

## Medilink Midlands Business Services



# Midlands Life Science Trade Survey 2023

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## Participants

From this short online survey of 28 Life Science companies based in the Midlands.

They consisted of 15 OEMs / 1 OEM & Distributor / 6 Contract Services and 6 Consultancies.

Company Activity	No.	Company Activity	No.
COPD Device	1	Medical supplies	1
CRO – Drugs	3	Ophthalmic Disease Identification	1
Data Management & governance	1	Orthopaedic materials – synthetic surgical materials	2
Design Consultancy	2	Orthotic Manufacture	1
Diagnostics Manufacturer	1	Physio Equipment Manufacture	1
Disability Assisted Living	1	Post Natal Facility	1
Drug Analysis – Mental Health	1	Regulatory Affairs	2
Drug and Medtech Production technology	1	Renewable Energy	1
Healthcare e-learning	1	Research & Development	1
Imaging AI Software	1	Software Developer	1
IP Consultancy	1	Surgical Kits	1
Medical Lighting	1		

## Exporting

### Countries of Interest

From our initial survey of 28 Companies, we set out specific target areas indicated by the DBT team and asked our companies to indicate the countries they are trading with or maybe planning (starting too) or may be investigating for future.

Exporting	Trading with at present	Planning too	Investigating for the future	Interest Level	% of Interest
EU	15	4	5	24	86%
USA	12	2	4	18	64%
Gulf Cooperation Council (GCC)	9	3	4	16	57%
Canada	10	1	3	14	50%
India	6	3	3	12	43%
Japan	4	1	6	11	39%
Korea	5	1	5	11	39%
Brazil	3	1	3	7	25%
Egypt	4	0	0	4	14%
Israel	3			3	11%
Singapore	2			2	7%
Asia Pacific	1			1	4%
Australia			1	1	4%
China		1		1	4%
Commonwealth (Various Countries)	1			1	4%
Far East	1			1	4%
Latin America	1			1	4%
New Zealand	1			1	4%
Sub-Saharan Africa	1			1	4%
Taiwan	1			1	4%
Turkey		1		1	4%
Worldwide	1			1	4%

**Note:** The Companies indicated in blue shaded area are the Target Countries that companies were directly asked to indicate.

**Trading Relationships**

Trading Relationship Overview	Type of Trading Engagement	Number of Companies	% of Interest
Have Long term relationships and expect to continue	Long Term – Trading Actions	11	39%
Looking for or had good Trading relationship and looking for them to continue	Mainly Long Term – Trading Actions	3	11%
Experiencing Trading whilst looking at other Export opportunities	Mixed Primarily Long-term Trading actions & Short-term Investigating or planning export	4	14%
	Mixed – Mainly Long-term Trading actions & Short-term Investigating or planning export	3	11%
Investigating	Short Term – Planning & Investigating	1	4%
Testing Market	Short Term – Trading Actions	1	4%
Investigating Export	No Export but investigating	4	14%
No indication of Export	No Export – No indication of Plans	1	4%

From the responding companies 50% have a strong and mainly Long-term experience of exporting with a good indication that others are building and or planning on developing long term relationships. With the other 25% whilst have good relationships they are looking for or developing new relationships. 8% are testing or investigating the potential to Export. So other than 4 (14%) companies that have no experience of exporting they are still investigating the possibility. With only 1 company who indicated no current plans or export activity. But from the responses there appears to have a strong interest in engaging or partaking in exporting. Plus, the 12 companies (43%) that are investigating new markets or looking starting to export may only need some support or incentives to advance their plans – especially if it’s a country they have on their Target list.

Although, we would like to extend this to look at those that were invited but did not partake to understand what the true export potential is and the true appetite of those that are not exporting and their reasons for not exporting.

**Overview of Export Interest / Activity**

From the Core Countries that were presented in our survey this indicates the weight of interest and activity from our responders. Which we think bodes well for export and potential export with these companies.

	Trading	Planning	Investigating
Core Country activities	68	16	33

## Export issues

Four companies indicated export Country of Origin issues. Notes and comments below.

