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Medical Device Industry Forecast





Current State of the Medical Device Industry

Developed markets world map

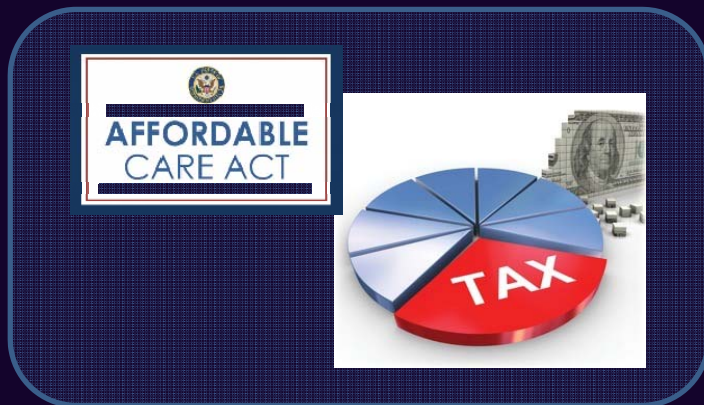




Current State of the Medical Device Industry

Developed markets have tepid growth because they are saturated and subject to too many restrictions

Healthcare Reform
and Taxes



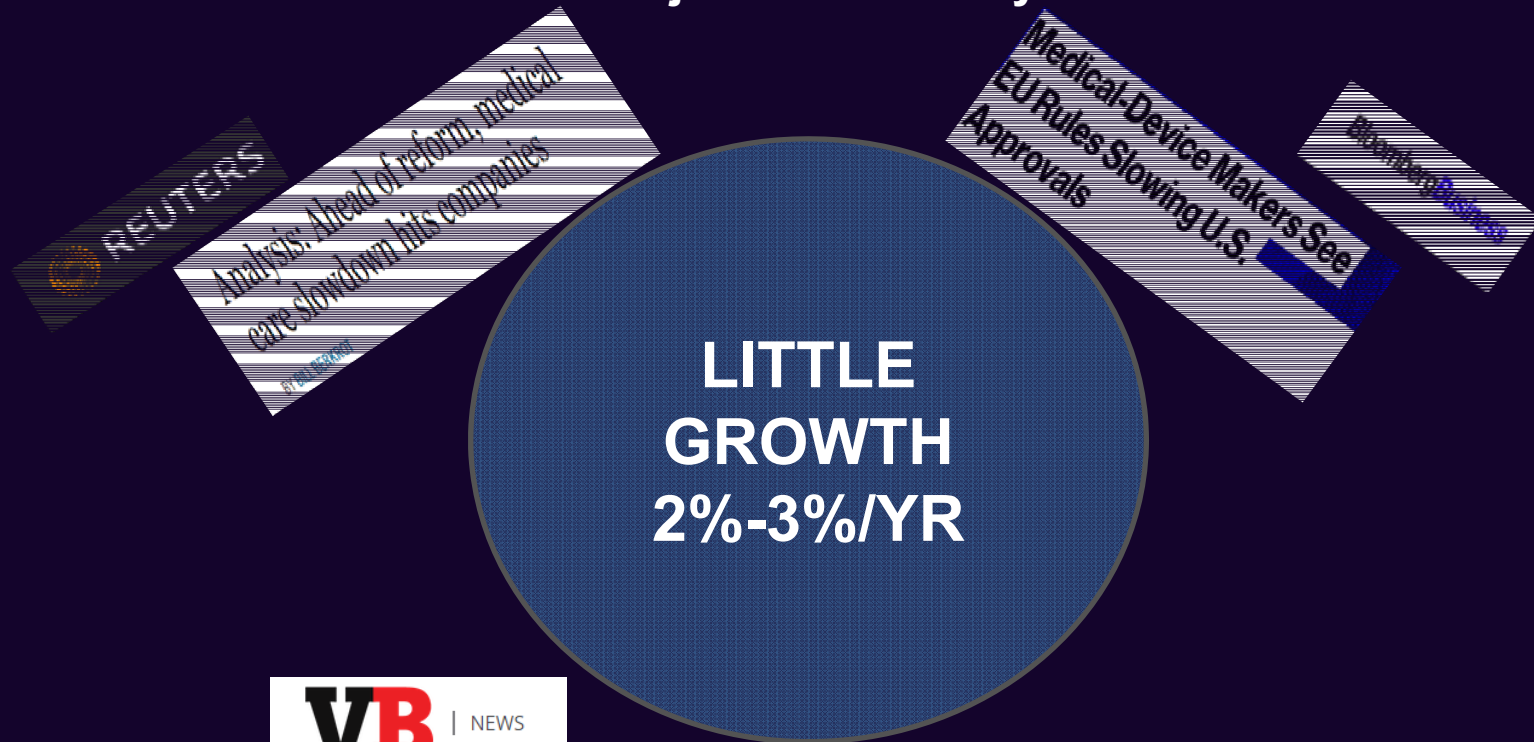
Regulatory Pressures





Current State of the Medical Device Industry

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Entrepreneurs say the FDA is killing medical innovation

*VentureBeat is the leading source for news & perspective on tech innovation



Current State of the Medical Device Industry

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.



Current State of the Medical Device Industry

