



Polish Investment
& Trade Agency
PFR Group

Poland – Technology & Innovation Hub in Central Europe

MedTech Sector

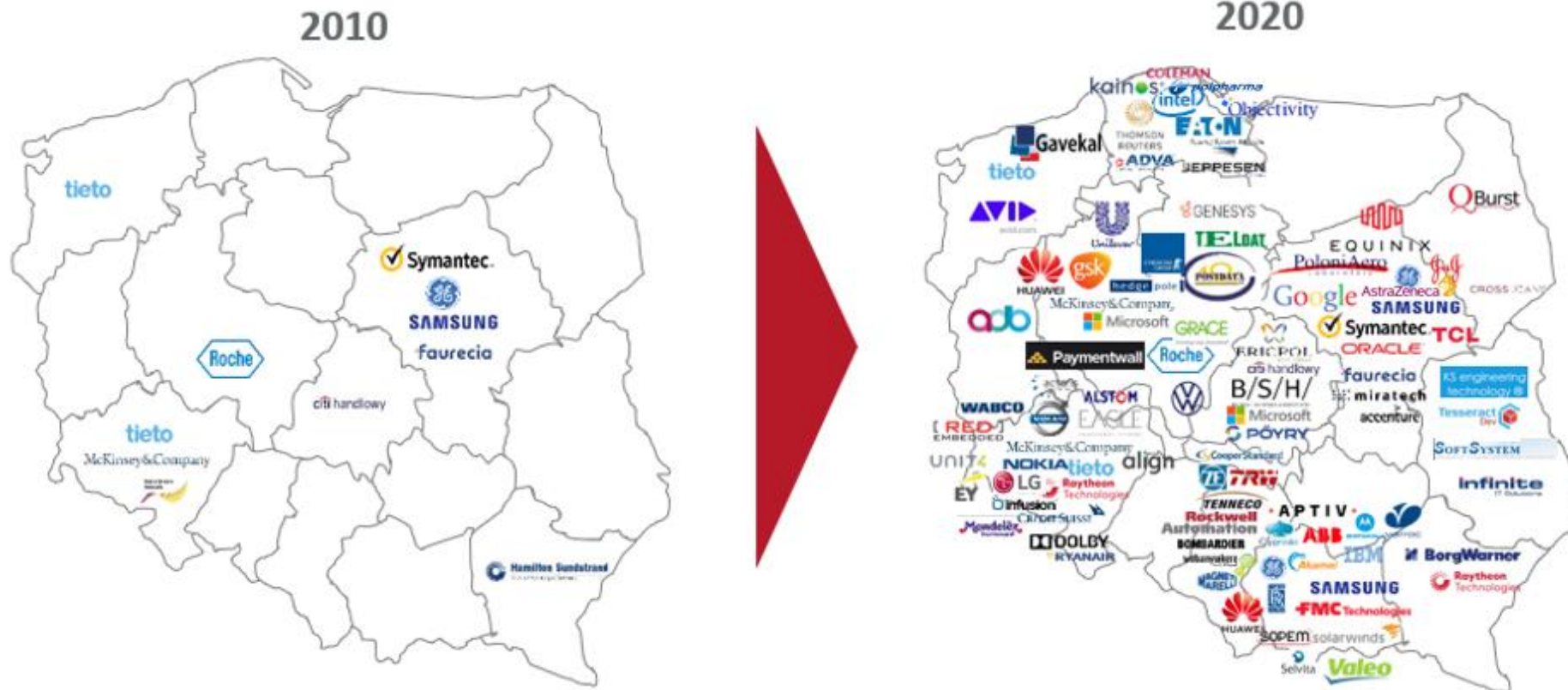
10 March 2021



Growth of R&D centres from 2010 to 2020

Poland – emerging technology and R&D hub for global players

- Over 300 R&D centres including R&D centres for the medical sector
- Increasing investments in R&D and innovations by global and local players including Astra Zeneca, Roche, Selvita, Polpharma, GE Healthcare, Samsung, LG Electronics, Gedeon Richter