Company reported - Country of Origin problem	Medilink Comment / Note
Some of our products don't have COO on artwork	<p>This may be an area that Industry may need a reminder for. We are not sure why they have not resolved this as this is a Major UK life science company and therefore if there are additional complexities that has caused them not to address this issue.</p> <p>We will look to investigate this further.</p>
One State offered support to invest, but the Company did not have the commercial resources	Again a company we will be approaching to understand what they required to see if there are opportunities for them to take this opportunity
Everything is mixed origin. Rules for defining origin complex and unclear, very little help available	This may be an area that DBT can review and check the guidance that is available to the Medtech and to companies that have no option but to import critical components due to there being no more UK producers of such items.
<p>We are a class III medical device manufacturer in UK. And we cannot get free sale certificate from MHRA. Because we cannot get CE mark MDR audit. We are in queue with BSI for 2 years now and no idea when we will be able to join the queue.</p> <p>After Brexit, the situation is even worse. We cannot get UKCA either. We are now planning to move the manufacturing facility to USA and Asia. So we can get free sale certificate from USA FDA. I am in a trade show in USA at present. Almost every small to medium medical device companies are giving up CE mark. Many European trade show organizational cannot find exhibitors. The situation is so bad, and I cannot believe I have to fill in this survey to tell the government that the medical tech industry is dying. In the near future the cost for medical devices will rocket and NHS cannot afford.</p>	<p>This is a very specialist and innovative medical company.</p> <p>The ability to get products certified and re-certified within the UK is becoming a major issue for manufacturers. With companies looking to get their products certified in the USA and market them there.</p> <p>This may cause a trade and IP drain and in long term put us in a position of mainly importing more and more medical goods and have little to export.</p> <p>The other alternative potential outcome is that the companies will cease trading due to their inability to gain or recertify their products (With out a certified CE mark they cannot sell their items) with the potential of selling their products and IP to overseas companies. Again with the potential of the UK having to import medical technology and products that were originated in the UK.</p> <p>We are constantly hearing from our Regulatory Affairs Consultancies of the difficulties with gaining inspections, testing and certification. So this is not a single company-based issue.</p> <p>Hence, why this company has provided this very strong comment.</p>

## Importing

### Importing Activity

Range of respondents and their importing activity.

CRO Research	Contract Service	Import activity	No. of Companies
CRO Research	Contract Service	Importers	1
Diagnostics	OEM	Importers	2
Legal Professional	Consultancy	Importers	1
Medtech	Consultancy	Importers	1
Medtech	OEM	Importers	4
Pharma/Medtech - Integrator	Contract Services	Importers	1
Pharmaceuticals	Distributor / OEM	Importers	1
Biotech/Medtech	OEM	We don't Import	2
Chemical Engineering	OEM	We don't Import	1
CRO Research	Contract Service	We don't Import	2
Digital Medtech	Consultancy	We don't Import	1
Digital Medtech	Contract Services	We don't Import	2
Digital Medtech	OEM	We don't Import	3
Medtech	Consultancy	We don't Import	1
Medtech	OEM	We don't Import	3
Regulatory Affairs	Consultancy	We don't Import	2

Whilst a number of these companies indicate that they do not import we are sure from our knowledge of the companies that they rely on imported components, parts and materials that are sourced from UK suppliers. Hence this would make an interesting study on the reliance and resilience of these business and the Life Science sector on such suppliers and their import chains. Hence what Trading relationships are required to ensure our OEMs and subcontractors can continue to operate and trade should there be logistics or elevated costs such as import duty or exchange rate issues.

## Importer Source Countries

Numbers of companies indicating their activity or interest in these countries.

Importing	Investigating for the Future	Currently importing from	Planning Too	Interest Level	
EU		8		8	29%
USA		4		4	14%
Korea	1	2		3	11%
Japan	1	2		3	11%
Egypt	1	2		3	11%
Gulf Cooperation Council (CGC)	2			2	7%
India	2			2	7%
Canada	1	1		2	7%
Brazil		1		1	4%
None				16	57%
China	1	3		4	14%
Taiwan		2		2	7%
sub-Saharan Africa		1		1	4%

Main sources of Imports indicated is EU with China and USA being equal with Korea, Japan and Egypt close behind. Whilst this is a small sample it does indicate the diversity and complexity of our import relationships.

