

The Germany Report: A Geographical Review

September 2021



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GERMANY REPORT

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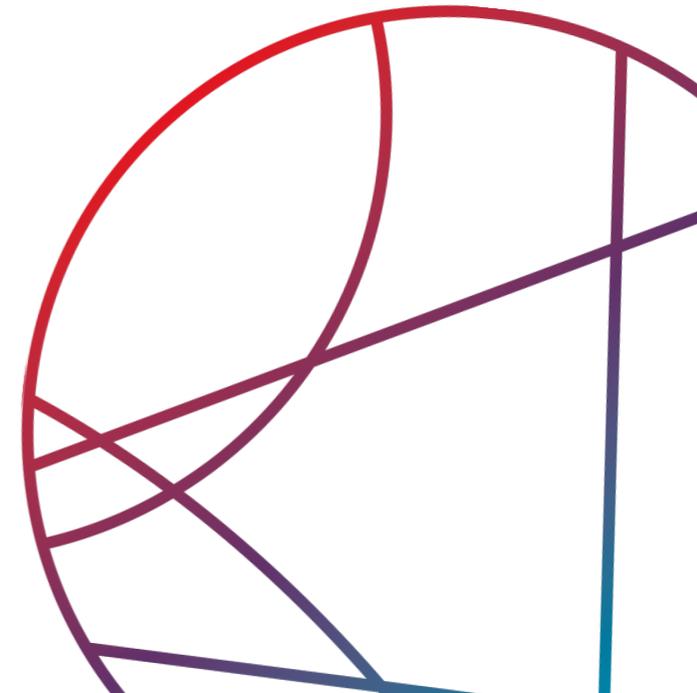
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Headlines - Germany



- The fourth largest economy in the world and the largest EU nation in terms of population, although slowing growth rates and an ageing population are a concern.
- There is a high standard of living, with high levels of education and employment.
- A democratic, federal parliamentary republic, dominated by CDU and SPD.
- A stable social market economy, with high tax-to-GDP ratios.
- Economy is heavily industrialised, behind only USA and Japan.
- Has the oldest social healthcare system in the world with health insurance obligatory, and paid mainly through employee and employer contributions.
- Access to healthcare is good in Germany with a strong doctor/nurse-to-patient ratio.



Headlines - Medtech



- The medtech industry is well established in Germany, with a long history of producing high quality medical equipment.
- The medtech sector is characterised by SMEs – 95 per cent employ less than 250 people.
- Many companies feel that they need to export to see growth, and two thirds of products manufactured are exported.
- Prevailing opinions within Germany are that the domestic market is too conservative and falls behind others in terms of digitalisation.
- Innovation is key with one in three products less than three-years-old.
- Germany was ranked first in 2018 for all EU med tech patent applications.



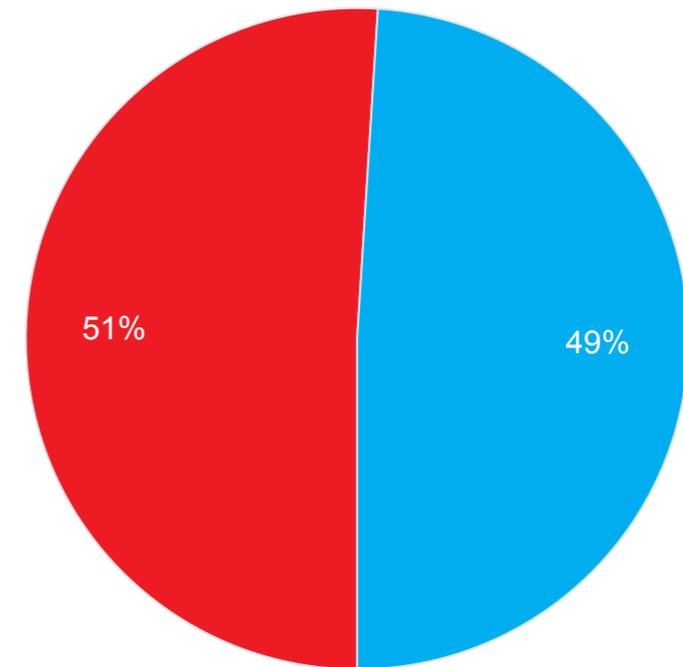
Population



- As the EU's largest nation with a population of just over 83m, Germany is home to over 18 per cent of the total EU population.
- The population is growing at +0.3 per cent per annum, the slowest rate since 2012 and is expected to peak at the end of 2021.
- The declining birth rate is a cause of concern but is in line with EU trends.
- The population is made up of 51 per cent women and 49 per cent men.
- There were 41.5m households in Germany in 2019.
- The average household size was 2.0 in 2019.
- There were 17.5m single person households, a steadily growing figure.