PAIH's project pipeline

Medical sector – rapid growth in 2020

Completed projects since 2012: **15**

Total investment value: **EUR 89,4 m**

Total employment: **1077**

Investors' origin: Sweden, Poland, Switzerland, UK, France,
Germany, Ireland, Luxembourg
Belarus, Thailand, Japan



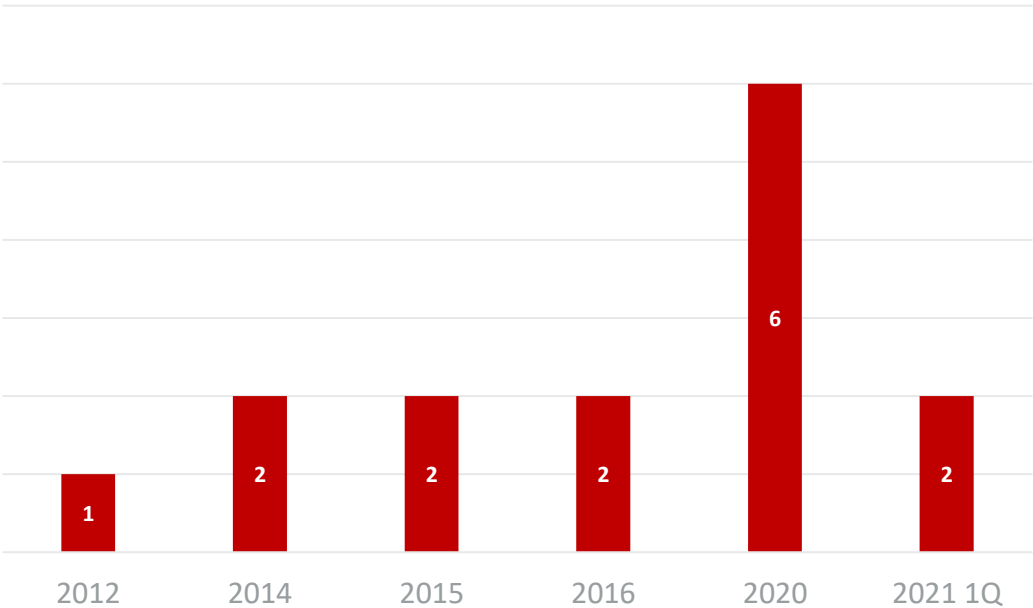
Active projects: **5**

Total investment value: **EUR 371,5 m**

Total employment: **4990**

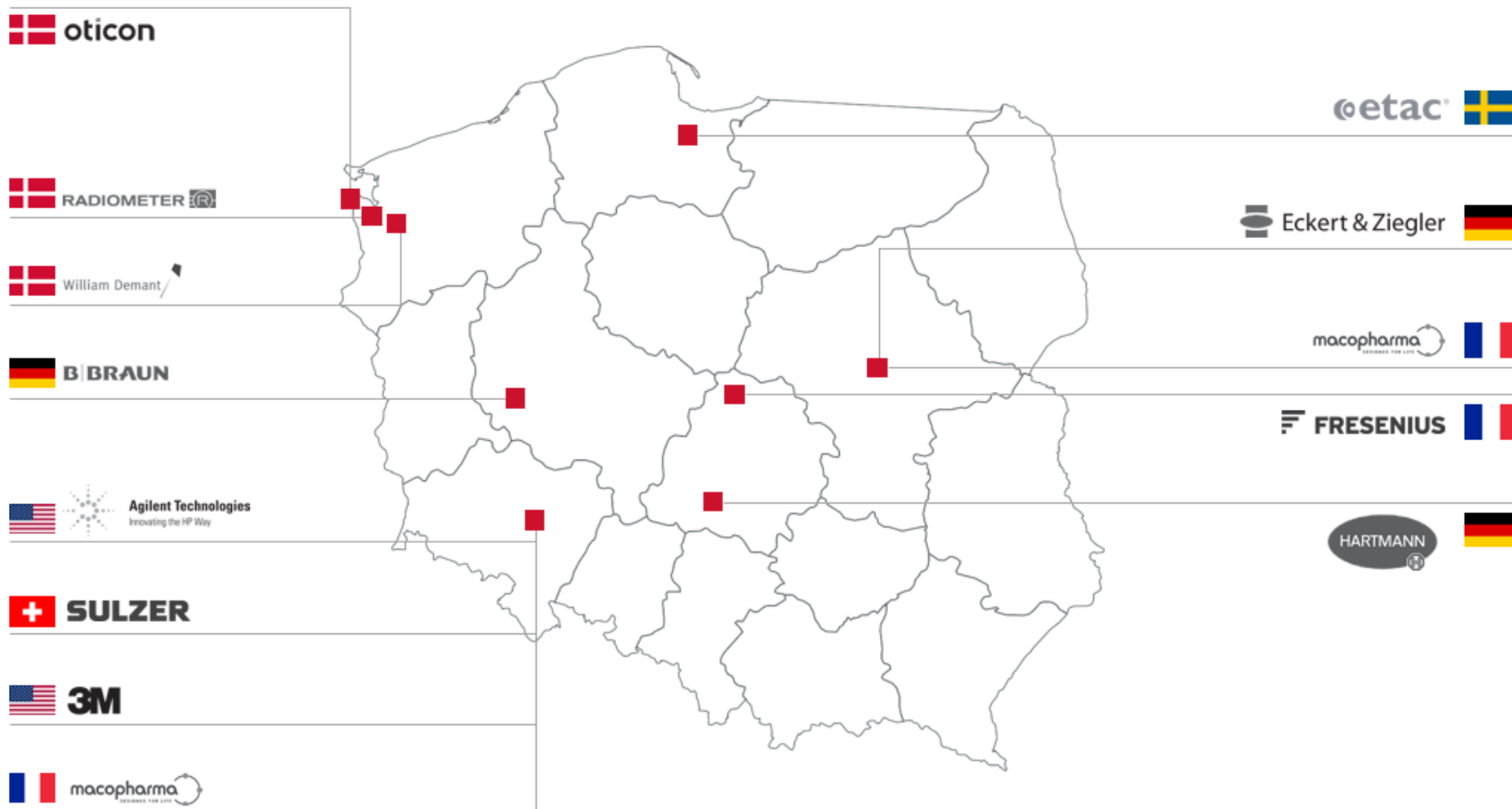
Investors' origin: USA, Switzerland, Germany, Poland

Number of **completed** investment projects from the medical sector
PAIH portfolio since 2012



FDI

Success stories



CASE STUDY: DGS ✓

- **DGS:** Danish manufacturer of hearing aids (part of William Demant Holding Group)
