

# Doing business in the UK: the UK opportunity for Digital Health and MedTech companies

Nordic Propel Bootcamp 2024 Introduction webinar

June 2023

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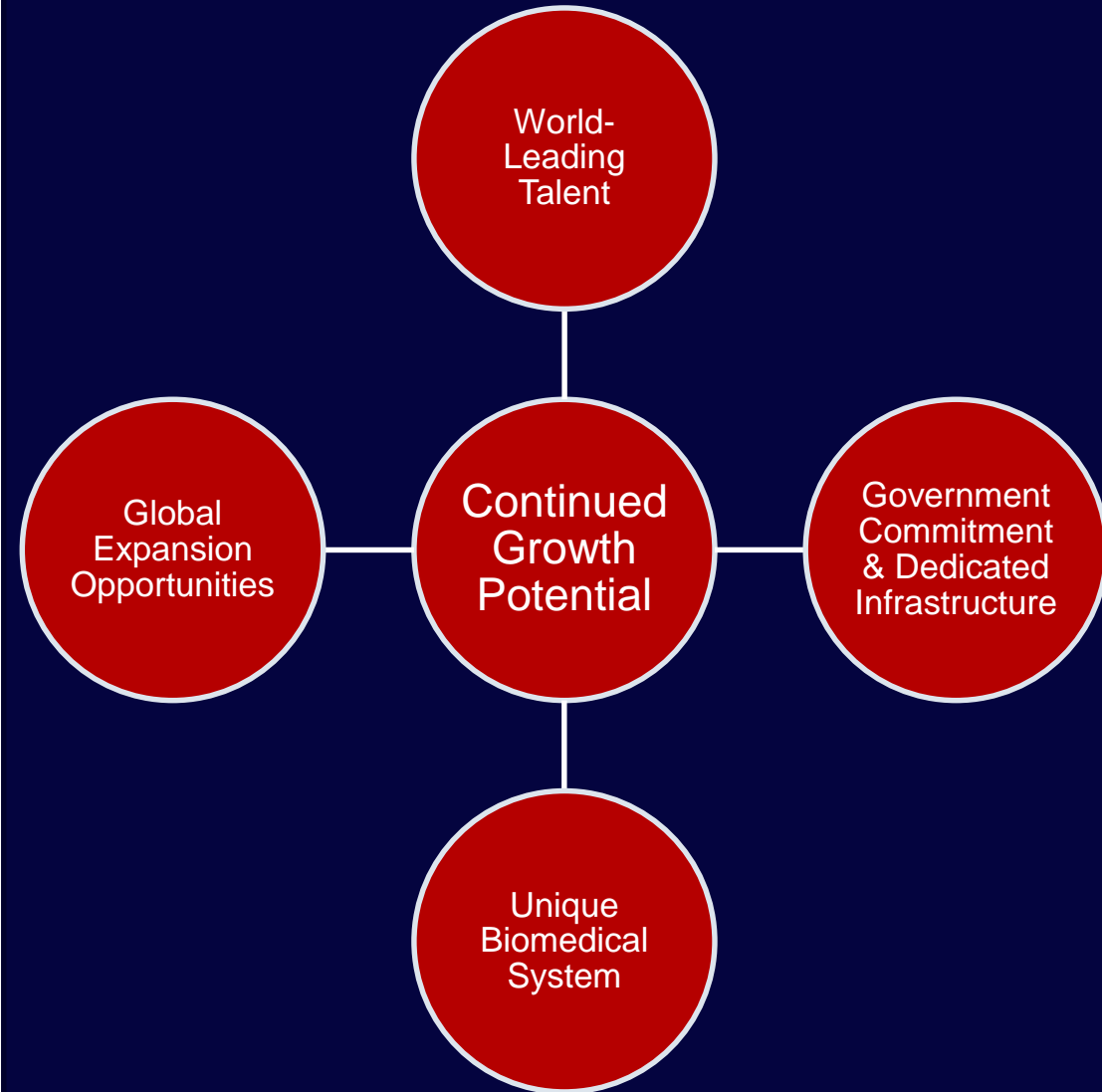
Department for  
Business & Trade