Despite smaller bases, emerging markets' explosive growth allows for more competition and opportunity

Country	Average Per Capita Spend on Healthcare (2012)	Population (in millions)	Average Growth 2004 - 2012
CHINA	\$321	1,357	21%
LATIN AMERICA	\$713	588	14%
EUROPEAN UNION	\$3,340	503	4%
UNITED STATES	\$8,895	319	4%



The Current State of the Medical Device Industry

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"
BCG, 2014

"Companies will need to have global emerging markets experience"
JNJ, 2013

"Because healthcare budgets are lower in emerging markets, companies must be able to develop medtech products at much lower price points"
BCG, 2014

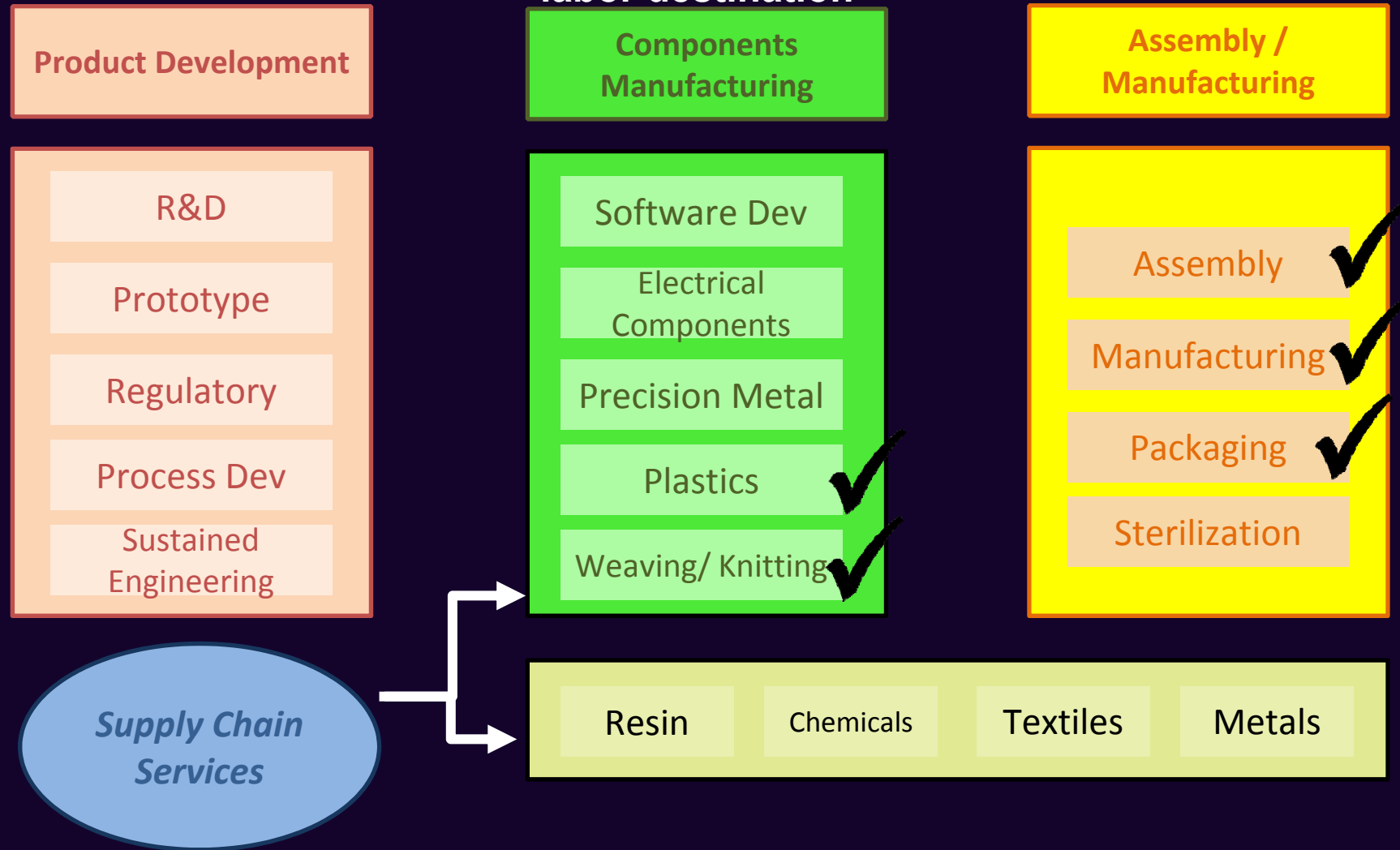
"Companies are looking at markets with more promising growth, but these markets are fraught with operational challenges"
LEK, 2014

