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Our goal is to make Switzerland the number one medtech market in the world by driving innovation and attracting investment

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Adrian Hunn of Swiss Medtech, shares insights into his role and the future of Switzerland's medtech sector. He discusses the association's focus on fostering innovation, navigating regulatory challenges, and promoting international collaboration to position Switzerland as a global leader. Hunn highlights key initiatives, such as supporting digital healthcare, sustainability efforts, and bridging the "valley of death" in product development.

Could you share a bit about your professional background before joining Swiss Medtech, and what have been your primary focus areas since stepping into the role four months ago?

I joined the Swiss Medtech Association four months ago, following more than 15 years of experience in the medtech industry. My career includes a decade at Sonova, a global leader in hearing aid manufacturing and distribution, where I also spent several years in the U.S. More recently, I served as CEO of a dental implant company. Although new to associations, my extensive background in the private sector has provided me with a deep understanding of the challenges and opportunities faced by entrepreneurs and CEOs—insights I now bring to my role at Swiss Medtech.

In terms of priorities, I've focused internally on strengthening the organization, fostering greater collaboration within our teams, and ensuring that we operate as an effective, unified entity. Externally, I've been engaging with key stakeholders, including government agencies, political

figures, and major medtech companies in Switzerland. Our core mission is to advocate for a supportive environment that fosters innovation and growth within the medtech sector. A significant focus has been addressing regulatory matters, especially a recent motion in Swiss Parliament regarding the acceptance of FDA-approved medical devices alongside those adhering to the EU's Medical Device Regulation (MDR). We've been in active discussions with Swissmedic and government bodies to propose viable solutions for implementing this change.

How does Swiss Medtech contribute to the industry, and what are the key initiatives your team is involved in to support the sector's growth across Switzerland?

Swiss Medtech plays a vital role in representing the interests of over 800 member companies within Switzerland's medtech industry, which is composed of approximately 1,400 companies overall. Our association is growing steadily, with membership increasing by about 10% each year, reflecting the importance of our work. We serve as a central advocate, supporting the industry on critical issues such as regulation, innovation, and ensuring a conducive business environment for medtech companies.

Our team, based in Bern, consists of 13 dedicated professionals, and we have also developed regional initiatives to provide localized support. For instance, Swiss Medtech Ticino was established two years ago in the Italian-speaking region, and it has grown from 13 to over 40 members. This success has encouraged us to expand similar initiatives to other regions, including the French-speaking part of Switzerland (Romandie). Strengthening our regional presence enhances our ability to support companies across all relevant areas of the country, which in turn makes us a more effective national organization.

Looking at the broader picture, the medtech sector is a critical contributor to Switzerland's economy, employing approximately 72,000 people with an annual growth rate of 3-5%. Despite the challenges posed by Switzerland's high operational costs, the country remains a strong hub for medtech manufacturing due to its focus on precision, innovation, and quality. The future of the industry is promising, with continued growth and a strong focus on advancing medical technologies both within Switzerland and globally.

What is the current state of the medtech industry in Switzerland, and how does it contribute to the country's economy? What trends are shaping the sector?

The medtech industry in Switzerland is thriving, despite facing certain regulatory challenges. In terms of economic contribution, medtech is Switzerland’s third-largest sector in terms of trade surplus. The pharmaceutical industry takes the lead, followed by the renowned Swiss watch industry, but medtech holds a substantial position as well.

While many are familiar with Switzerland’s reputation for pharma and watches, medtech’s impact is often less recognized. This is surprising considering the diversity and scale of the industry—Switzerland has approximately 500,000 different medtech products on the market, ranging from simple items like band-aids to highly sophisticated surgical robots. In contrast, there are only about 8,000 pharmaceutical products available in the country, which illustrates just how expansive the medtech sector is.

As an association, our focus is not only to maintain the strength of this industry but also to elevate Switzerland’s position as a global medtech hub, attracting more companies and fostering innovation. The potential for continued growth is vast, and we aim to support that progress.

How does Switzerland’s medtech sector compare to other global hubs, and what lessons can we learn from international markets to enhance our competitiveness?

Switzerland has a strong medtech sector, but there are valuable lessons to be learned from other global hubs. Silicon Valley, for example, demonstrates the power of a robust ecosystem where top universities, access to capital, and the presence of major corporations drive innovation. Israel offers another compelling model, where its advanced technology sector, strong education system, and financial support create fertile ground for startups. A third example is Boston, a significant hub for medtech, where similar elements foster growth and innovation.

Ireland is perhaps one of the most interesting examples. Several years ago, they identified medtech as a priority industry and introduced government incentives such as favorable tax policies. This approach attracted large medtech manufacturers and helped develop an ecosystem that now fosters innovation from within those established companies. Switzerland has the potential to mirror this by continuing to support innovation through its universities, established companies, small and medium-sized enterprises (SMEs), and startups. We must stay at the forefront by creating an environment that nurtures new ideas and businesses, ensuring long-term competitiveness.