# Executive Summary

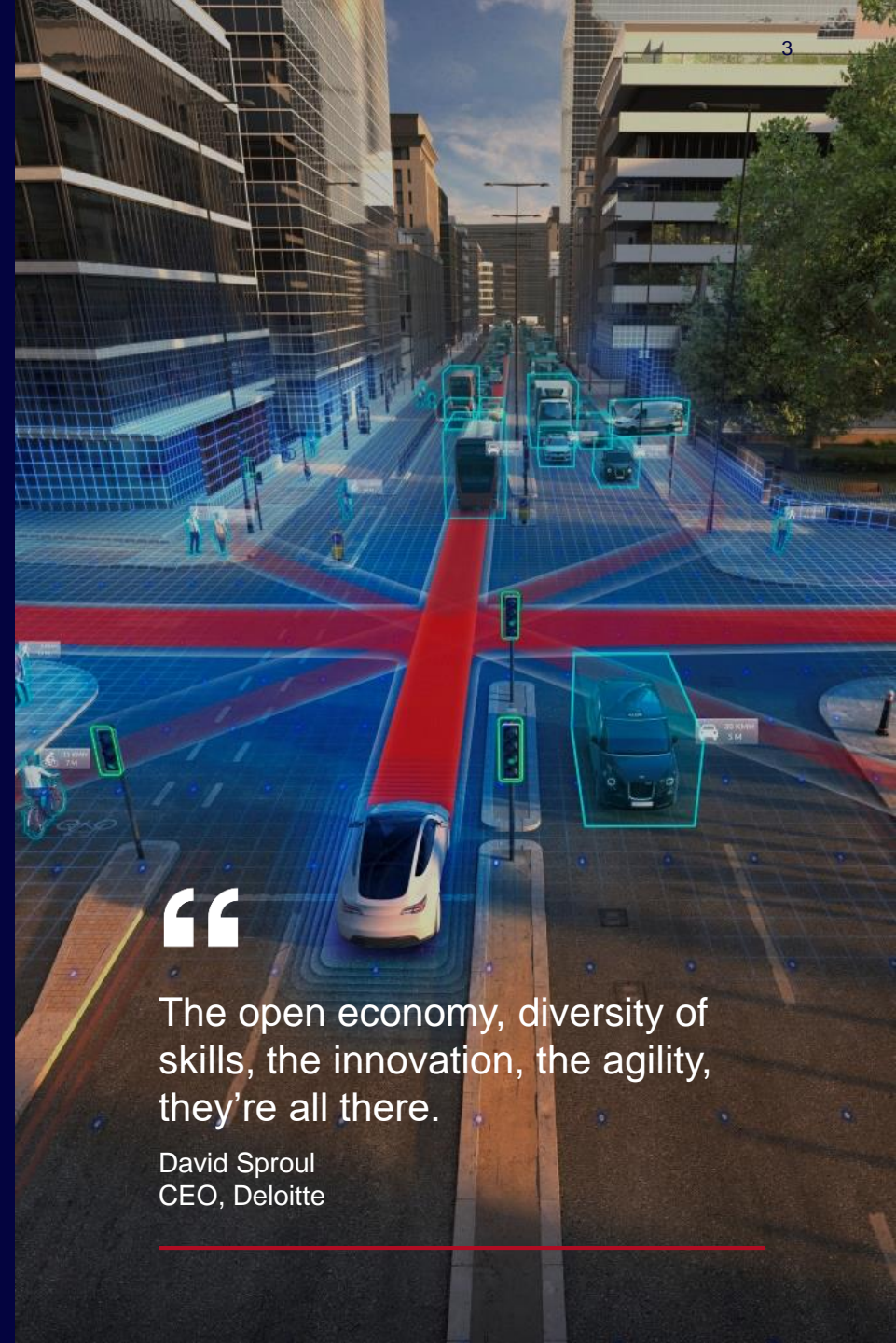
The UK offers prime investment opportunities for MedTech companies looking to expand.

- › Large population and one of largest MedTech industries in the world.
- › Research capability and support infrastructure
- › Unique and collaborative biomedical system with the NHS at its core
- › Clear route to market via NHS Supply Chain.
- › Business friendly regulatory environment
- › World-class talent
- › Easy to access, 7 direct flight destinations from Sweden



# UK Market

- 6<sup>th</sup> largest economy in the world with 67 million people
- Open, liberal economy and a high spending consumer market
- One of the simplest countries in the world to set up a business
- Regulatory and legal systems support businesses
- £600 billion of investment committed over 5 years
- 1<sup>st</sup> in EY attractiveness survey 2022, considering new investment projects and business sentiment



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The open economy, diversity of skills, the innovation, the agility, they're all there.

David Sproul  
CEO, Deloitte



# EU exit offers both challenges and opportunities

- The Windsor Framework was announced in March 2023 to directly address the trade friction between Northern Ireland and Great Britain created by the old Northern Ireland Protocol.
- Northern Ireland is the only place in the world from which businesses can move goods to both the UK and the European Union free from customs declarations, rules of origin certificates and non-tariff barriers.
- Business travel rules have changed, be mindful as you would when travelling to the US
- Hiring people has become more complicated, with a new visa regime in place
- Opportunities through trade deals and free ports

Unrestricted market access to Great Britain\*

- ✓ **No changes to how goods from Northern Ireland arrive at UK ports**
- ✓ **No import or export declarations**
- ✓ **No exit summary declarations**
- ✓ **No customs duties**
- ✓ **No VAT to pay at point of arrival**

✓\* Exceptions may apply for goods subject to prohibitions and restrictions

The same unrestricted market access applies for trade between Northern Ireland and the EU

