

Sectoral Outlook of Turkey **Healthcare & Pharma**

1. DEIK & Health Business Council

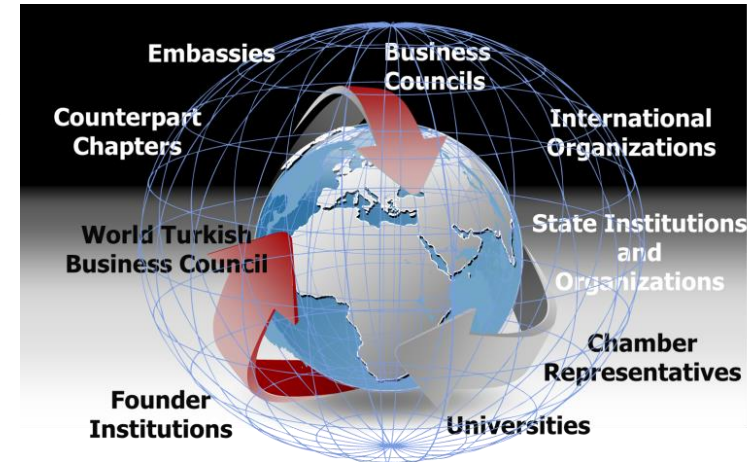
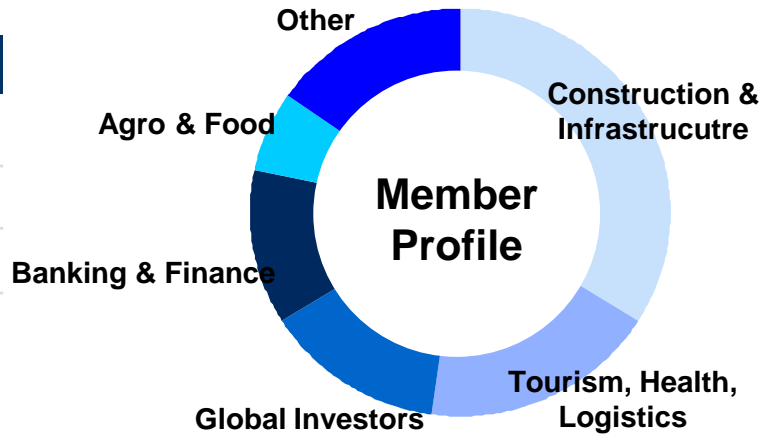
2. Overview of Turkish Healthcare System

3. Overview of Turkish Pharma Industry



DEİK at a glance

| Highlights | |
|-------------------------|------|
| # Business Councils | 146 |
| # Members | 1100 |
| # Founding Institutions | 97 |



Founding Institutions



✓ DEİK is the **largest networking institution** of Turkish private sector 1/3 of the annual average of 750 events and activities are held in **abroad** including the official visits of **Presidency** and Ministries of Turkish Republic

✓ DEİK is responsible for leading foreign economic relations of Turkish private sector in a myriad of sectors particularly **foreign trade, international investment and services, international construction activities and logistics, exploring inward and outward investment** opportunities as well as increasing the export volume of Turkish business and coordinating similar business development activities.

About Health Business Council

Member Profile

- Healthcare Providers, Hospitals
- Pharmaceutical Manufacturers
- Biotechnology Companies
- Medical Equipment Suppliers
- Total 51 members

Supporters

- Ministry of Health
- Ministry of Trade
- Turkish Medicines Medical Device Agency
- Ministry of Foreign Affairs
- Turkish Airlines

Motivation & Activities

- Promotion of Turkish Medical Services
- Develop health collaborations between Turkish private and international decision makers
- Organize incoming and outgoing doctors, insurance companies and travel agency delegations
- Foster educational and technical cooperation with healthcare counterparts
- Meetings with ministries of health, social security schemes, insurance companies
- Organize incoming and outgoing health delegations in cooperation with Turkish trade counsellors and Turkish embassies
- Road-Show Meetings in abroad

1. DEIK & Health Business Council

2. Overview of Turkish Healthcare System

3. Overview of Turkish Pharma Industry



Turkey introduced health transformation program in 2003 to provide access for all citizens. Main pillars of the program are as follows:



