

# Medtech sector key to SA's economic recovery

South Africa's medical technology (medtech) sector's current estimated R20bn market value could be significantly increased to re-position South Africa's role and contribution to the sector across the rest of Africa.



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“The medtech sector has played a fundamental role in the global pandemic response and it continues to do so, as it can play a key role in economic recovery,” says Marlon Burgess, the chairperson of the South African Medical Technology Association (SAMED).

Israel recently announced a new record of \$18bn investment in innovation had been reached in the last nine months, of which medtech is a significant sector.

Other countries, such as Malaysia, Ireland and Israel, have succeeded in increasing local manufacturing capacity for medtech and dealt with similar challenges to those faced in South Africa and provide important lessons from their experiences.

Yet, despite highlighting South Africa's dependence on imported medical devices and pharmaceutical products, the country has yet to see major upscaling of local manufacture of healthcare.

“Granted the process takes time and needs to be viewed as a longer-term project that requires sustained resources and

significant cross-functional collaboration,” says Burgess.

## Open Innovation

“South Africa needs to unpack where our next innovative medtech solutions are coming from, and how it can improve its current offerings, onshore,” says Burgess.

He adds that there is an important government role to be played in bringing funders, SMEs and the academic sector together and providing the tax and financial incentives needed to support collaboration and innovation.

“Open innovation is another area that was tremendously effective during the pandemic and needs to be fostered in our post-pandemic recovery,” says Burgess.

He adds that many of the traditional routes to market for medtech innovation fail because of the high risk and upfront capital-intensive requirements.

“Alternatively, open innovation platforms allow professionals to submit an idea in its earliest form by allowing the most valuable ideas to be identified, patented, funded and developed through collaboration, without the risk of having their IP stolen or lost.

“The open innovation and the open-source community played a significant role during the pandemic, and such opportunities need to be made available to SA’s medtech SMEs, where there is no shortage of innovation and entrepreneurial appetite,” he says.

## Economic stimulus projects

What is needed is a more enabling policy and regulatory environment, and the right political will and collaboration between government and business.

As such government has recognised the healthcare sector as a priority sector for economic stimulus projects.

To this end the Department of Trade, Industry and Competition (the dtic) has approached SAMED and the Medical Device Manufacturers Association of South Africa (MDMSA) to collaborate in programmes with the Industrial Development Corporation (IDC), Council for Scientific and Industrial Research (CSIR), Department of Science and Innovation, the SA Medical Research Council (SAMRC) and the Technology Innovation Agency (TIA).

“South Africa has the potential to be a medtech hub for Africa and relevant legislation should enable economic engagement with the rest of Africa - aligned to the African Continental Free-Trade Agreement which has come to the fore in recent months,” says Burgess.

Burgess was speaking about the recent SAMED’s annual conference, with theme *Growing medtech post pandemic: adaptability, resilience and sustainability* that addressed some of issues facing healthcare.