"The new medical hub of global innovation envisions true innovation hubs distributed globally"
MDT Magazine, 2013



Opportunities for Mexico

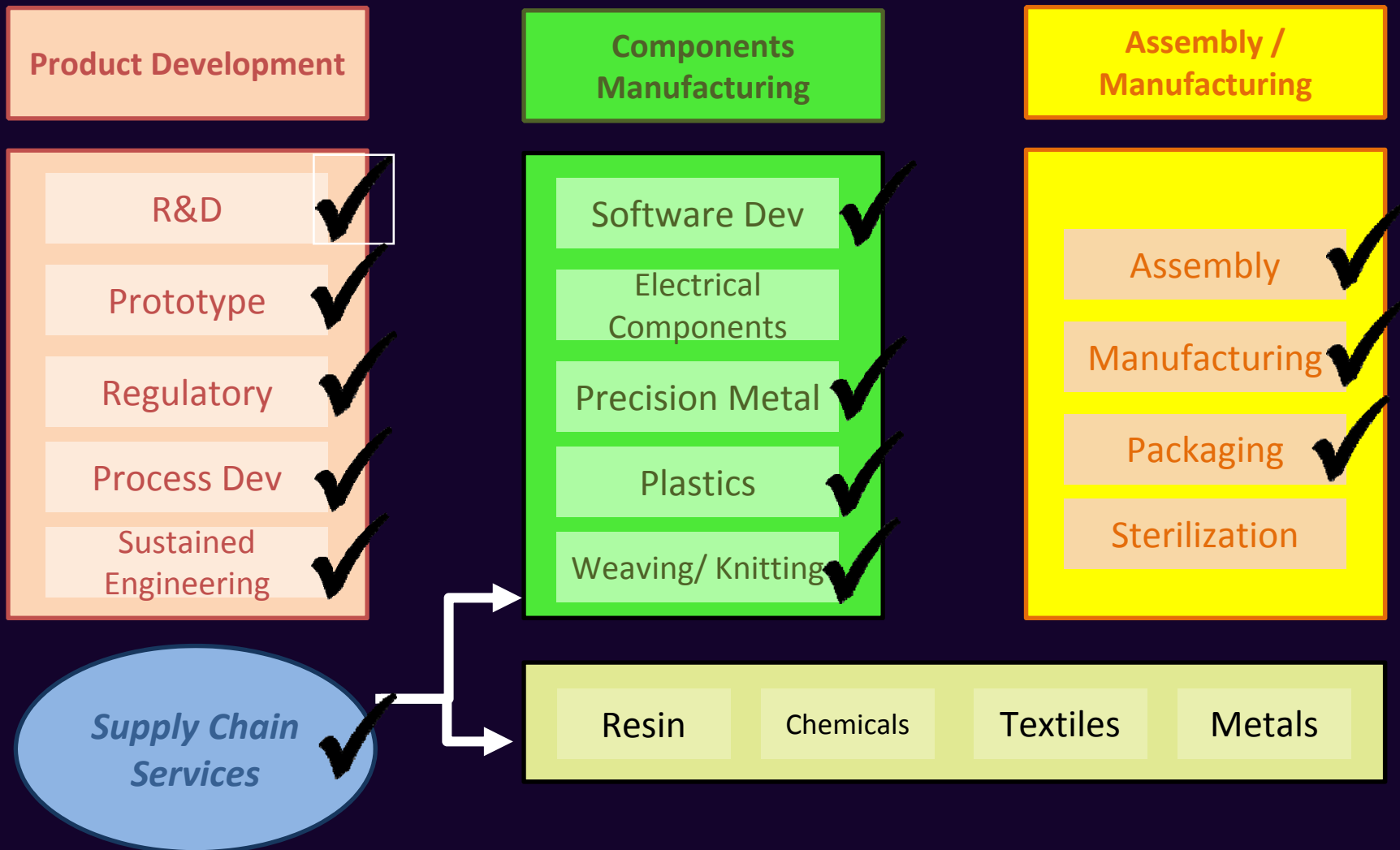
Mexico unfortunately continues to be seen as just a “low-cost labor destination”





SEISA's Current Infrastructure

SEISA Plans to continue pushing beyond the boundaries of Mexico's medical device industry today