Universal Coverage

UNIVERSAL HEALTH INSURANCE INTRODUCED IN 2006



Localization Program

LOCALIZATION PROGRAM LAUNCHED IN 2016



Improving Infrastructure

NUMBER OF HOSPITALS INCREASED FROM 1,156 IN 2002 TO 1,534 IN 2018 (BED CAPACITY 165K TO 232K)



Increasing # of Healthcare Professionals

NUMBER OF DOCTORS INCREASED FROM 92K IN 2002 TO 153 IN 2018 (FROM 1.4 TO 1.8 PER 1000)



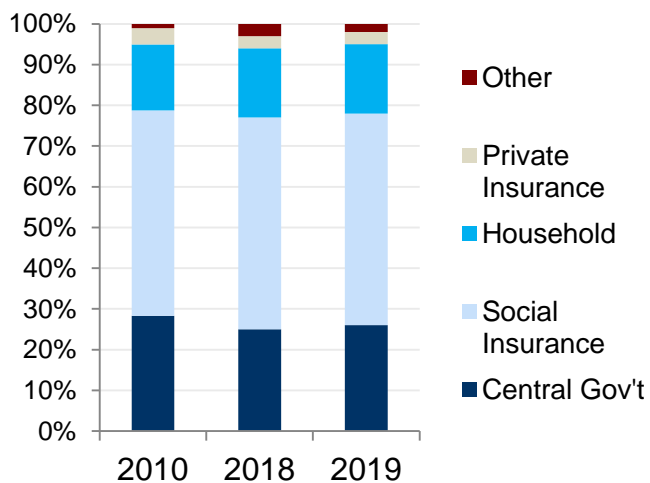
Spread of Primary Care

MoH INITIATED FAMILY PHYSICIANS PROGRAM IN 2005; 26K UNITS SERVES IN 8K FAMILY HEALTH CENTERS BY 2018

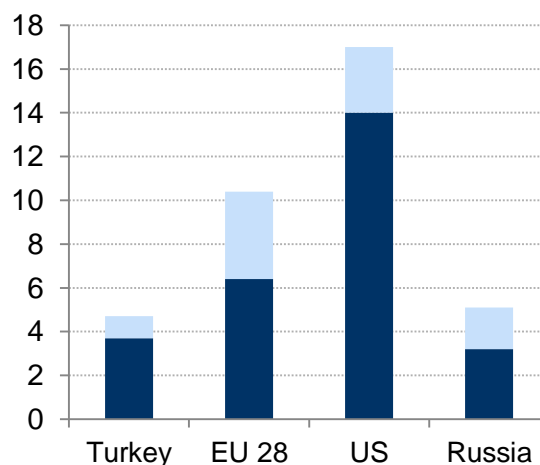
Turkey's healthcare sector is set to continue its development, with a strong government focus on improving infrastructure

- Improvements will be most profound in the country's major cities in the densely populated western region and the region surrounding capital city- Ankara.
- There are **plans for hospitals** to be built across the wider country, with the aim of improving patient access even in the more remote parts of Turkey. Hospital beds will increase by 10% to 263,414 by 2025
- Healthcare **provision is likely to remain unevenly** distributed in the short term, but over the long term there is likely to be a convergence of expenditure and, subsequently, health indicators.
- Turkey have made the **private sector viable**, providing some **relief for public sector hospitals** while offering improvement in the quality of healthcare services. As a result, most doctors, nurses and other medical professionals have been recruited in these regions.
- Large-scale PPPs** to develop infrastructure in order to meet the needs of growing population and address existing deficiencies within the public sector. These hospitals will be rented out by the government to the private sector, with the belief that private operators will manage healthcare services more efficiently than Turkey's archaic public healthcare sector.