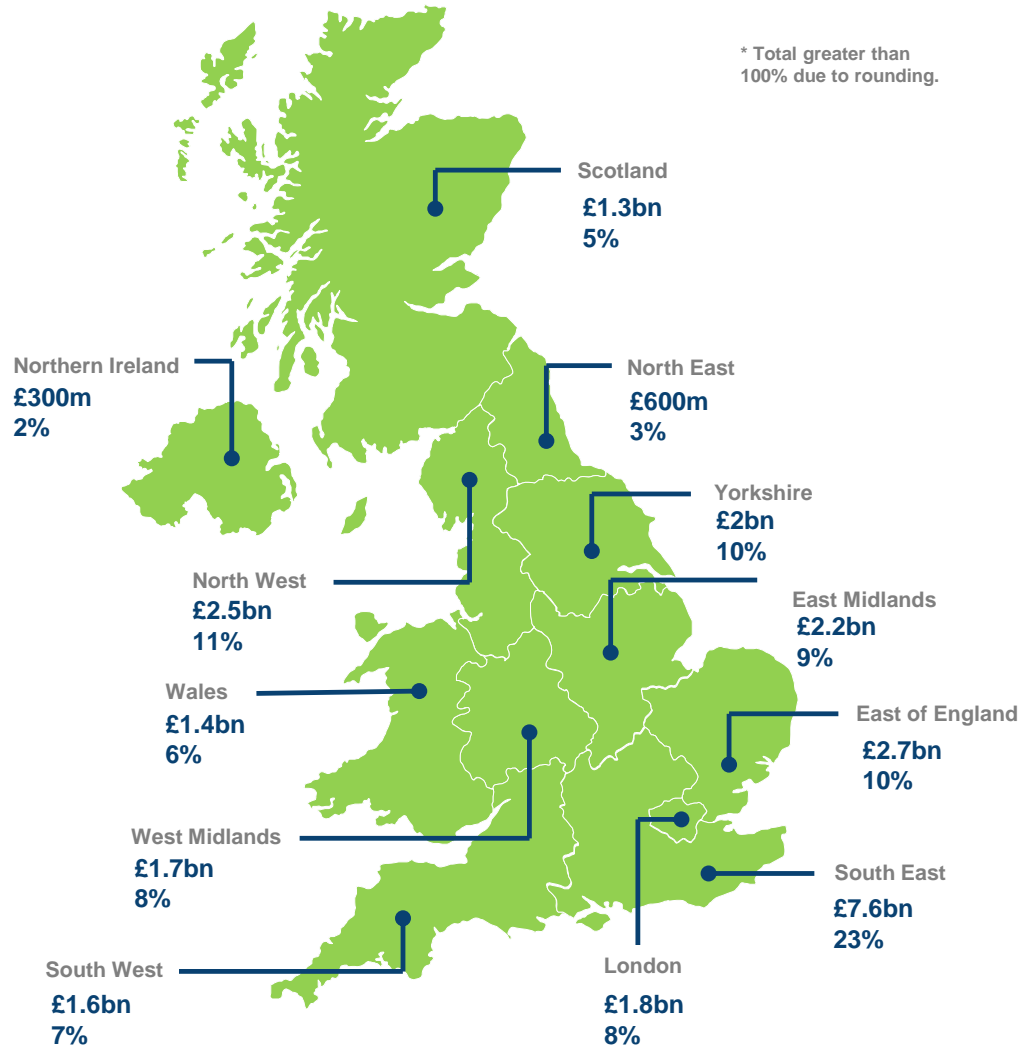
- ✓ **No checks or processes**
- ✓ **No customs duties or tariffs**
- ✓ **No customs border**
- ✓ **No need to register for VAT in each EU member state**

# The MedTech Market

The UK enjoys a leading position in the global market for Medical Technologies.



## Turnover Value & Distribution of Employment Across UK



Sources: OLS, 'UK Medical Technology Sector Statistics,' 2019; GlobalCityUK, 'Leading Global Competitors In Venture Capital & Private Equity,' accessed Jan 2021.

## UK MedTech is a vibrant and growing sector

- Over 4,000 MedTech businesses
- £89 billion sector turnover
- Employs 268 000 people. 52% outside London
- UK operations for all Global Top 30 MedTech
- The NHS spends £10 billion a year on MedTech. Key focus is right product, right place, right price
- Top three core segments:
  - Single Use Technology
  - Digital Health
  - In Vitro Diagnostics

Source: UK Board of Trade. Life Sciences: What's next for this top UK sector? Nov 2022 & OLS Biotech and Health Technology Sector Statistics 2020



# The UK opportunity for Medtech

The UK is a prime location to identify innovation and to research, develop and evaluate products and services in **the National Health Service (NHS)** serving nearly **67 million people**, one of the world's best healthcare system - a test bed for your global market development

- **Dedicated infrastructure to support research, development and evaluation** across the entire product innovation pathway.
- **National agencies working together** to improve the NHS innovation pipeline and adoption process for streamlined market entry.
- **Significant commercial sector within connected clusters across the UK**, the #1 life sciences cluster in Europe, offering wide range of affordable location options to suit company needs.
- **Government commitment to innovation** underpinned by sustained partnership with industry through Sector Deals and new Life Sciences Vision that has already realised more than £3 billion in joint investment. **Over £14 million** has been awarded to the NIHR's **11 leading MedTech and In Vitro Diagnostics Co-operatives**.