- Production launch: 2007 (initially under the name Oticon Polska Production in Mierzyn/Szczecin)
- Manufacturing: 300,000 hearing aids monthly
- Employment: 2500
- Supplier for: Bernafon, Sonic, Oticon, Interacoustics
- 2015: **DGS Business Services** in Szczecin;
- Demant Group in Poland:
 - 2016: William Demant **R&D Technology Center**, Warsaw

CASE STUDY: etac

- Swedish manufacturer of motion equipment
- Factory established in Tczew / Pomerania in 2020
- Employment declared: 250
- Investment value: 15 m euro



Poland in the heart of Europe

Excellent connectivity



EU membership

EU member since 2004 with strong links to eurozone, ensuring same quality standards



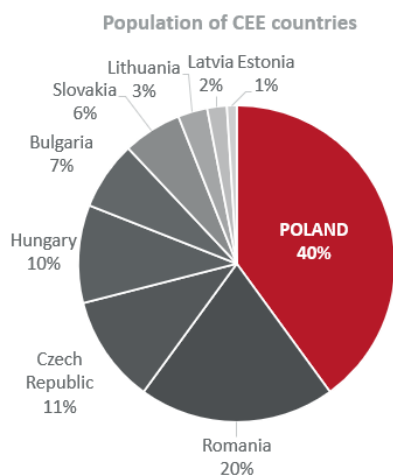
Most resilient to COVID crisis in the EU