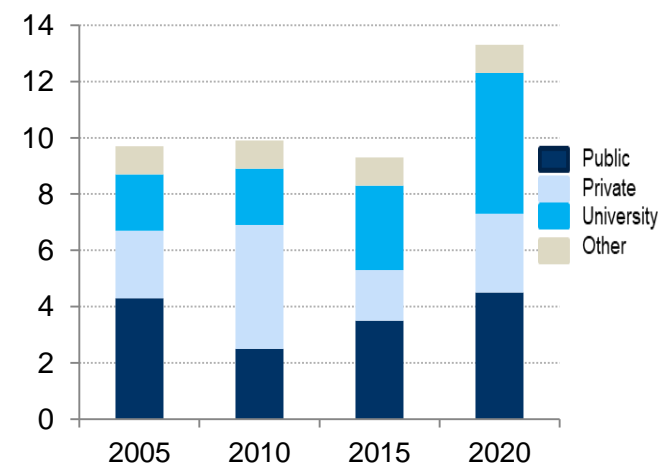
Nominal Health Expenditure by Source



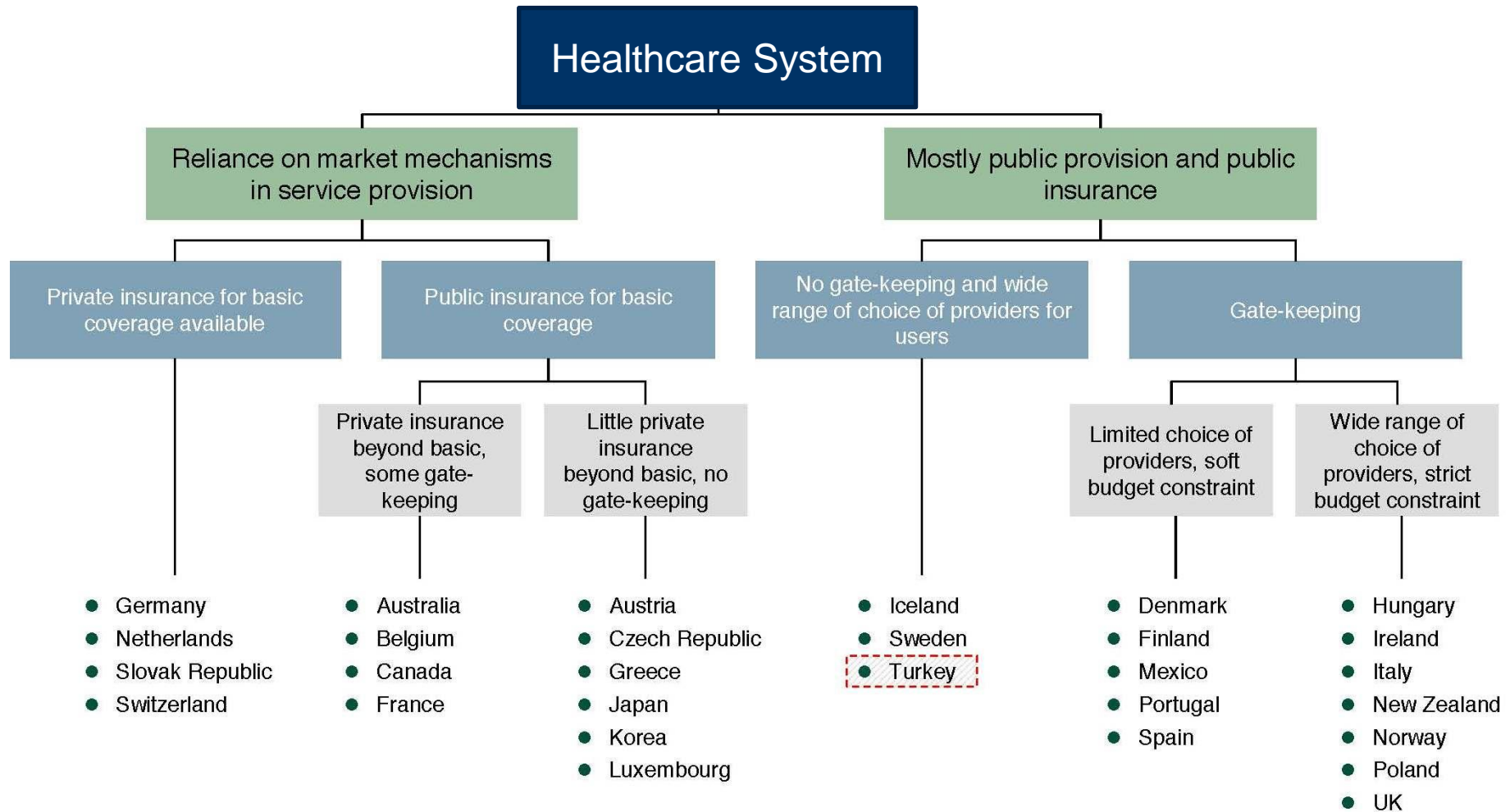
Health expenditure as a share of GDP %, 2019