# National Health Service

## NHS Northern Ireland

**1.9 m people**

60,000 employees

Health & Social Care Boards

5 Health & Social Care Trusts

5 local commissioning groups



## NHS Scotland



**5.5 m people**

161,415 employees

7 Special Health Boards

14 NHS Boards

£192  
billion



Department  
of Health &  
Social Care

The NHS represents  
c.80% of UK's  
healthcare market

## NHS Wales

**3.2 m people**

84,000 employees

7 Local health boards

3 NHS Trusts



## NHS England (NHSE)

**56.3 million people (85%)**



1.2 million employees

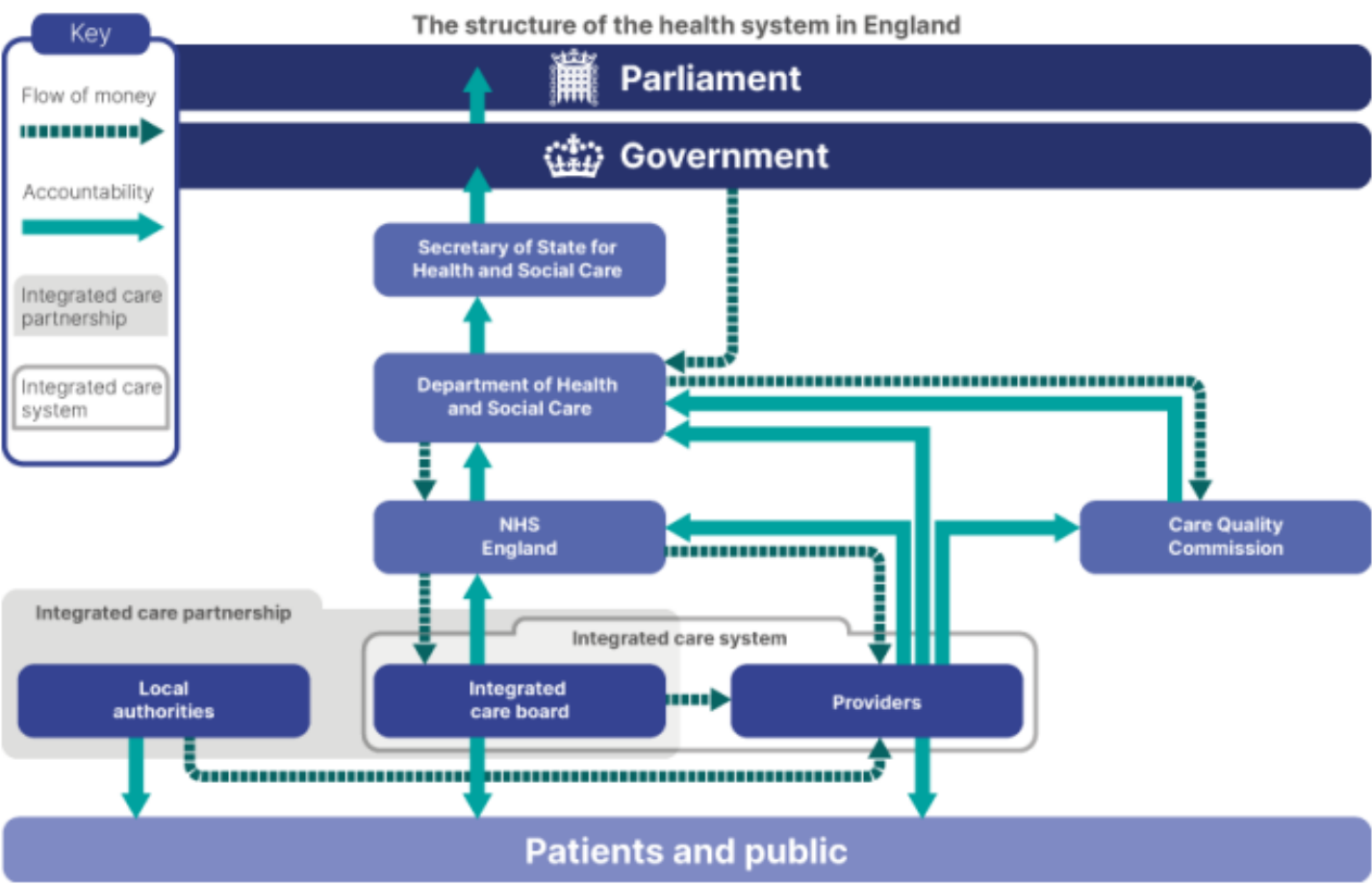
42 Integrated Care  
Systems

219 NHS Trusts

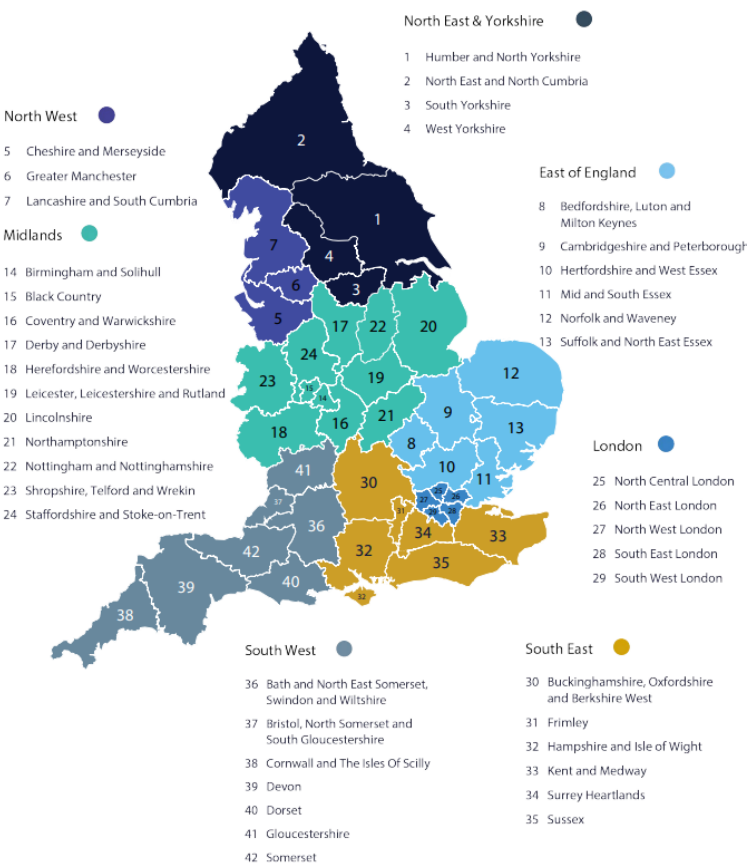




# Health System Structure in England



England has 42 Integrated Care Systems regions



<sup>24</sup> NHS England and NHS Improvement, *The NHS's recommendations to Government and Parliament for an NHS Bill*, September 2019

