

The Economic Footprint of the Healthcare Economy in Germany and Mecklenburg-Vorpommern

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A. **The Economic Footprint**
Towards a New Understanding of the Healthcare Sector

B. **Healthcare Economy – A Story of Success**
Key Results and Lessons Learned from the German Approach

C. **Outlook**
First Steps Towards an International Reporting Tool

A. WifOR is Fostering the Paradigm Shift in the Global Healthcare Sector – Health Economy as an Increasing Driver for Growth and Employment



OLD UNDERSTANDING

- Part of healthcare
- Mostly public financing
- Input oriented
- Healthcare as a cost factor**
- Healthcare consumption**
- Separate silos, fragmentation, e.g. statutory health insurance

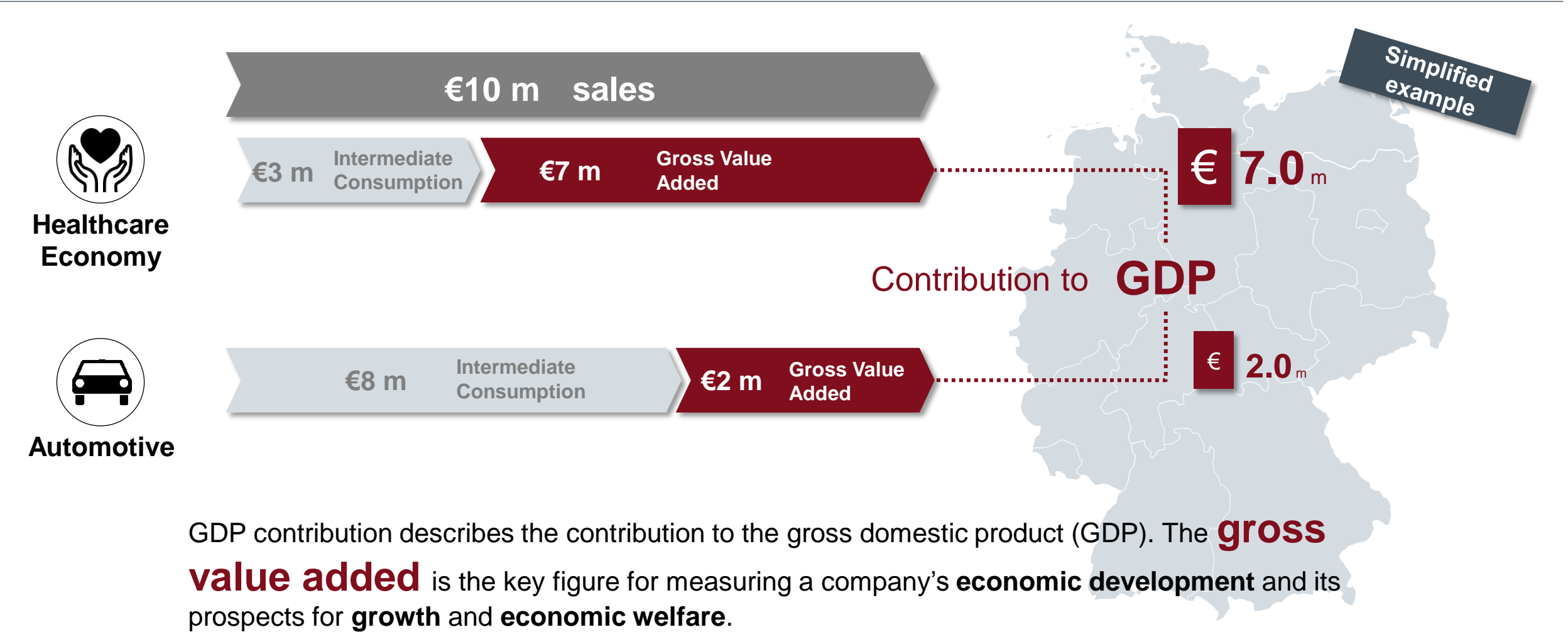


NEW UNDERSTANDING

- Health economy as an heterogeneous sector
- New financing methods, secondary health market, new methods of paying providers (P4P)
- Better quality, more outcome oriented
- Growth sector, increasing work force, new career opportunities**
- Investment in health to promote growth and productivity**
- Lifelong health and well-being, less fragmentation

Source: WifOR illustration, following Henke, Neumann, Schneider et al. (2010).