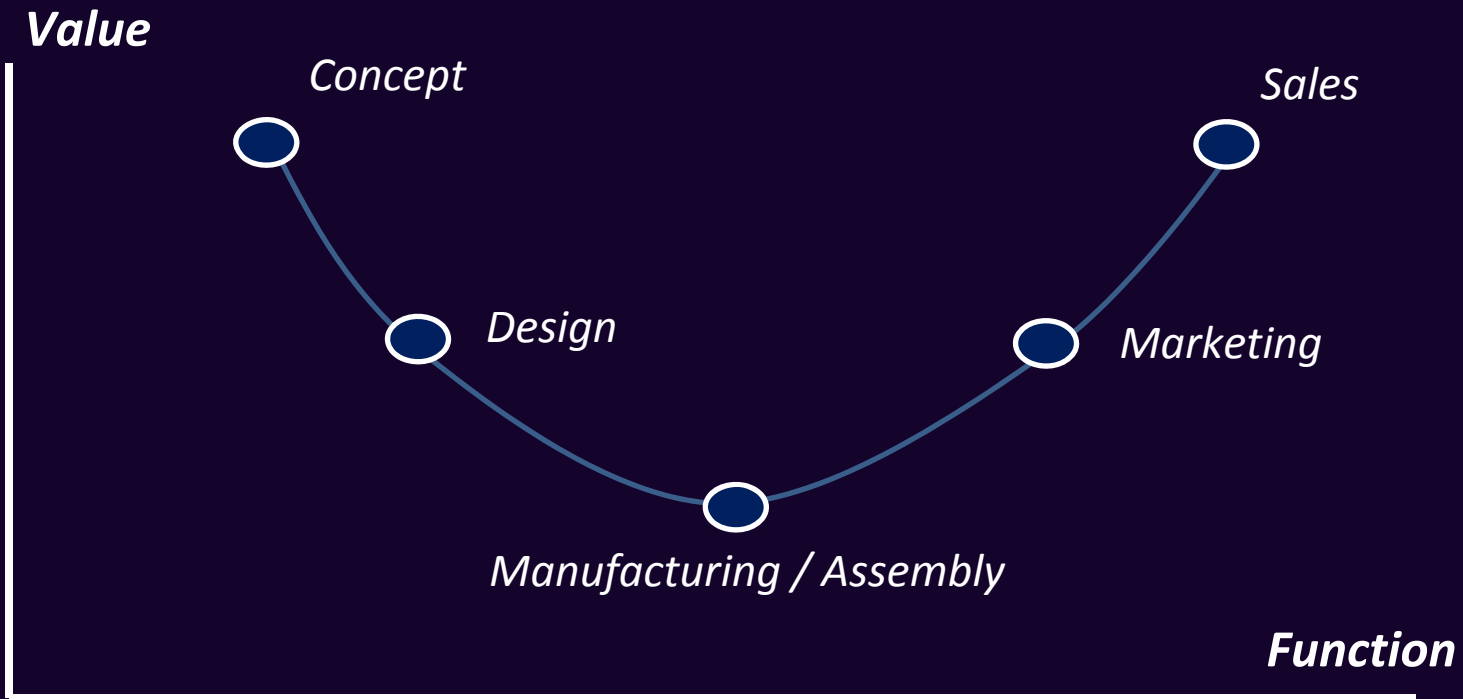




Why Mexico Must Innovate

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

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