# AHSN networks are your friends

There are 15 Academic Health Science **Networks** (AHSNs) in England

They connect the NHS with academic organisations, local authorities, charities and industry

The Yorkshire and Humber AHSN is one of the most innovative and international facing regions in the UK, The Nordic Propel Bootcamp is an excellent opportunity for companies to engage with the NHS in the Leeds region



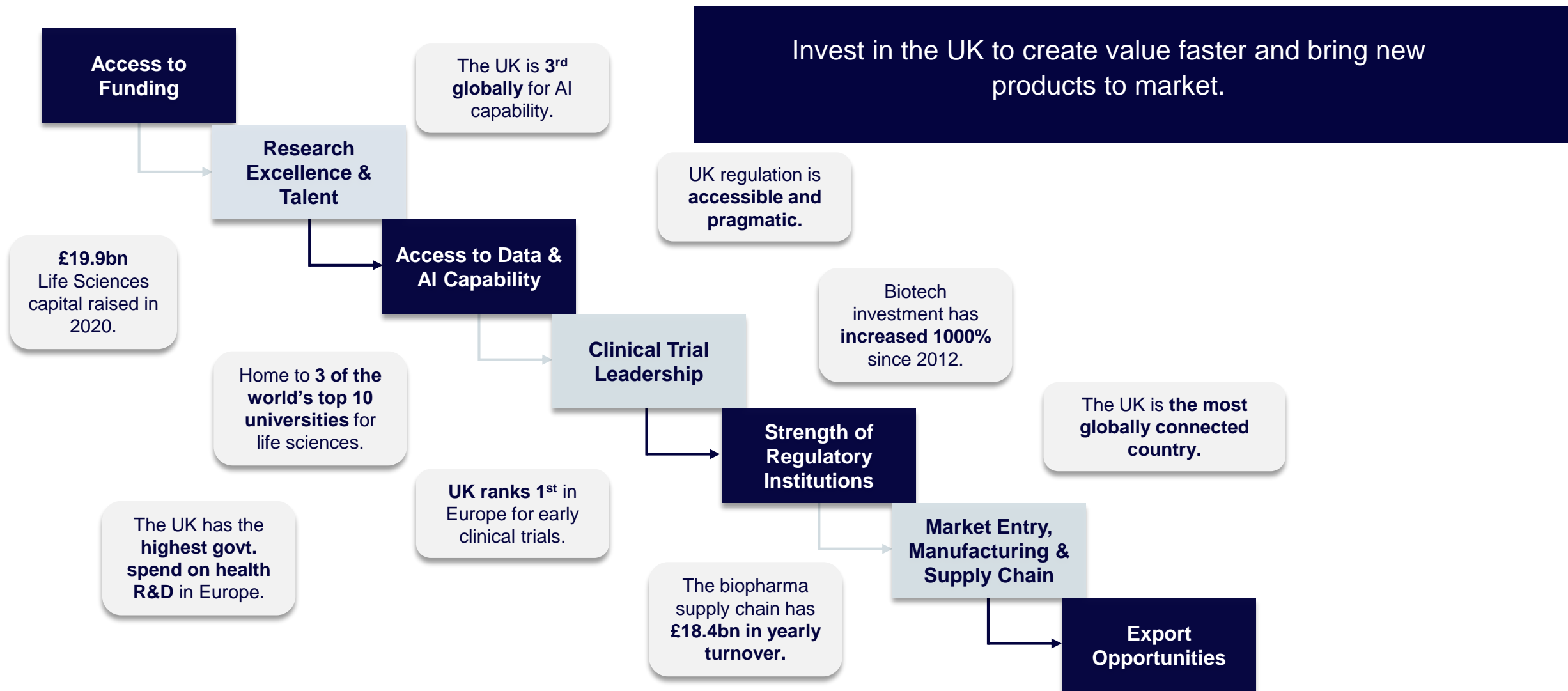
# Why Invest in the UK?

The UK has world-leading talent and research capability within a supportive and cost-competitive environment.





# Capability & excellence along the value chain



Sources: Savills, 'Spotlight: Life Sciences – Trends & Outlook 2021,' Jan 2021; Oxford Insights, 'Government Artificial Intelligence Readiness Index 2019'; OLS, 'Life Sciences Competitiveness Indicators 2020,' 2021; BIA, 'The Science of Success: UK Biotech Financing in 2020,' Feb 2021; APBI, 'Clinical Trials Report,' 2019; OLS, 'UK Bioscience and Health technology Sector Statistics 2019,' 2020; NYU, 'DHL Global Connectedness Index 2020,' 2020.

# Medtech in the UK and beyond

## Join Other Foreign Investors

The UK has developed strong connections with international investors and connected clusters, facilitating access to customers, collaborators, supply chains and innovation partners.