Gender

■ Women 51 ■ Men 49



Population - Age



- The average life expectancy in Germany is 81.9 years.
- For women it is 84.1 and men 79.6 years.
- The ageing population is a concern in Germany. At present one in five Germans is over 65. By 2060, the level is expected to be one in three.
- Nearly two thirds of Germans believe there are more risks than opportunities associated with the ageing population.
- On average, German women have their first child shortly after turning 30, the oldest in the EU after Italy.



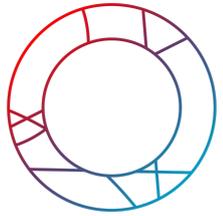
Geography & Language



- The fourth largest country in the EU, with an area of 357km².
- The fourth most densely populated EU state, with 225 people per km².
- Regional division is across geographical lines, with south and central forested and mountainous and a flatter north.
- 76.3 per cent of the population is urban, with three cities (Berlin, Bonn, Munich) with a population >1m.
- 95 per cent claim German as their first language, while 35 per cent claim to speak English as a native or foreign tongue.

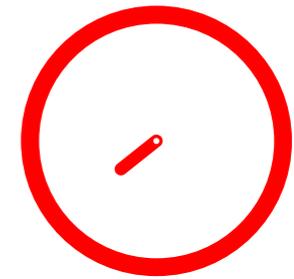


Time Zones & Holidays



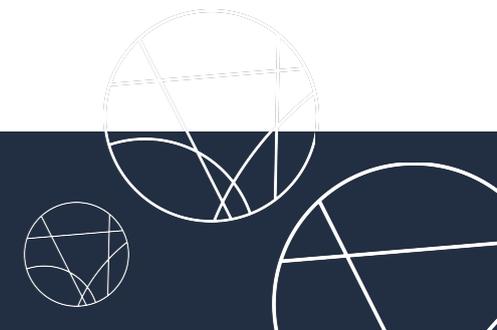
**Public holidays are
a mixture of National and
Regional:**

DATE	HOLIDAY	AREA
January 1	New Year's Day	National Holiday
January 6	Three Kings' Day	Baden-Württemberg, Bavaria, Saxony-Anhalt
March 8	International Women's Day	Berlin
April 2	Good Friday	National
April 5	Easter Monday	National
May 1	Labour Day	National
May 13	Ascension Day	National
May 24	Whit Monday	National
June 3	Corpus Christi	Several States
August 15	Assumption Day	Bavaria, Saarland
October 3	German Unity Day	National
October 31	Reformation Day	Several states
November 1	All Saints' Day	Several states
November 17	Repentance Day	Saxony
December 25	Christmas Day	National
December 26	St. Stephen's Day	National



German time is UCT +1

**On the last weekend in March it
moves to Central European
Summer time (UCT +2)**



GDP & Economy



- Germany is a stable social market economy, and the fourth largest in the world (nominal GDP) accounting for one fifth of the EU's GDP and the USA's largest European trading partner.
- Fiscal support throughout the 2020 global pandemic was strong, protecting jobs and firms.
- The German currency is the Euro.
- Germany has a high standard of living, and high levels of education.
- There is high employment - the second lowest rate of unemployment in the EU.
- The third largest industrial power behind the US and Japan, 40 per cent of the population is involved in manufacturing. Almost ten per cent of Europe's manufacturing companies are in Germany.



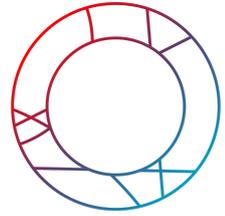
Politics



- Germany is a democratic, federal parliamentary republic with powerful regional and local governments. The Bundestag is the German parliament – fully elected and powerful in terms of legislation and budgets.
- There are six main political parties. The Christian Democrats and the Social Democrats have been the major parties for the past 70 years.
- Coalitions are common. Bavaria is the exception to the rule - governed by the conservative Christian Social Union, it was the last region to join in 1871 and is fiercely independent.
- The government is split between Bonn and Berlin.