A. Only GROSS VALUE ADDED allows statements about the economic importance of sectors to the national economy.



GDP contribution describes the contribution to the gross domestic product (GDP). The **gross value added** is the key figure for measuring a company's **economic development** and its prospects for **growth** and **economic welfare**.

Source: WifOR illustration.

A. The NATIONAL HEALTH ACCOUNT (NHA) as a comprehensive database - A History of Success in Cooperation with the BMWi in Germany



2013

Evolution towards a National Health Account for Germany

Presentation of Time Series Economic Figures and Quantification of Spill-over Effects of the Health Economy



2017

Creation of a „regionalized“ Health Account for different Federal States of Germany

Economic facts and Figures of the Health Economy and Subsectors now cover all Federal States in Germany

2009

Creation of a Health Satellite Account for the BMWi

First Quantification of the Economic Impact of the Health Economy



since 2013

Regular reporting and methodological advancement of the Health Economy by the BMWi

Annual Updates on the National Health Account as the Central Basis for Facts and Figures of the Sector



Source: WifOR illustration.

B. The HEALTHCARE ECONOMY is a heterogeneous Sector with important sub-areas, e.g. the industrial healthcare economy



In-/outpatient Sector

- » Hospitals
- » Practitioners
- » Rehabilitation
- » Care



Industrial Healthcare Economy



Other Sectors

- » Insurances
- » Pharmacies
- » Wellness Tourism
- » Consulting



- » Pharma
- » Medtech
- » Biotech
- » RnD
- » E-Health

Source: WifOR illustration.

B. In Mecklenburg-Vorpommern the regional Healthcare Economy is a driver of growth and employs nearly 20% of total labor-force



15.3 %

Share of total GVA in Mecklenburg-Vorpommern



4.4 %

Average growth since 2006



19.9 %

Share of total labor-force in Mecklenburg-Vorpommern



1.7 %

Average growth since 2006



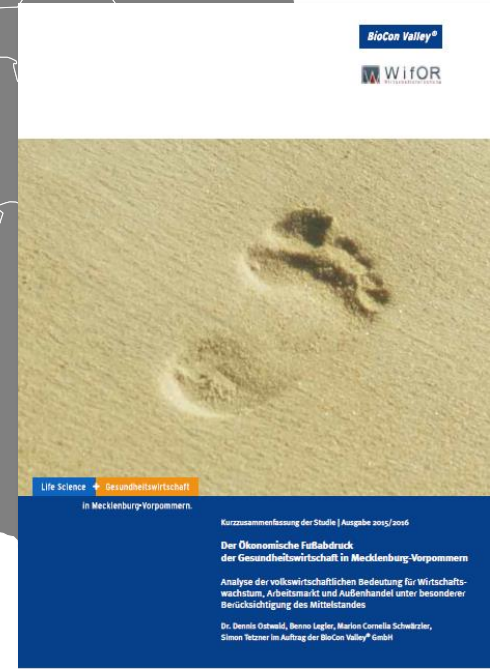
4.3 %

Share of total exports in Mecklenburg-Vorpommern



6.4 %

Average growth since 2006



Source: WifOR illustration; Federal Ministry for Economic Affairs and Energy (2017), BioCon Valley (2016).

B. Based on the NHA we are also able to calculate the economic impact of a Cluster such as Life Science Nord (LSN)



4.0 bn
EUR

Gross Value Added
of the Cluster LSN



69 %

Share of **Small and medium-sized enterprises (SMEs)**



31,000

Labor-force in Pharma and
Medtech within the Cluster LSN



78 %

Share of **Small and medium-sized enterprises (SMEs)**



4.8 bn
EUR

Total exports of the Cluster



8.2 %

Share of total exports in
Hamburg and Schleswig-Holstein



DER ÖKONOMISCHE
FUSSABDRUCK DES CLUSTERS
LIFE SCIENCE NORD
THE ECONOMIC FOOTPRINT OF THE
CLUSTER LIFE SCIENCE NORD

Source: WifOR illustration; Federal Ministry for Economic Affairs and Energy (2017), Life Science Nord (2016).

C. The Economic Footprint Approach – based on GDP calculations – answers different questions about benefits in a macroeconomic context



What is the contribution of the **Healthcare Economy** to gross value added and **GDP**?