## International Opportunities

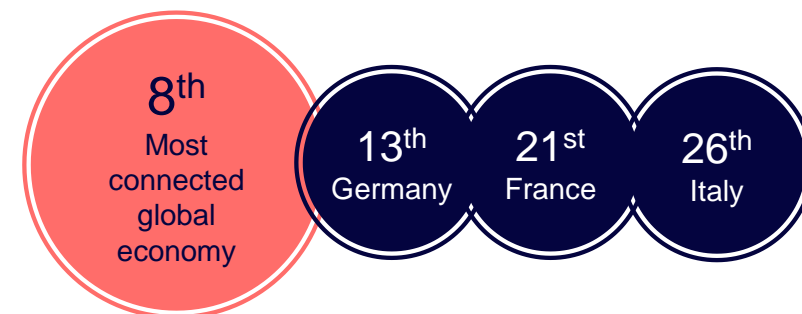
The UK is a leading global hub for MedTech, acting as a launchpad to the rest of the world. Given that some of the key priorities of MedTechs include access to new customers, international expansion support and access to new investment, the UK's connections to international markets make it an ideal place for MedTech investors to grow their business. These connections extend the UK's market reach and drive innovation in a process that is inherently collaborative.

## Export to the world

Life sciences clusters across the UK are responsible for exports of £30bn a year. In 2019, MedTech contributed over £6.7bn in exports, demonstrating 20% growth from £5.6bn in 2015.

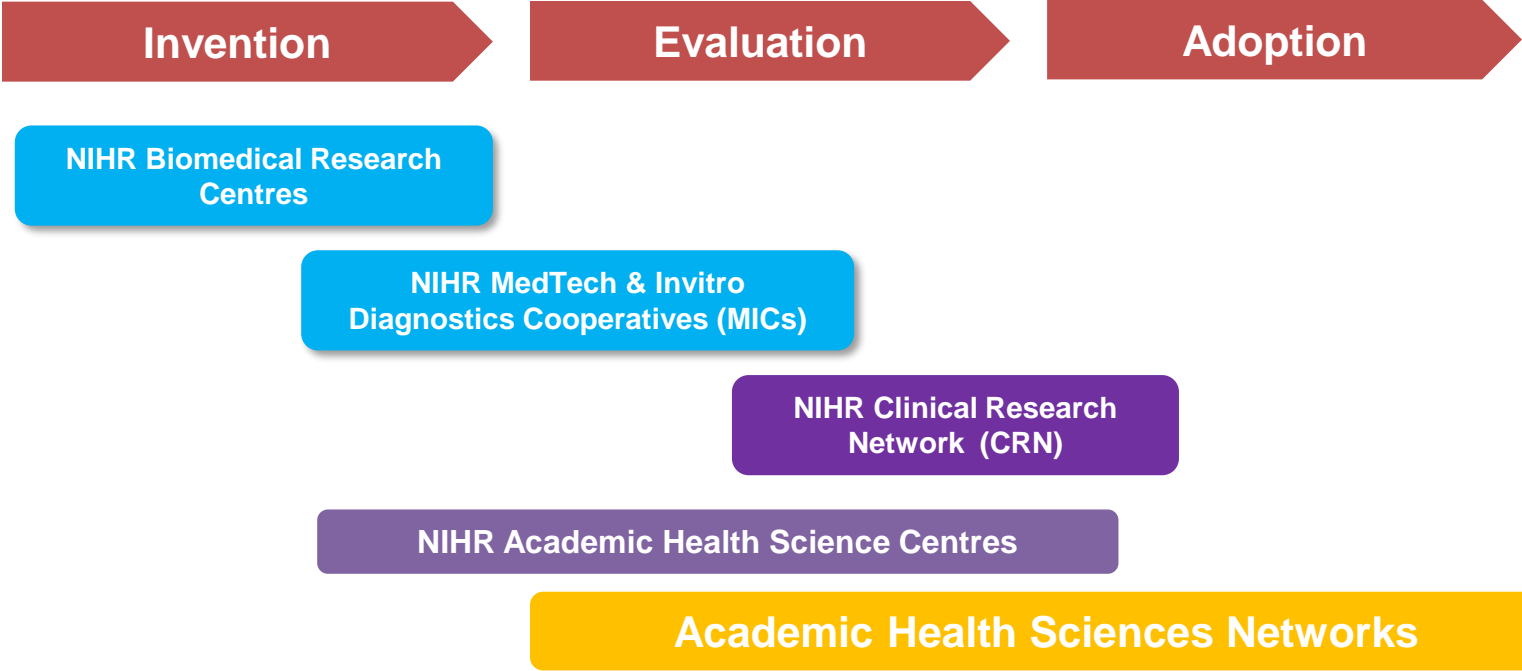
## Travel

The UK boasts 7 direct flight destinations from Sweden



\*\*DHL's Global Connectedness Index<sup>3</sup>

† Overseas sourced capital investment will be subject to UK National Security and Investment Bill requirements.



Regulators  
& Guidance





# Home grown talent

- The UK's top universities consistently rank in the top 10 globally.
- In the UK, investors can access some of the best talent and skills in the world through an education system that moves with the dynamic changing needs of global employers.
- The UK's workforce is more qualified than any major economy in Europe and ranks in the top 10 globally.<sup>1</sup>
- 2.75 million people are currently studying at higher education level with over 870,000 graduating annually from the country's 160 universities and higher education institutes.<sup>2</sup>
- Nearly 50 000 health and biological sciences graduates in 2022. Graduate degrees increasing by 12% annually



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We are thrilled to be part of the thriving UK space ecosystem and are excited to build our engineering presence here, tapping into the highly-relevant experience that exists within the high-tech talent pool and the local industry.