What steps must Switzerland take to remain competitive and continue attracting medtech investments, especially given the increasing competition from other countries?

Maintaining Switzerland's attractiveness for medtech investments requires a combination of political, economic, and strategic efforts. While competitive tax policies and government incentives are important, market dynamics will always play a significant role. One key area we are focusing on is the potential acceptance of FDA-approved medical devices in Switzerland. This would set Switzerland apart within Europe and ensure Swiss patients have access to the latest medical innovations, while also making the country more attractive for global medtech companies looking to establish a European base.

Switzerland is already home to many European headquarters of global medtech companies due to its favorable business environment and skilled workforce. However, with the increasing regulatory hurdles posed by the EU's Medical Device Regulation (MDR), we need to remain agile. The ability to sell FDA-approved devices in Switzerland would give companies a unique entry point into the European market. Combined with Switzerland's favorable tax policies and high-quality labor force, this could significantly enhance our position as a leading medtech hub.

Where do we currently stand in the process of allowing FDA-approved devices in Switzerland, and what impact could this have on the medtech industry?

The Swiss Parliament has already directed the government to implement this initiative. The real challenge now lies in how it will be executed—whether it will be a straightforward, pragmatic process or a more complex one that could hinder its effectiveness. We are advocating for a clear, efficient solution, and we anticipate seeing concrete progress by mid-next year.

The potential impact is substantial. First, allowing FDA-approved devices would make Switzerland a more attractive location for medtech companies, fostering innovation and growth. Many companies withdrew niche medical devices from the market after the MDR was introduced, as the cost of recertifying these products became prohibitive. By accepting FDA-registered products, Swiss patients would regain access to a broader range of medical devices.

Swiss companies would also benefit. For example, Geistlich, a Swiss company based in Lucerne, developed an advanced wound care product approved in the U.S. since 2018. However, this product is still not available to Swiss patients due to the current regulatory hurdles. By streamlining the approval process for FDA-registered devices, we can ensure that innovations developed in

Switzerland are also accessible to the Swiss healthcare system.

Moreover, this move would make Switzerland a more attractive destination for international medtech companies. It would allow them to enter the European market through Switzerland, conducting clinical studies and launching new products here. This would not only benefit Swiss patients but also create jobs and contribute to the growth of the medtech sector.

Aside from FDA approval, are there other regulatory initiatives that could further enhance Switzerland's position in the global medtech industry?

Beyond FDA approval, one critical initiative we are working on is re-establishing the Mutual Recognition Agreement (MRA) with the European Union for medtech products. The suspension of this agreement has imposed significant costs on both Swiss and European companies, with Swiss companies facing an additional CHF 100 million in expenses annually. Restoring the MRA would reduce administrative burdens and costs, making it easier for companies to operate across borders.

We are also pushing for greater global regulatory harmonization. One example is the Medical Device Single Audit Program (MDSAP), which allows quality audits to be accepted across multiple countries, including the U.S., Brazil, Japan, and Australia. We are advocating for Switzerland to join this program, which would significantly reduce the regulatory workload for Swiss medtech companies.

Looking to the future, I foresee the possibility of a mutual recognition agreement between Switzerland and the U.S., where FDA approvals could be processed in Switzerland, and vice versa. This would mirror similar arrangements already in place in the pharmaceutical industry. By aligning more closely with global regulatory standards, Switzerland could further cement its position as a leader in medtech innovation.

What is your perspective on the digitalization of healthcare in Switzerland, and how are medtech companies contributing to this transformation?

Switzerland, despite its reputation for innovation, has been slower in adopting digital healthcare solutions compared to some unexpected markets like Romania and Bulgaria. This lag is evident in the healthcare sector, where the potential for digital advancements is significant. However, our

medtech companies are well-positioned to drive this transformation by developing digital solutions that not only improve patient care but also enhance the efficiency of the entire healthcare system.

At Swiss Medtech, we've made digitalization a top priority. One of the main challenges is ensuring that digital health services are properly compensated, which is currently lacking in Switzerland. Many startups are developing impressive digital health solutions, but without a clear compensation structure, their potential impact is limited. This is why we are advocating for a Swiss version of DiGA, a system already in place in Germany and being piloted in Austria, which compensates digital health applications. Swiss Medtech is actively involved in the DigiSanté initiative, which aims to address these gaps and advance digital healthcare in the country.

Moreover, we are committed to supporting our members in developing digital healthcare models because these innovations have the potential to reduce costs and provide better patient outcomes. Unfortunately, government action has been slow, particularly with the Electronic Patient Dossier (EPD), which should have been implemented years ago. While there is now some movement, it remains a challenge that limits the broader adoption of digital healthcare solutions.

How do you see the involvement of large tech companies in the medtech space, and what impact could this have on the industry?

The entry of major tech companies into the medtech industry is a positive development. Their involvement brings fresh perspectives and technological innovations that can greatly benefit both patients and the medtech sector as a whole. These companies have the resources and expertise to push boundaries, which can complement the work of traditional medtech firms and encourage even more innovation.