Healthcare - How It Works



Germany is the top spender in the EU on healthcare with the the oldest social healthcare system in the world, introduced in 1883 by Otto von Bismarck. German expenditure on healthcare in 2019 was €410.8bn, accounting for 12 per cent of GDP in 2020.

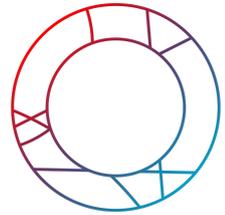


- It is associated with high utilisation rates and high levels of health care resources.
- All residents have access to comprehensive medical care. Public healthcare covers GP appointments, in-hospital treatment, out-patient treatment, surgery, maternity services and basic dental care.
- Since 2007, health insurance is obligatory for all residents and paid for by a combination of employer and employee insurance contributions. Most pay 7.3 per cent of their pay to statutory healthcare insurance, matched by employers and heavily subsidised by the government.

- Health insurance is split into two subsystems: statutory health insurance (SHI or sickness funds) and private.
- In 2017, private healthcare insurance accounted for 8.4 per cent of total health expenditure. There are 100+ non-profit insurers in Germany that administer a public health fund.
- Most people are enrolled on the public health insurance system, Gesetzliche Krankenversicherung (GKV).
- Ten per cent choose to access private healthcare insurance, Private Krankenversicherung (PKV).



Healthcare - Regulations



BfArM – Federal Institute for Drugs and Medical Devices – independent federal higher authority within the portfolio of the federal ministry of health. BfArM is responsible for Medical Device recording, evaluation and assessment and approval.



- The MDR implements changes in each stage of the CE marking process.
- All medical devices must bear the CE marking in order to be marketed.
- Non-EU manufacturers must appoint an Authorised European Representative. If the medical device is not imported under the responsibility of the authorised representative, the importer shall be the person responsible.



- The first placing on the market of a medical devices must be notified with the Medical Devices Information System, and the safety office must be notified.
- Clinical investigations and Performance evaluations must be approved by the competent authority and approvingly evaluated by an Ethics Committee before they may commence.

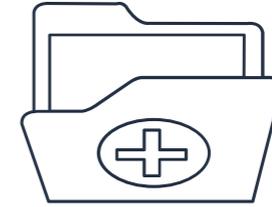


Clinical Information



Physicians

- Germans do not have to register with a specific doctor but get an appointment with any doctor registered in the public healthcare system (Kassernärzte).
- Ambulatory care and hospital care, as well as primary and specialist care, are separate.



Hospitals

- 1900+ hospitals in Germany but the number has been decreasing (2,200 in 2000).
- A perceived weakness is the large number of small, general hospitals that do not specialize.
- Sickness funds and private health insurers use the same hospitals. There are more doctors (4.2 per 1,000) and nurses (13.1 per 1,000) than the EU average (3.5 and 8.4 respectively).
- Hospitals are split into:
 - Public hospitals – Öffentliche Krankenhäuser
 - Voluntary charitable hospitals – Frei gemeinnützige Krankenhäuser
 - Private for-profit hospitals – Privatkrankenhäuser (seven per cent)

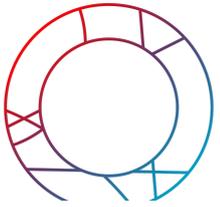


Key regulatory bodies

- The German Hospital Federation (DKG) is representative of all German hospitals.



Medical Technology Industry



- Germany has a long history of producing high quality medical equipment. It is the third largest medical device market in the world, behind only the US and Japan, valued at approx. \$37bn annually.
- The market lags behind others in terms of digitalization. The DiGA Fast Track was created so digital health solutions can access the German statutory health system.
- The main regions for medical device manufacturers are Baden-Württemberg, Bayern, North Rhine Westfalia and Schleswig-Holstein. The Government launched a High Tech Strategy 2020 to support 30 medtech cluster networks to foster collaborative innovation.