Rory Holmes  
ClearSpace

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# Attracting global talent

- Whilst still evolving, following departure from the EU the UK's immigration system is innovative and bold.
- Agile and responsive environment designed, above all else, to meet the talent requirements of UK business and global investors alike.
- Office for Talent, positioned at the heart of government, exists to identify and support businesses in responding to barriers to access the best talent from around the world.

## The UK has always been a destination for global talent

- In the year ending September 2022, over 248,000 work-related visas were granted - 80% than the previous year – more than half of these (58%) were Worker visas.<sup>7</sup>
- The UK is ranked as an attractive major European economy (3<sup>rd</sup> behind only Switzerland and Luxembourg) for international job seekers, and with a positive 'Brain Gain' score is deemed likely to gain international talent in the future.<sup>11</sup>

## The UK provides a flexible and responsive visa system with a range of options that investors can access

- The UK has some of the fastest, most streamlined and transparent work visa processes for employers globally, with applications from many jurisdictions processed in 24-48 hours.<sup>12</sup>
- The UK Government's **Global Entrepreneur Programme (GEP)** helps high-growth, overseas, innovative technology companies set up and scale their business from a UK global headquarters.<sup>14</sup>
- The new **Global Business Mobility visa**, launched in April 2022, is a combined new category of sponsored routes for overseas businesses seeking to establish a presence in the UK, or to transfer staff to the UK for specific business purposes.<sup>15</sup>

7 Gov.uk, Why do people come to the UK? To work, November 2022; 11 Indeed 'How shifts in international job search are accelerating global competition for talent', June 2022 (pages 14 & 15 and 44 & 45); 12 EY, Streamlining success: Building a world-class visa process for the UK; 14The Global Entrepreneur Programme, [www.great.gov.uk/international/content/invest/how-to-setup-in-the-uk/global-entrepreneur-program/](https://www.great.gov.uk/international/content/invest/how-to-setup-in-the-uk/global-entrepreneur-program/); 15 Global Business Mobility Routes

# Ease of opening a UK subsidiary

There are various options available for foreign companies to establish a business presence in the UK.

The most common approach is to establish a subsidiary, as local customers, suppliers and lenders will be familiar with the structure and the overseas company can retain a higher degree of control.

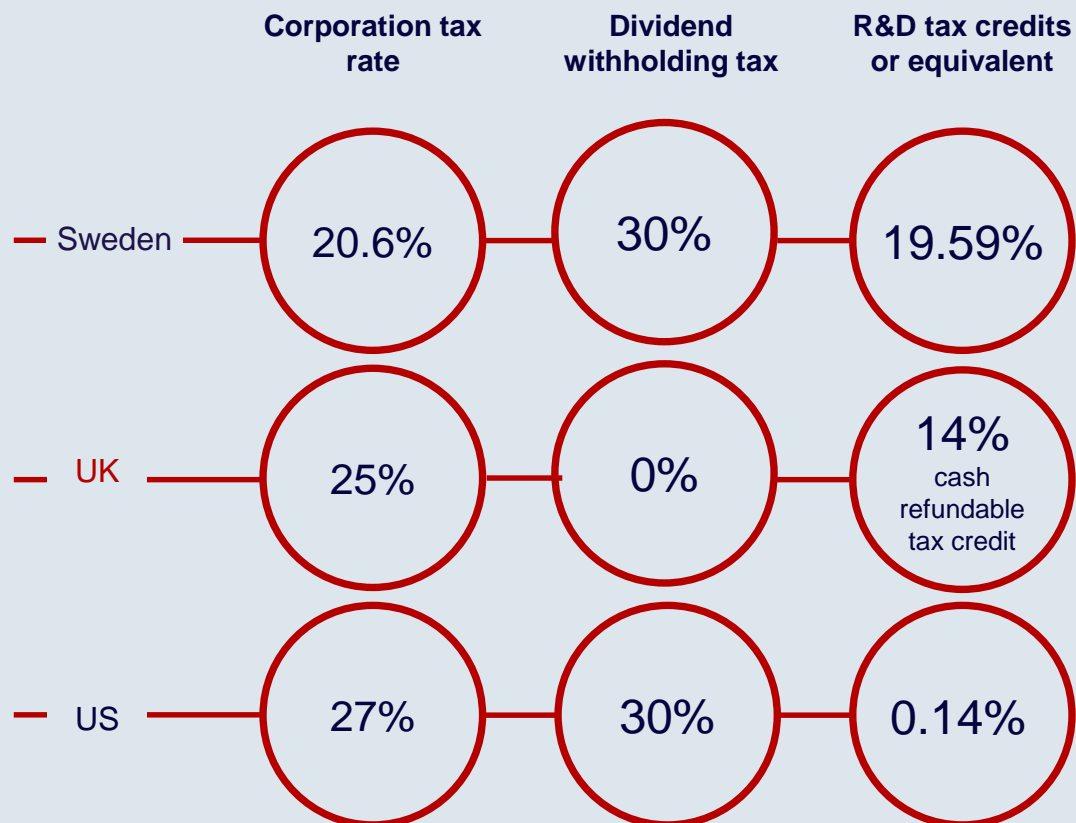
Companies are registered via Companies House, a process taking 24 hrs and at a cost of £12.