of Hospitals in Turkey

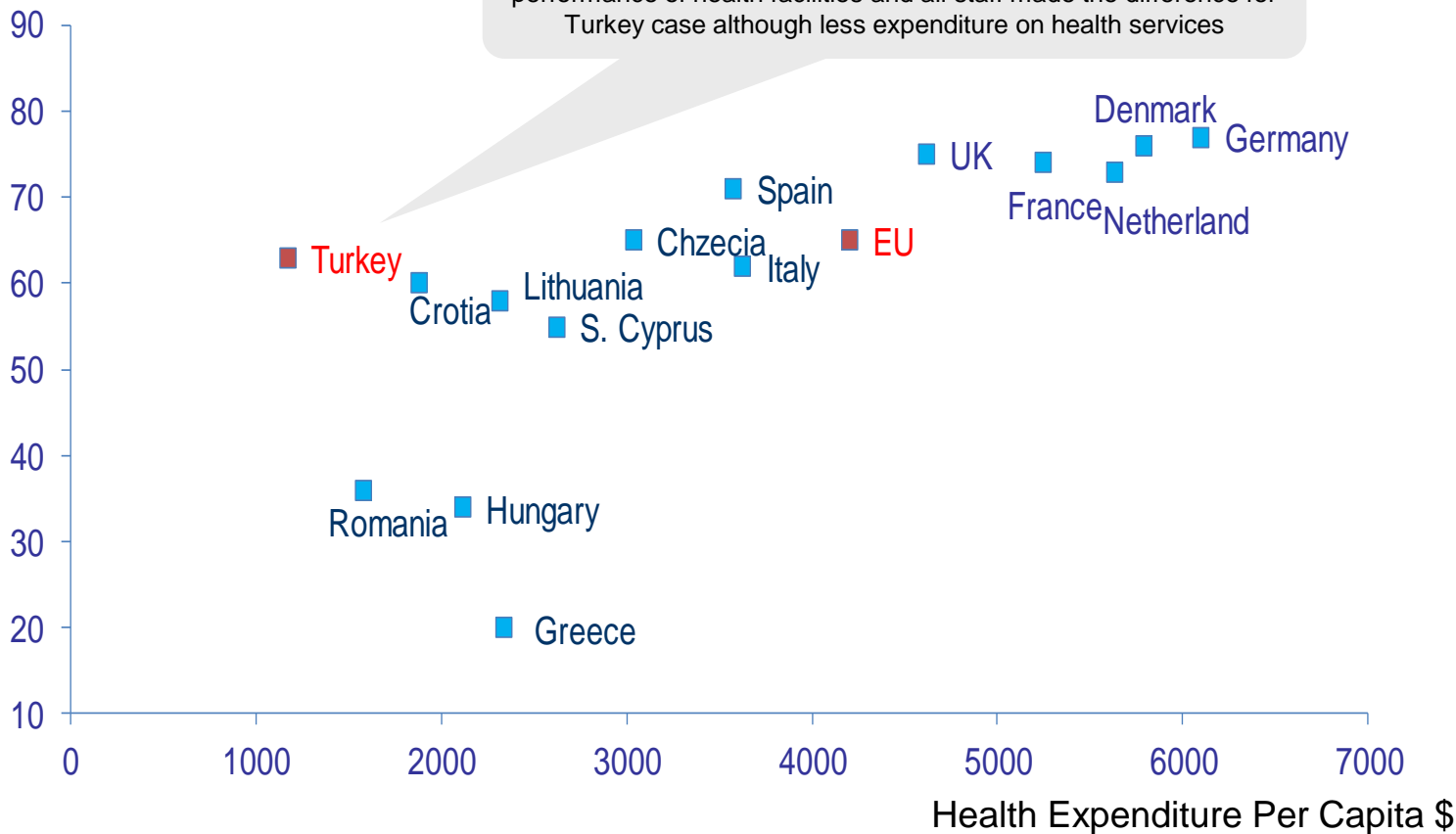


Turkey's healthcare system has no gate-keeping regulations and offers a wide range of choice, rewards those providers, that generate patient flows