## Importing Relationships

Trading Relationship Overview	Type of Trading Engagement	Number of Countries	No. of Companies	% of Companies
Have Long term relationships and expect to continue	Long Term - Trading Actions	19	6	55%
Experiencing Trading whilst looking at other Import sources	Long Term - Trading Actions	2 Long Term Relationship / 1 Investigating	1	9%
Experiencing Trading whilst looking at other Import sources	Short Term - Trading Actions	3 Long Term relationship / 6 Investigating	1	9%
Have Partial Long and Short Term relationships	Long & Short Term	2	1	9%
Investigating	Long Term - Relationship	2	2	18%
		35	11	

The Average number of countries our companies are importing from is 3.18.



## Commodity Codes

It is imperative that a company has the right commodity codes for its products and supplies in order that it can ensure they or their customers pay and appropriate export or Import Tariff / Tax duty.

### Appropriateness of codes

Commodity codes that fit your products	Is the Commodity code category appropriate for your products	Number
Yes	Yes	12
Yes	No	3
No	No	5
No	Not answered	3
No - service not a product	No	2
Not answered	Not answered	2
No	Yes	1

11 companies just under 50% of the respondents that answered this question indicated that their commodity code was not suitable or there was not an appropriate code.

The last three answers we have put to one side as this question was not appropriate, they did not respond, or their answer was unclear.

On reflection if we ask this question again, we would ask this as two separate questions for export and import especially for subcontractors as they may have to pay a range of import duties on a variety of items. This along with original country of origin of components / materials used and depending on the amount of work undertaken within the UK may create a range of trading / viability issues.

### Medical Items used Codes

Unfortunately, several companies did not or were not able to answer this question.

9019 2000 00	COPD Device	Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus
8422 3000 00	Pharmaceutical goods supply company & Pharma/Medtech - Integrator	Machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers; machinery for aerating beverages
8479 8997 90		Other machines and mechanical appliances - Other
9016 0010 00		Balances - Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof

### Medical Items but using non-medical commodity codes

2835 2600	Bone Grafting Materials Co.	Other phosphates of calcium - Products of the chemical or allied industries
3402 9090		Washing preparations and cleaning preparations
9506 9110 00	Physio Exercising Equipment Company	Exercising apparatus with adjustable resistance mechanisms

## Commodity code issues

Companies that have identified Commodity coding issues for the following products:

- Clinical diagnostic software
- Diagnostic product for Ophthalmic problems
- Software Engineering IT solutions & products
- Specialist Assisted Living Medtech item is in a category of general machines including nuclear generators
- Physio Resistance exercise equipment / machine
- Medical education products

Or reported they could not find one that they felt was suitable.

One specific response we received:

From a Medtech product manufacture

- Actually we have been facing problems of finding out the Commodity code in two times. The first one is a Hose Lifter for supporting a pipe of a CPAP machine; now it's our new invented product - a Fluorescein Emission Filter to improve the diagnose of dry eye.

To be honest, the search engine in GOV.UK is so unfriendly that after spending lots of time we still don't know which code we should use. Fortunately the product is not ready yet, thus we still have time to keep on searching.

## Specific requests

- A code for operating theatre and ICU equipment – using General medical code
- Generic class 1 medical device code

From the second item we would recommend that all Class I to Class III (and intermediary classes) medical products should be classified within its own tariff with consideration for any medical or healthcare products to be included or to have a separate Code. Whilst there may be a medical code for dressings and drugs companies

**Internal**

**Interest in an Export / Import Webinar**

Would you like to attend or take part in Export or Import webinar	
Yes	7
Maybe	12
No	6
No Response	3

**Specific Requests**

Trade topics or countries for webinars
Any
Argentina
CE mark MDR fiasco.
Hello! We area niche drug Discovery with Global Clients...we offer services , CRO, so we run services for Drug Discovery and share high quality data. Not sure it covers export as it is digital. Hope you get lots of good responses,
How to access international healthcare sites/distributors.
Interested to learn more to support clients - Business Consultancy directly supporting Companies entering UK
IP for exporters
Japan and middle East
Movement of animal derived materials into and out of the EU post Brexit
Singapore & Taiwan
U.K. , USA - This is a bit left of field as it's a Fuel Co.