"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





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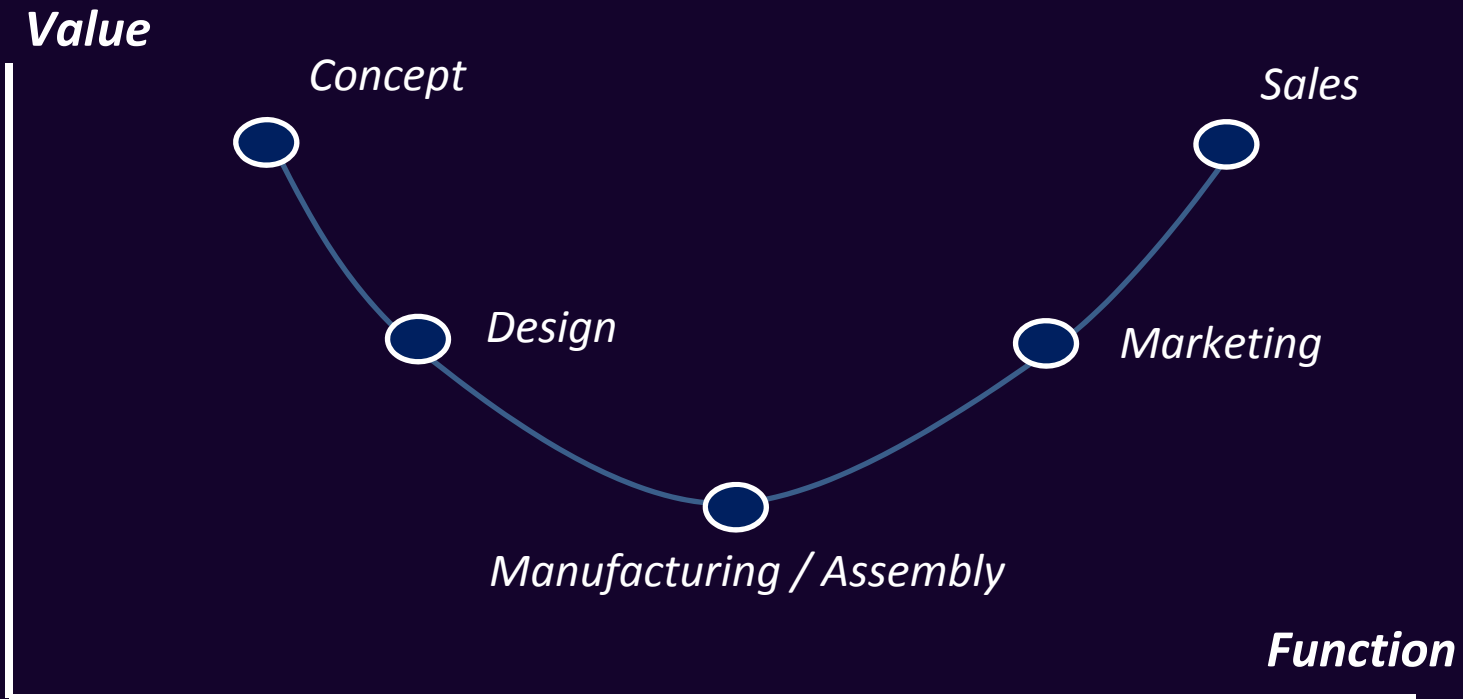