Despite moderate healthcare expenditure in Turkey relative to the rest of Europe, patients' satisfaction with healthcare provision is relatively high

Patient Satisfaction Level % ¹



¹ Data is driven by IPSOS, numbers derived from the addition of Satisfied share and moderate answers

The Turkish Gov't is following long-term strategic objectives to improve quality, scale and trustworthiness of the healthcare system

The long-term plans of the Turkish government for healthcare services target the development of a family medicine system, health tourism and telemedicine solutions. In particular, the key objectives are:

- to meet the increasing demand for family medicine by increasing the number of family practitioners throughout the country by 40% over next 10 years
- to ensure financial stability of the health system by raising the per capita public and private spending on health by up to 60% and expanding its share of GDP
- to enable homecare services to 100% of individuals and increase the usage of telemedicine technologies
- to promote and support R&D activities for stem cell therapy, gene therapy and distance diagnostics by increasing the share of health research within total R&D expenditures of public sector to 15%, of universities to 40% and of private sector to 15%
- to reduce the incidence of non-communicable diseases by 1/3 by 2023
- to reduce infant mortality rates to below 0.05% by 2023
- to cement Turkey's place as a health tourism hub for international patients

The strategic goals of the Ministry of Health focus on:

- protection from health risks by fostering healthy lifestyles
- providing easily accessible, efficient, appropriate and effective health services
- responding to the health needs and expectations of individuals based on a patient-centred and holistic approach
- continuing to develop the healthcare system in an equitable manner

1. DEİK & Health Business Council

2. Overview of Turkish Healthcare System

3. Overview of Turkish Pharma Industry



Turkish Pharma Sector at a Glance

- Over 100 years: very experienced industry, first Pharmaceutical and Pharmacy law dates 1929, GMP is in force since 1982,
- EU regulations are implemented during 90's;
- Turkey Health regulator body **TMMDA is Member of PIC/S, and ICH**. Which shows international standards are applied in all **GMP** and Registration documentations.
- With 100 production facility, 28 certified **R&D Center**, over 10.000 **registered products** and 35.000 highly educated and well experienced **staff**,
- Turkey's pharma market is 2,4 billion boxes and over 8 Billion USD (18th Globally)
- Turkey ranks as 16th in world pharma market with 7 billion USD and its market share %0,7 in global market.
- In 2020 Turkish pharma companies **exported** to 169 countries totally **1,9 billion USD** -35% to **Asia** mostly Korea, Hong Kong and Singapore- while global pharma market volume has been 2 billion USD which was 600 Mn in 2010
- Turkey **imports USD 5.3 Bn, 70% from Europe** mostly from Germany, Switzerland, France and Italy - 26th largest importer in the world.

Turkey is home to a total of 83 pharmaceutical and 11 raw material production facilities

TURKEY HAS BEEN A FULL MEMBER OF PIC/S SINCE 2018, ICH SINCE MAY 2020.

THERE ARE 80 PHARMA MANUFACTURING COMPANIES; 20 OF WHICH ARE MULTINATIONALS

12K PRODUCTS

OVER 38K EMPLOYEES

34 ACCREDITED R&D CENTERS

92 OUT OF TOP100 PHARMA COMPANIES ARE IN TURKEY



+500 companies are operating in the industry. 81 drug and 11 raw material production facilities meet the highest global standards.

