

Soaring South Korean medical devices market

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The pandemic induced rise in healthcare expenditure has catalysed the growth of the medical devices market. Growing healthcare needs are significantly influencing the development of novel diagnostic and surgical tools. To meet the regional and international demand for medical devices, South Korea is taking all the necessary steps to support the country's major market players. We shall take a closer look at the big movers and shakers of the industry.

In May 2021, the Ministry of Food and Drug Safety (MFDS), the government of South Korea reported that for the first time ever, the number of medical devices produced by local companies has surpassed those imported from other countries since 2011. The number of local companies' medical devices reported to the government in 2020 reached 4,222, accounting for 51.6 per cent of the market.

The total number of reported medical devices, including imports, reached 8,183, slightly down from 8,269 in 2019. The COVID-19 pandemic was a major factor contributing to the increase in locally produced devices.

In 2020, around 249 COVID-19 test kits received production and export approvals, accounting for 22 per cent of all medical devices with manufacturing approvals.

A sudden surge in Artificial Intelligence (AI)- powered medical devices was witnessed in 2020 with around 50 devices being approved compared to only 10 devices in 2019. Out of which, 45 were developed by local companies, and five were imported, mostly under the category of AI-based telemedicine software.

TRENDS and DRIVES

Post pandemic, the South Korean government is sensing a strong business opportunity to boost the economy which surged during the pandemic. With an increase in overseas demand for Korean-made medical devices, domestic manufacturers are targeting the international market with competitive prices and services. After successfully containing COVID-19 with mostly domestically produced aids, the country is keen on boosting the competitiveness of the regional MedTech sector by emphasizing on the manufacture of futuristic medical tools.

According to the Ministry of Economy and Finance, the country's bio-health exports have shown a high annual growth of about 40 to 50 per cent since the pandemic. The number of pharmaceutical and biotech companies with sales exceeding 1 trillion won (\$868 million) also doubled from six in 2018 to 12 in 2020.

South Korea is already a prolific exporter of medical devices. In recent years, it has significantly increased exports to BRICS countries (Brazil, Russia, India, China and South Africa) along with regular export destinations of Europe and the US. The government has also been eyeing Middle Eastern countries as potential trading partners.

According to Globaldata market analysis experts, in the first quarter of 2020, South Korea's global export of medical devices surged by 4.4 per cent, mostly fuelled by international demand for face masks.

Yet, South Korea is still heavily reliant on around 60 per cent imports of premium-technology medical devices.

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