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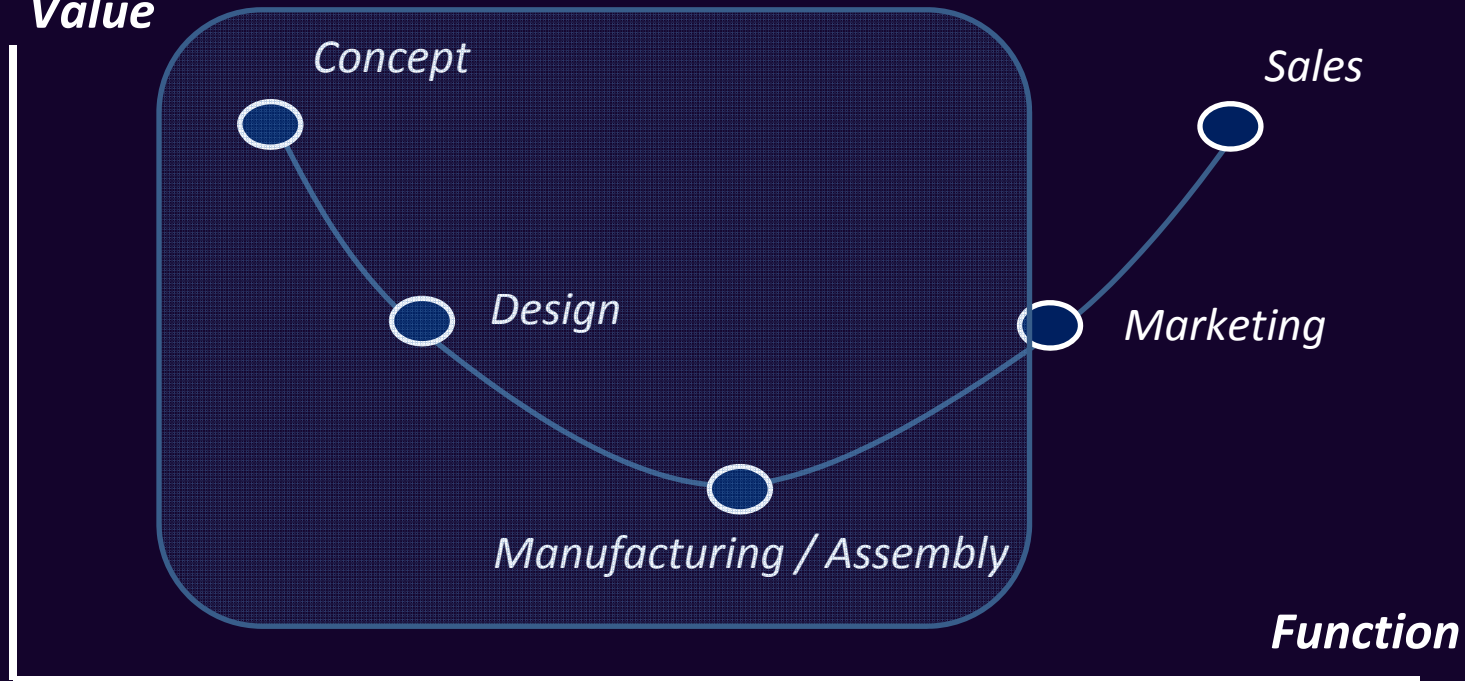


