![MedTech Europe - from diagnosis to cure]

EU Sustainable Prosperity and Competitiveness:
Priorities for the EU Clean Industrial Deal
Brussels, 20 December 2024

Climate, health and competitiveness are intrinsically linked. "If Europe's ambitious climate targets are matched by a coherent plan to achieve them, decarbonisation will be an opportunity for Europe. But if we fail to coordinate our policies, there is a risk that it could run contrary to competitiveness – and ultimately be delayed or even rejected", stated Mario Draghi when presenting his report on the Future of European Competitiveness in September 2024.

The upcoming Clean Industrial Act is an opportunity to confirm the strategic relevance of the medical technology sector for health, sustainable prosperity and competitiveness. It should fuel Europe's attractiveness for medical technology innovation by creating the right enabling framework for a competitive MedTech industry – at political, regulatory, and financial level. The Clean Industrial Act should:

- **Boost regulatory coherence and consistency**
- **Simplify administrative processes**
- **Develop lead markets of sustainable and resilient products**
- **Mobilise public and private funding for the transition**
- **Harness partnerships**
- **Strengthen the EU Single Market**
- **Ensure a global level playing field**

The medical technology industry is a thriving sector. Medical technologies[1] play a central role in saving and improving people's lives while enhancing the overall sustainability of healthcare systems. Europe is attractive for its innovative medical technology research ecosystem, its efficient and accessible healthcare system, and its growing efforts towards value-based healthcare principles. However, to maintain its position as the global hub of medical technology innovation, Europe must address key challenges that threaten its competitive edge. One of Europe's unparalleled strengths lies in its innovation capacity. The medical technology sector in Europe files a patent every 30 minutes. This is a testament to its commitment to save lives and help people manage and improve their health. Yet, Europe faces the challenge of bridging its top-tier innovation creation and an often (too) slow innovation launch. Coupled with tough competition from other regions of the world, Europe's international competitiveness gap is widening. **In light of the Draghi Competitiveness Report, MedTech Europe calls for urgent action to bridge these gaps through the following measures**:

- **Structural reform of the regulatory framework:** Streamline the implementation of the Regulations (EU) 2017/745 and 2017/746 to foster timely and safe innovation launches.
- **Policy synchronisation**: Align regulatory requirements across different policy domains to reduce legal uncertainty, mitigate fragmentation of the internal market, and reduce regulatory and administrative burden, thereby boosting investor confidence.
- **Strategic investments in healthcare systems**: Prioritise investments in more efficient and sustainable healthcare systems, supported by digital health and medical technologies to reduce the cost of care, and help secure Europe's position as a global leader in healthcare innovation and Europe's wider sustainability and digitalisation ambitions.
- **Value-based procurement**: Promote procurement practices focused on value, complemented by a joint decarbonisation and competitiveness approach to align Europe's environmental and economic goals.

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[1] For the purpose of this paper, medical technologies include medical devices, *in vitro* diagnostic medical devices (IVDs), Research-use Only (RUO), and the device part of a drug-device combination product.

Overall, MedTech Europe envisions a future where healthcare systems are environmentally and financially sustainable, equitable and resilient to crises. In this future:

- The improved link between climate, sustainability and health across all political areas has led to health systems that are better at preventing diseases, minimising interventions, optimising the patient pathway and increasing the number of healthy life years of European citizens.
- The healthcare sector has embedded sustainability across operations, innovations and supply chain.
- A competitive medical technology industry is providing safe, innovative, and sustainable solutions for ever better patient outcomes.
- Such modernised healthcare systems serve patients within an overall resource-efficient, digitally enabled and competitive economy that fuels Europe's sustainable prosperity and competitiveness and leverages the EU Green Deal to drive benefits for people, planet and business.

For a successful joint decarbonisation and competitiveness plan for the medical technology sector, we recommend a Green Deal implementation in healthcare that:

1. **Accelerates the roll out of renewable energies and smart clean energy infrastructures:** continuous access to renewable energies and heat in sufficient quantities and affordable prices are a precondition for decarbonising healthcare, including the medical technology sector.
2. Creates the right structure to **foster collaboration and partnerships among all healthcare actors to drive system change** and continuously improve the social, environmental, and economic performance of healthcare systems.
3. Leverages the **transformational synergies of the Green and Digital agendas** to increase overall system efficiencies and sustainability performance.
4. **Truly harmonises rules to complete the European Single Market**, the EU's strongest asset and prerequisite for a high level of environmental protection and a competitive medical technology industry in Europe.
5. Boosts **a sustainable finance framework to support research & innovation** for the development and use of e.g., alternative, sustainable and safe materials, efficiency technologies, sustainable packaging, circular products or business models, preventive care, digital twins, green software or AI models.
6. Promotes **value-based procurement** in a public sector that leads by example: relevant, harmonised and holistic standards and guidelines for sustainable public procurement should be promoted to drive systemic change and enable tangible benefits for all.
7. **Removes regulatory, financial, administrative and other barriers to sustainability in existing legislation** (e.g., regarding electronic Instructions for Use (e-IFU), or incentives in EU and national health budgets). Reporting requirements should be streamlined so that they are workable and fit for purpose. In particular, **ensure that future environmental legislation is consistent with sector-specific regulatory requirements** and enhances the sustainability performance of medical technologies both, from a life cycle and care continuum perspective.
8. Develops **realistic, patient centric and economically viable transition pathways** that allow for sufficient time to transition for medical technology manufacturers, including their manufacturing supply chains, so that patients and practitioners can rely on uninterrupted access to medical technologies during the transition to net-zero.
9. Enables **circularity of medical technologies as part of the future Circular Economy Act** by removing political and regulatory barriers and setting the right financial incentives at European and national level.
10. Ensures **safe and sustainable design policies for transitioning to sustainable chemicals and materials** by simplifying chemical assessment processes, ensuring better consistency, coherence with sectoral legislation and optimising patient outcomes.

For further information, please see:

EU Sustainable Prosperity and Competitiveness: MedTech Europe Recommendations for implementing the EU Green Deal in Healthcare

About MedTech Europe

MedTech Europe is the European trade association for the medical technology industry including diagnostics, medical devices and digital health. Our members are national, European and multinational companies as well as a network of national medical technology associations who research, develop, manufacture, distribute and supply health-related technologies, services and solutions.www.medtecheurope.org.