Polish economy reported the smallest drop in GDP dynamic among the EU countries



Fast exports growth

Growing MedTech production, with exports increasing by 18.9% in 2018



Largest country in CEE



Population **38,4 mn**
(**5th biggest in EU**)

Big testing base - 11 m patients a year



23 mn of Poles in working age



4th largest talent pool in EU

Availability of highly skilled employees, large and well educated labor force



Fast-growing domestic companies

Revenues of domestic companies increased by 30% between 2014 and 2018



>80% of train transports between China-EU go through Poland Logistics bridge between East and West, proximity to customers



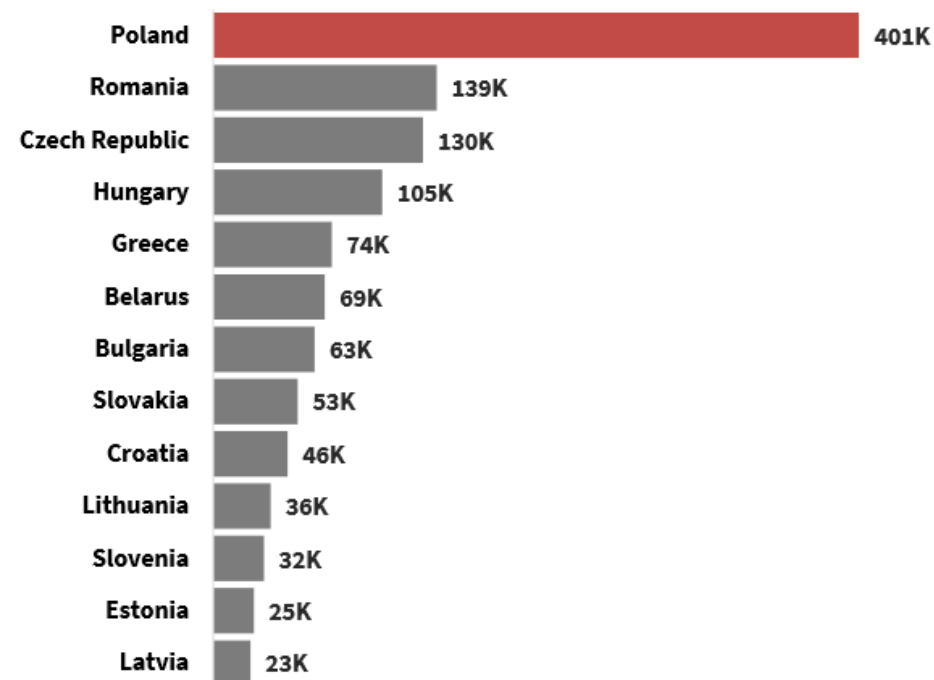
Poland - home to best software programmers in the world

401,000 number of software developers in 2019 – constant growth (279,800 in 2018, 254,000 in 2017)
3rd in HackerRank of best developers worldwide
1st the best in Java programming
2nd best in Algorithms and Python

Polish developer talent pool is top-class globally ⁽²⁾

#1	China	
#2	Russia	
#3	Poland	#1 in Java, 2# in Algorithms
#4	Switzerland	
#5	Hungary	#3 in Java, #3 in C++, #5 in Databases
#6	Japan	
#7	Taiwan	
#8	France	
#9	Czech Republic	#2# in Mathematics, #4 in Security
#10	Italy	
#11	Ukraine	#1# in Security, #4 in Mathematics
#12	Bulgaria	#2# in Java, #4 in Security