Why Mexico Must Innovate

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"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

Value





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

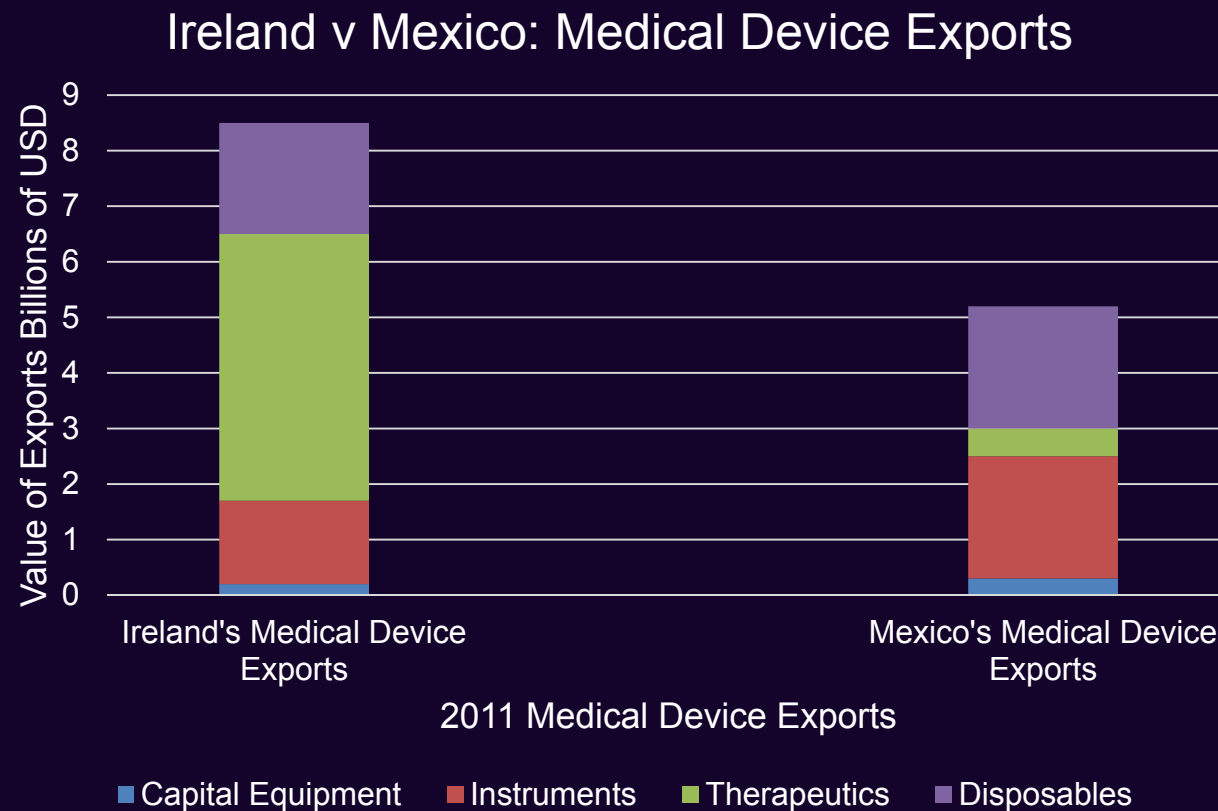
Ireland, Cluster Superlatives

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 1/5th the labor, Ireland out-exports Mexico by ~60% in value;
Ireland's exports are also more complex and expensive**



Sources: GlobaData 2014



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