There are tailored made and generic incentive programs for R&D and pharma manufacturing with strong clusters and institutions

**1500+ FTE
R&D
PERSONNEL**

**14
UNIVERSITY
RESEARCH
CENTERS**

**35
ACCREDITED
R&D CENTERS**

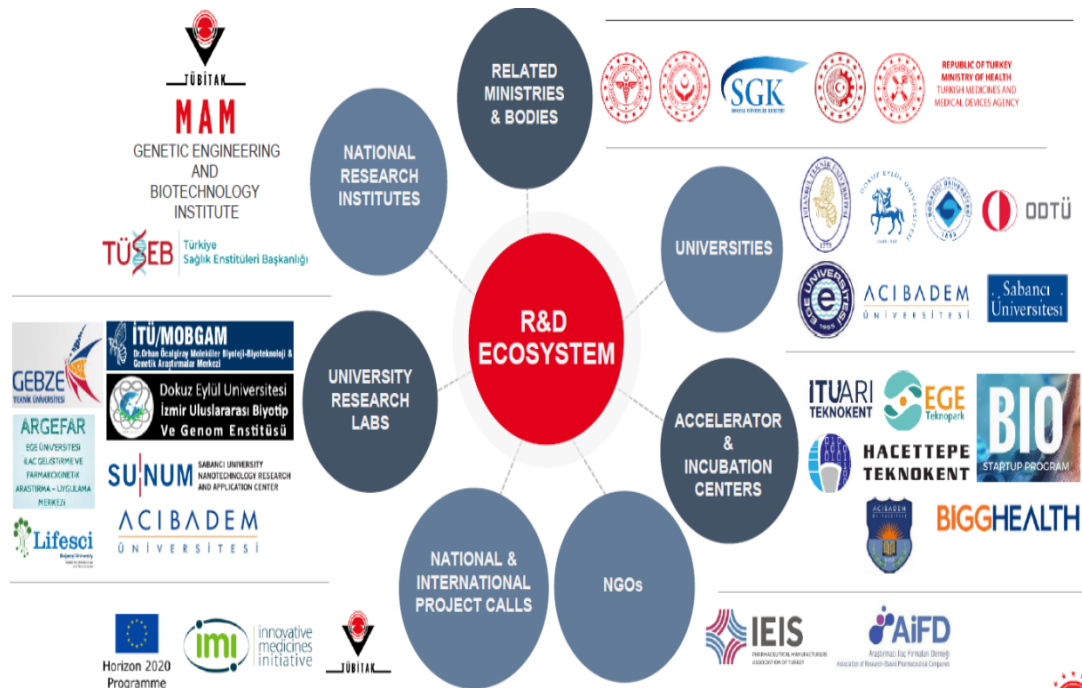
START
Technostartup Incentives:
Cash support up to 200K TRY

PRODUCT / PROJECT DEVELOPMENT
Call-based Tubitak programs:
Cash support up to 60-80% of the project budget via ARDEB High-Tech Platforms and/or SAYEM

COMMERCIALIZATION
Technoparks and R&D Centers:
Income Tax Exemption
Tax cuts up to 20-30% of the personnel cost
Industrial Doctorate Program

MANUFACTURING
Technology Focused Industrial Movement Program (HAMLE):
Cash/credit support up to 5Million TRY for SMEs