A good example is Apple's latest AirPods, which now have the capability to function as hearing aids. This is a breakthrough, particularly for people with mild hearing loss, as it offers them a more discreet, modern solution and helps reduce the stigma often associated with traditional hearing aids. In my years working in the hearing aid industry, we knew that many individuals with mild hearing loss avoided using hearing aids because they felt they didn't need them, or they didn't like the association with aging. With tech companies like Apple entering the field, more people can access effective solutions early on, and when their condition worsens, traditional medtech companies can step in to provide more advanced care.

A similar trend can be seen in the Swiss watch industry. When Apple introduced its smartwatch, there were concerns that it would overshadow traditional Swiss brands. However, instead of being displaced, Swiss watchmakers adapted by introducing their own smartwatches, combining their craftsmanship with modern technology. Today, both industries thrive. I believe the same will happen in medtech, where tech companies and traditional medtech firms will complement each other, driving innovation and providing better solutions for patients.

How is sustainability being integrated into the Medtech industry in Switzerland, and what tangible steps are being taken to address this challenge?

Sustainability is becoming increasingly important within the medtech sector, and we've seen a substantial rise in awareness. In our recent industry report, we noted a 25% increase in the focus on sustainability compared to two years ago, making it a key priority both for the industry and for Swiss Medtech as an association.

Medtech's role in sustainability largely centers around creating durable products and implementing recycling programs. For example, companies like Ypsomed and Johnson & Johnson (J&J) have made significant strides by moving away from single-use products and adopting recyclable materials. J&J's recycling initiative has already recovered over 35 tons of material from Swiss hospitals, showing that sustainability is not just a concept but an actionable reality. The challenge lies in balancing the need for sterile environments in healthcare with the goal of reducing waste.

To further advance sustainability, Swiss Medtech hired a dedicated resource last year to oversee our sustainability efforts. We've also launched a pilot project with seven companies, including both manufacturers and suppliers, to develop a standardized framework for measuring carbon footprints and other sustainability metrics. This will provide a clear template for companies, especially small and medium-sized enterprises (SMEs), to follow. Our aim is to make the transition to more sustainable practices easier across the industry.

How does Switzerland compare globally in terms of sustainability in the medtech sector, and what initiatives are helping companies meet these goals?

Some Swiss companies are definitely leading the way in sustainability, and they view it as a strategic opportunity to stand out in the global market. Companies like Ypsomed and J&J, for instance, are setting clear expectations for their suppliers, giving them a three-year window to

meet specific sustainability targets. This kind of approach not only creates urgency but also pushes the entire supply chain toward more responsible practices.

At Swiss Medtech, we are helping by creating tools that simplify sustainability reporting. Currently, suppliers often need to provide the same data in different formats depending on the demands of clients like J&J or Medtronic. This is particularly burdensome for smaller companies, which make up about 95% of our members. While we can't change the requirements of large multinationals, we are working on a unified reporting template for Swiss hospitals and local suppliers, which will simplify the process and ensure that even smaller companies can meet sustainability expectations without being overwhelmed by complex reporting demands.

What are the key priorities you are focusing on for 2024 and 2025, and how do you plan to further develop Switzerland's medtech sector?

My main focus for the next few years is to strengthen Switzerland's position as a global leader in medtech. This will involve driving innovation, enhancing regulatory processes, and fostering international collaboration. We're currently working closely with our UK counterparts and exploring the potential for partnerships with the US. Expanding these collaborations is essential, as global cooperation helps us align on important topics like regulatory harmonization.

In addition, we're part of the DACH group (Germany, Austria, Switzerland), but I'm keen to push for more international partnerships that can benefit the medtech industry in Switzerland. Our goal is to solidify Switzerland as the number one medtech market in the world by supporting innovation, engaging with universities, and attracting the necessary investment.

Two key trends are shaping our approach. First, it's taking longer for new products to reach the market due to increasingly complex regulatory requirements. Second, the product life cycles are shortening, giving companies a smaller window to generate revenue. In Switzerland, there is strong public and private funding for early innovation stages, but we face a critical gap during what we call the "valley of death"—the period when a product is ready but must go through the regulatory process, which can take two to three years. Our efforts will focus on ensuring that both political support and private investment are available to bridge this gap and help companies bring their innovations to market more efficiently.

In closing, is there anything you would like to highlight about Switzerland’s medtech sector or the work of Swiss Medtech?

Switzerland continues to be a top market for medtech, with a unique set of advantages. Our central location in Europe, our openness to FDA-approved products, and our skilled workforce all contribute to making Switzerland a prime destination for medtech innovation. We have a balanced ecosystem, with a healthy mix of startups, small and medium-sized enterprises (SMEs), and larger companies, all supported by world-class universities and access to funding. This combination makes Switzerland an ideal hub for medtech growth, and I am confident that we will continue to enhance this position in the years ahead.

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