>14%</td>
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<tr>
<td>EUROPEAN UNION</td>
<td>$3,340</td>
<td>503</td>
<td>4%</td>
</tr>
<tr>
<td>UNITED STATES</td>
<td>$8,895</td>
<td>319</td>
<td>4%</td>
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Tapping emerging markets’ potential requires a new game plan with more emerging markets’ involvement. Companies in all segments of the medtech sector will have to produce high quality goods at lower cost. Companies will need to have global emerging markets experience. Because healthcare budgets are lower in emerging markets, companies must be able to develop medtech products at much lower price points. Companies are looking at markets with more promising growth, but these markets are fraught with operational challenges. The new medical hub of global innovation envisions true innovation hubs distributed globally.
Opportunities for Mexico

Mexico unfortunately continues to be seen as just a “low-cost labor destination.”

Supply Chain Services

Product Development
- R&D
- Prototype
- Regulatory
- Process Dev
- Sustained Engineering

Components Manufacturing
- Software Dev
- Electrical Components
- Precision Metal
- Plastics
- Weaving/ Knitting

Assembly / Manufacturing
- Assembly
- Manufacturing
- Packaging
- Sterilization

Manufacturing
- Resin
- Chemicals
- Textiles
- Metals
SEISA Plans to continue pushing beyond the boundaries of Mexico’s medical device industry today.

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Assembly/Manufacturing

Assembly
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Resin
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SEISA’s track record proves Mexico has the potential to innovate

“Economic change revolves around innovation, entrepreneurial activities, and market power” — Joseph Schumpeter
Why Mexico Must Innovate

SEISA’s track record proves Mexico has the potential to innovate

“Entrepreneurial-spirit”, ... the doing of new things or the doing of things that are already being done in a new way" stemmed directly from the efforts of entrepreneurs” – Joseph Schumpeter
Why Mexico Must Innovate

SEISA’s track record proves Mexico has the potential to innovate

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SEISA’s track record proves Mexico has the potential to innovate

“Innovation-the act of taking an idea or technology and transforming it into a sellable product or process-remains the key to raising the living standards of any advance economy” – Brookings Institute
SEISA’s Success

SEISA has positioned itself to thrive in the emerging market-focused future of the medical device industry.
Future Opportunity

Bio-Medical Cluster

Cd. Juarez Economic Development

Borderplex
Future Opportunity: The Irish Example

Galway Medtech Map

Ireland, a Successful Cluster

1. **Entrepreneurship Program**: Identifying and supporting high-potential startups as suppliers
2. **National Linkages Program**: Connecting large, locally consolidated supplier base with MNCs
3. **Innovation Comes Naturally**: Promoting high-value manufacturing and R&D with life sciences as the priority

Ireland, Cluster Superlatives

1. 18 of the top 25 medical device companies in the world operate in Ireland
2. Components and contract manufacturing sector consist almost entirely of Irish-owned firms
3. Explosive growth of complex therapeutic devices
Finding a Roadmap

With less than 1/5\textsuperscript{th} the labor, Ireland out-exports Mexico by ~60\% in value; Ireland’s exports are also more complex and expensive.

Ireland v Mexico: Medical Device Exports

Sources: GlobaData 2014