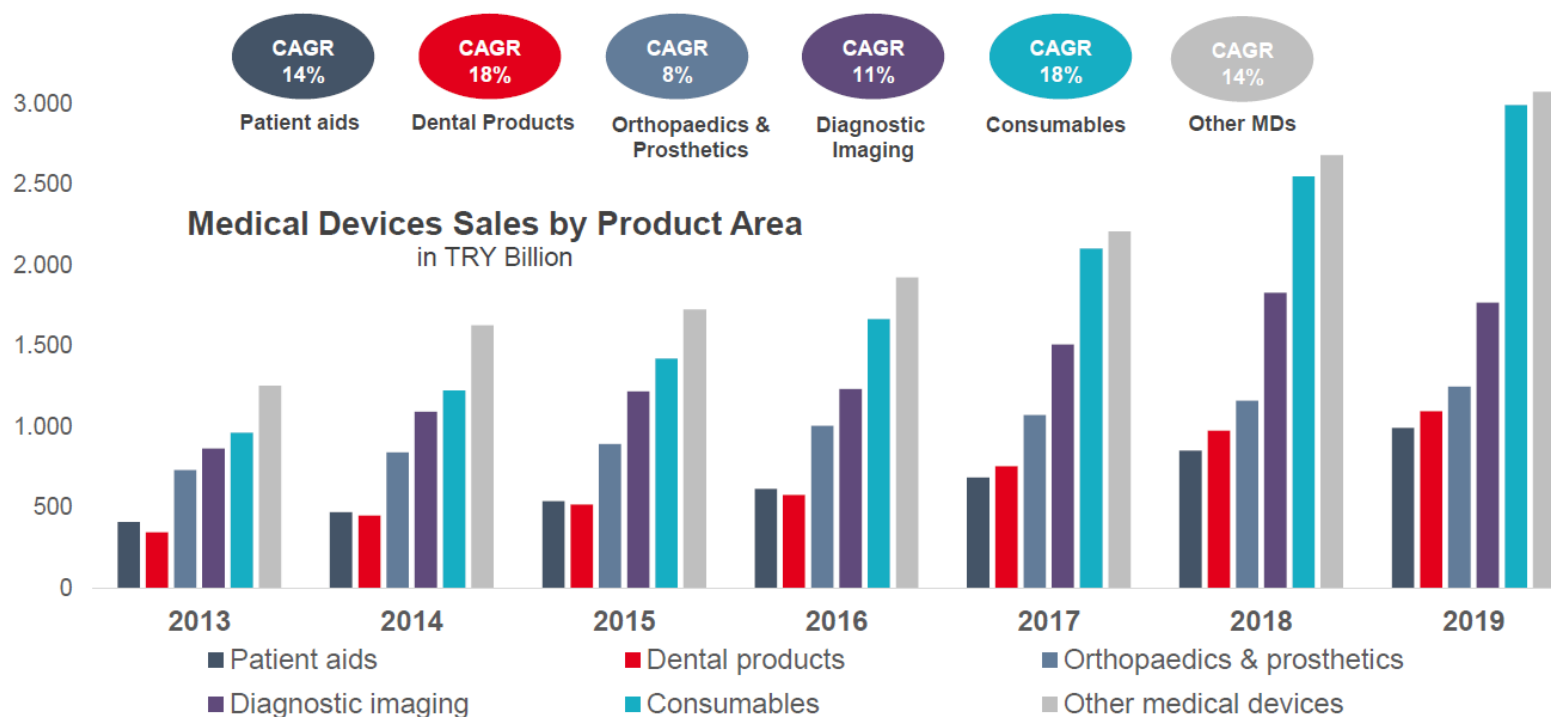
GROWTH & COMPETITION
Patented sales:
Income Tax & VAT Exemption



Turkey's Regulatory Environment Protects Intellectual Property Rights

Turkish medical devices market has seen a robust growth over the past decade ranks 3rd in CEE region with 2 Billion in value

- Turkish medical devices market has seen a robust growth over the past decade ranks 3rd in CEE with 2 Bn USD
- The market is expected to **grow** by 6 %in TRY terms annually between 2016-2021.
- The healthcare campus projects and neighboring continents' demand will cater to increasing demand in the sector over the next several years.
- For medical devices Turkey **imports** USD1.7 Bn wheras **exports** rose to USD **500 Mn** from 170 in 2009
- Medical device regulations are in line with EU directives..





Contact

Hande SAHIN

Health Business Council Coordinator
saik@deik.org.tr

Dış Ekonomik İlişkiler Kurulu (DEİK)
River Plaza Büyükdere Caddesi, Bahar Sokak
No: 13/9-10, 34394 Levent/ İstanbul-Türkiye

Telefon :+90 212 339 50 00
Fax :+90 212 270 30 92
Mail : info@deik.org.tr

www.deik.org.tr
twitter.com/deikiletisim

DEİK was established with this objective in 1986 and adopted a new structure with the Law No. 6552 enacted on 11 September 2014, being further empowered and assuming full responsibility of "managing the foreign economic relations of the Turkish private sector." As the end of 2021, DEİK has 97 founding institutions and 146 business councils, and approximately +1200 member companies which form these councils, as well as 2200 representatives from the member companies.