Medical Technology in Germany: Manufacturing Clusters

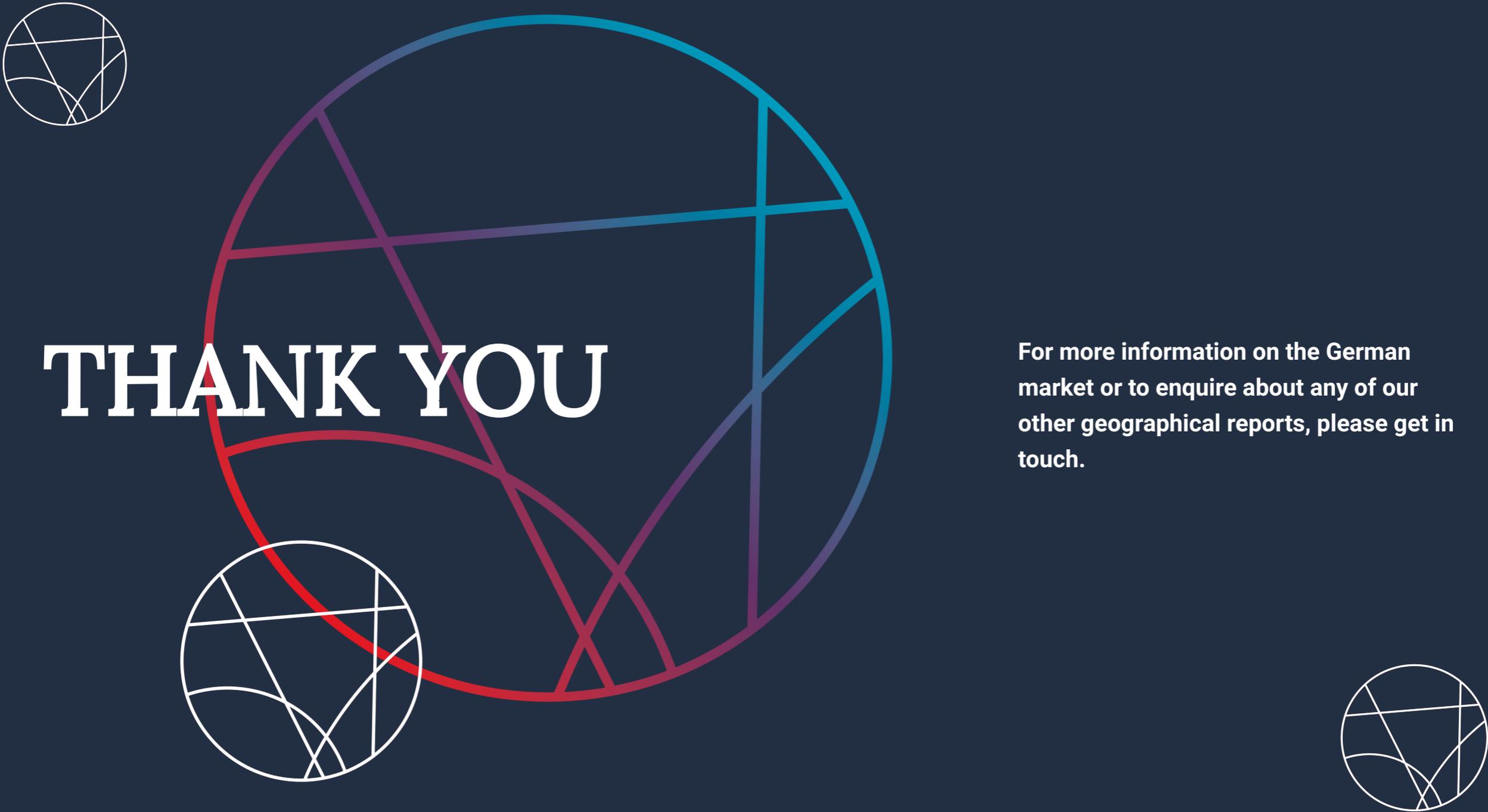


Medical Technology Industry



- There are approx. 1,350 manufacturers in medical technology sector. 95 per cent of the German medical technology industry is characterized by SMEs or sub-groups of larger companies.
- Approx. 1,200 are SMEs, although large foreign companies are well established – e.g. Philips, GE Medical, Medtronic.
- In 2015, there were 383 medical device suppliers in Germany. Manufacturers rely on exports for growth, exporting 64 per cent of their products, due to a conservative domestic market.
- Innovation is key in the market, with one third of the market's turnover comes from products that are less than three years old.
- Germany ranked first in terms of all the EU patent applications in medical technology in 2018. Mood in the market was gloomy in 2019 when only 12 per cent of companies surveyed by BVMed expected an improvement in profits.





THANK YOU

For more information on the German market or to enquire about any of our other geographical reports, please get in touch.