Number of developers in CEE region ⁽¹⁾



Well established and fast growing ecosystem

Supporting the medtech development

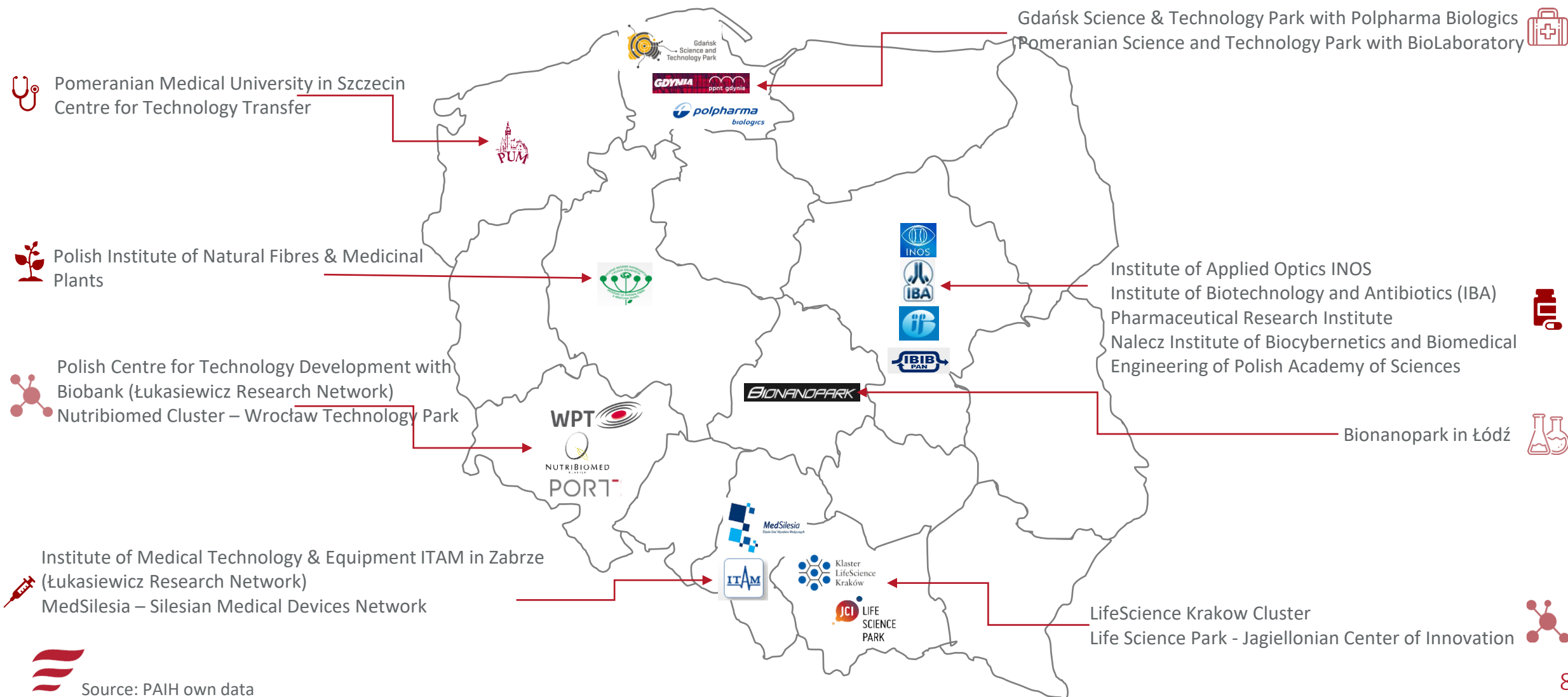


- 50 CRO
 - over 20,000 R&D personnel working for the medical and life science sector in 2019
 - 74,000 R&D staff working for the engineering and technology sector
-
- 150 MedTech startups
 - Polish specialities: telemedicine, modern diagnostics, mobile health, medical devices, 3D print, robotics, AI
-
- 9 medical universities in major cities in Poland
 - over 64,000 medical students each year
 - dedicated medtech studies: 3D Technologies in Medicine, Biocybernetics, Bioengineering, Neuroinformatics, IT in Medicine&Pharma