# UK financial incentives

The UK's tax offer remains internationally competitive and our corporation tax rates are in line with the G7's recommendations for minimum levels globally



The UK continues to offer focused tax incentives to support R&D and, more recently, capital allowance super deductions to encourage firms to invest in productivity-enhancing plant and machinery assets.

## Super deductions on capital allowances

130% super-deduction for qualifying new plant and machinery assets to 31 March 2026.

## Research and Development Expenditure Credit (RDEC)

A taxable credit paid at a headline rate of 13% from 1 April 2020.

## Patent Box Regime

The patent box regime provides for an effective rate of corporation tax of 10% on profits derived from qualifying patents and certain similar IP rights.

## Research and development allowance

Capital expenditures on R&D attract a first-year allowance of 100% on the qualifying expenditures.

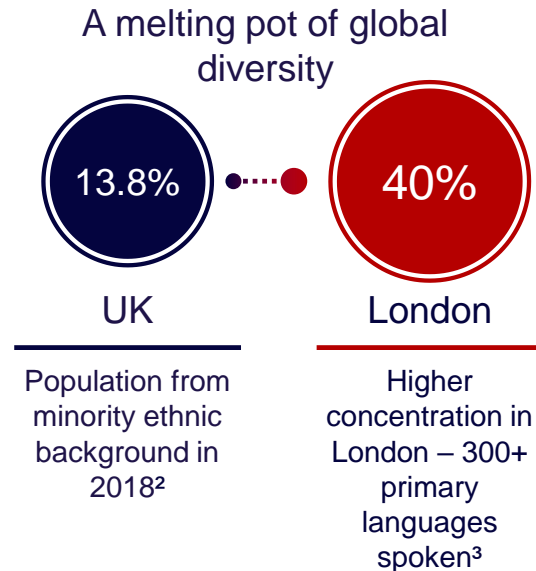
# Living in the UK

The UK is, and has always been, a trading nation which brings with it diverse cultures and communities, giving the UK an influence around the world that far exceeds its size and making it a great place to live.



# Living in the UK? A melting pot of cultures for a creative, innovative society

UK ranks 2<sup>nd</sup> in the world for its soft power, with its well established reputation and strong global rankings for education, law and human rights, familiarity, international leadership, influence, media and communications, and supporting global efforts for climate change.<sup>1</sup>



## People and society

The UK is four countries in a single nation, each with its own history, identity and culture. Tolerance and freedom of religion are core principles throughout the UK and all major world religions are well represented. It is also one of the safest countries in the world.

## Culture

Music, theatre, art, sport, literature, food and history are just a few of the elements which create the diverse, rich culture of the UK. The BBC is the world's most trusted and widespread news outlet with a global reach of 489m people per week.<sup>4</sup>

## Healthcare

The UK is a world leader in healthcare, medicines and medical research, with some of the best hospitals in the world. The National Health Service (NHS) is unique in providing free healthcare at point of access, for all.

## Education

With leading schools and universities, four of the UK's universities are in the top ten across the world.<sup>5</sup>

## Landscape and location

Not only is the UK a geographic hub for travel abroad, it also boasts mountains, rivers, rolling hills, lochs and a coastline of nearly 8,000 miles of beaches. The UK also comes 2<sup>nd</sup> out of 180 countries for environmental health and ecosystem vitality.<sup>6</sup>

# 2<sup>nd</sup>

Globally for soft power, showing the UK's global reputation remains strong and resilient<sup>1</sup>

- 1<sup>st</sup> for education system
- 1<sup>st</sup> for law and human rights
- 2<sup>nd</sup> for familiarity
- 2<sup>nd</sup> for international leadership
- 2<sup>nd</sup> for diplomatic influence
- 2<sup>nd</sup> for media and communication
- 2<sup>nd</sup> for supporting global efforts for climate change



# How can DBT help?

Working across government, and a vast network of industry experts and leaders, DBT provides a range of bespoke services to help international businesses expand into the UK.

- Providing concierge style support for major Investments, including accompanied visits and bespoke identification of site options.
- Providing specialist advice about the business environment in the UK, including tax, access to finance, banking, research and development (R&D), visas and skills.
- Financial modelling to compare the UK against other locations by quality, risk and profit after tax.
- Partnership introductions including to universities, local innovators in the supply chain, and local government.
- Continuing support after a business has invested in the UK
- Encouraging exports of invested companies
- Entrepreneurial assistance through mentor network

## Range of support for businesses to invest in the UK



Site Selection



Innovation



Partnership



Business Modelling



Publicity



Aftercare



Benchmarking



Policy



Exporting



Talent



Regulation



Clinical Trial



Tax



Manufacturing



Networking



Finance



Supply Chain



Department for  
Business & Trade

### Department for Business and Trade

The UK's Department for Business and Trade (DBT) helps businesses export, drives inward and outward investment, negotiates market access and trade deals, and champions free trade.

We are an international economic department, responsible for:

- supporting and encouraging UK businesses to drive sustainable international growth
- ensuring the UK remains a leading destination for international investment
- opening markets, moulding the trade environment with new and existing partners which is free and fair
- using trade and investment to underpin the government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide.

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