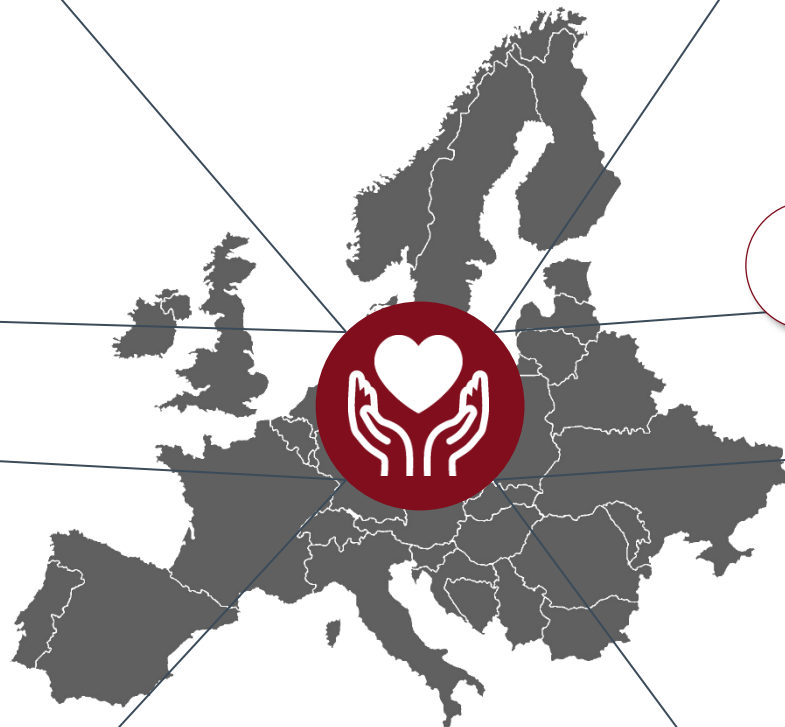
How many **jobs** are accounted by the business activities of the **Healthcare Economy**?



How high are the **spillover effects** of the **Healthcare Economy** in contrast to other **benchmark sectors**?



How high is the **impact** of the **Healthcare Economy** on **foreign trade** in contrast to other sectors?

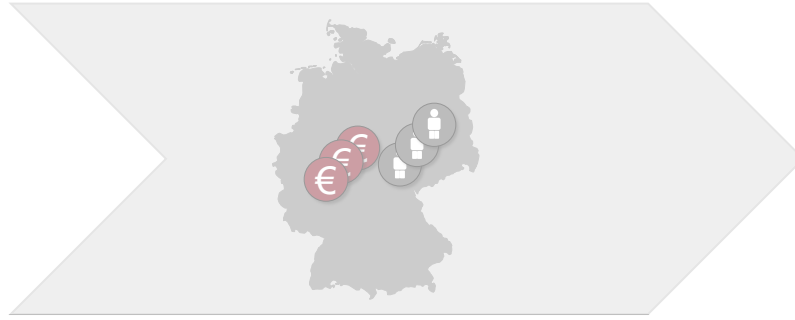


Source: WifOR illustration.

C. The Economic Footprint of the Healthcare Economy in Europe – For example a ScanBalt Approach is possible as well



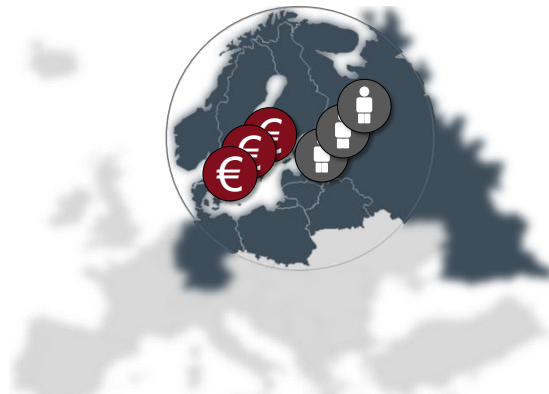
National level in Germany



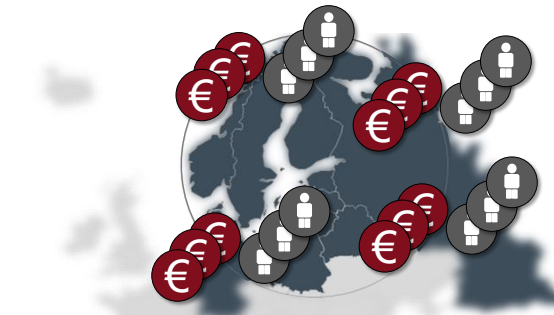
Federal States in Germany



The Same Approach is Possible – Valid Database for the Healthcare Economy



**ScanBalt
Region**



**Individual countries
in BSR**

Source: WifOR illustration.



WifOR

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