Strong support for the life science & medical sector

Support entities located throughout the country



The Łukasiewicz Research Network, **3rd largest research network in Europe**

32 research institutes, 8000 staff, 4500 scientists, 12 cities, 400 labs

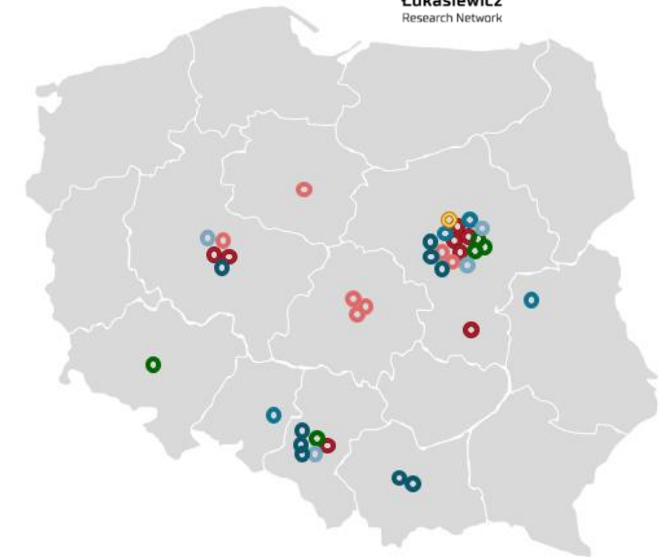
Key Research Groups:

Healthy Living: innovations in the healthcare system and medical technologies, medical products

Sustainable Economy & Energy: bioeconomy, new materials, transmission and storage energy, building materials with low energy consumption, sustainable cultivation processes, green chemistry

Digital Transformation: Automation, AI, Robotics, IoT, AR, intelligent services for citizens and businesses, smart industry and logistics, smart cities, digital agriculture

Smart Mobility: intelligent and green logistics Infrastructure, autonomous mobility and network solutions, structural materials and processes for design and fabrication in transportation, cargo UAVs, clean aviation, electromobility



Fields of expertise:

-  **Mechanical & Electrical Engineering**
-  **Biomedicine**
-  **Chemistry**
-  **Economy**
-  **ICT**
-  **Future Materials**
-  **Advanced Production**

Client portfolio:



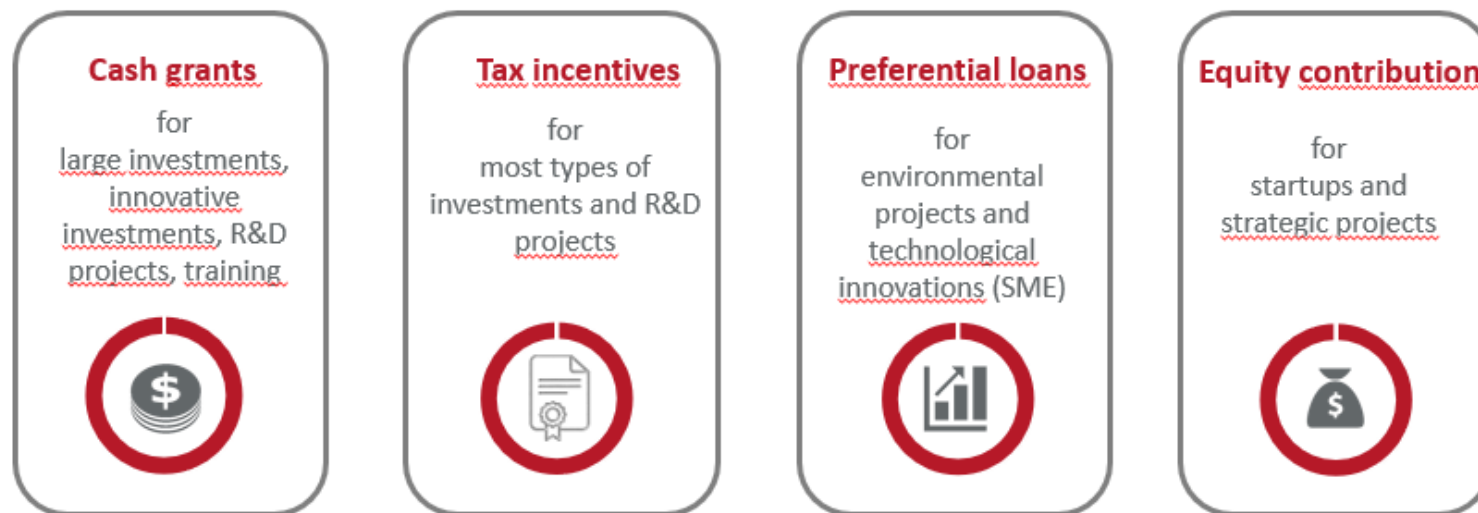


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- 200 years old history of medical device production:
- the oldest factory FARUM started production in 1819
- hospital furniture producer FAMED Zywiec manufactures surgical tables and hospital beds since 1921



Incentives in Poland available for medtech projects






National incentives offered by the government:

- **Cash grants** for strategic projects up to 10 or 15% of investment costs,
- **CIT exemption**, between 10 and 15 years tax free

EU Funds – Poland is the biggest funding beneficiary for the financing period 2021 – 2027: **EUR 160bn** in subsidies and loans

Most favorable conditions for R&D activities:

 R&D Center Status	 R&D Tax Cut	 Innovation Box
Pursue R&D activities and benefit from the official status of an R&D Center	Easy-to-apply tax instrument for R&D activity	5% Tax Rate for eligible income gained through the sale of IP rights
Straightforward procedure – one-stop-shop at the Ministry of Economic Development	Deductions of 200% and 250% for R&D Centers – costs can be deducted twice or even 2,5 times!	Invent & Commercialize – sell it in Poland and enjoy a lower tax rate
Easier access to funds for innovativeness development from public aid programs	Benefits available regardless of company size – SMEs and MNCs treated equally	Covers the most popular IP rights – copyright in computer programs, patents, industrial designs
Annual benefits – R&D expenditure is deductible from your tax base	Long-term tax benefits – tax cuts available over 6 consecutive tax years	Long-term tax benefit – applicable during the entire lifespan of the rights

International incentives involving international cooperation such as Horizon 2020)

93 grants signed by Polish entities under Horizon 2020 - HEALTH

Poland - MedTech Leader in Central Eastern Europe

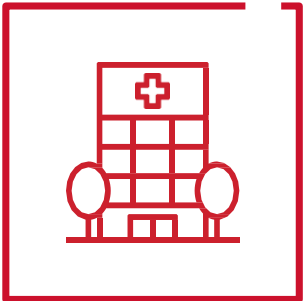
sizeable healthcare market



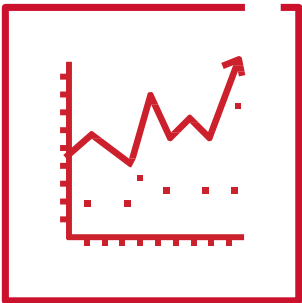
Large, aging population –
38 m



Largest CEE medical device market
– **USD 11bn**, forecast to reach
USD 13.8bn in 2024



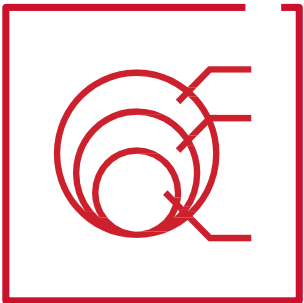
Growing private healthcare sector:
7% CAGR in 2016-2021, valued
EUR 8bn in 2017



Highest health expenditure in CEE
– **USD 38.2bn**



2.6% share in the European
medical device market in 2018
3.6% share in IVD market in
Europe in 2018



6.2% of GDP spent on
healthcare
9% of GDP forecast to be spent on
healthcare in 2030



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