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https://www.bio-pro.de/en/information/press-release/industrial-healthcare-industry-baden-wuerttemberg-gross-value-added-more-19-billion-euros

BIOPRO Baden-Württemberg publishes first results of a new WifOR study

Industrial healthcare industry in Baden-Württemberg: gross value added of more than 19 billion euros

The industrial healthcare sector (iGW) plays a central role in the economy in Baden-Württemberg. In 2021, the sector generated a direct gross value added of 19.6 billion euros in the state, which corresponds to around a third (32.6 percent) of the entire regional healthcare industry. Especially in the "coronavirus year" from 2020 to 2021, the industry saw a significant increase in gross value added. Of 96.3 percent, almost all of the healthcare sector's exports in the country in 2021 came from the iGW. These are the findings of a new study conducted by the WifOR Institute in Berlin on behalf of the BIOPRO Baden-Württemberg state agency in Stuttgart.

The pharmaceutical industry, medical technology, biotechnology, e-health, research and development as well as services in the distribution and wholesale of medical products – all of these areas are part of the industrial healthcare sector, or iGW for short in German. The iGW plays an important role in the country's economy. The area of e-health – i.e. digital innovations in the healthcare sector – is becoming increasingly important. Together with the area of research and development, e-health is a decisive driver for Baden-Württemberg's future viability and competitiveness. This is shown by the results of a new study commissioned by BIOPRO Baden-Württemberg and published in September 2024. The study is based on figures from official statistics from 2012 to 2021.

Productive and strong in exports

According to the study, the iGW in Baden-Württemberg generated a direct gross value added of 19.6 billion euros in 2021. This corresponds to around a third (32.6 percent) of the entire regional healthcare industry. In total, there were around 215,800 employees in the iGW in 2021. This means that the proportion of people employed directly in the iGW is around one fifth (20.1 percent) of the total direct employment in the healthcare industry in Baden-Württemberg. The share of employment in the iGW is therefore significantly lower than its share of gross value added - an indicator of the high productivity of the industrial healthcare sector.

The number of exported goods from the sector in Baden-Württemberg also speaks for itself: these amounted to 47.4 billion euros in 2021, accounting for 96.3 percent of the exports from Baden-Württemberg's healthcare industry. This means that almost all exports in Baden-Württemberg's healthcare industry came from the iGW.

By comparison, imported goods from the iGW amounted to 34.5 billion euros in 2021. The export level has exceeded the import level since 2012. This results in a positive foreign trade balance for the iGW in Baden-Württemberg every year: in 2021, the industry recorded a plus of 12.5 billion euros in its foreign trade balance.

The industry is growing

The average growth rates show that exports have risen by 6.7 percent annually since 2012, gross value added by 3.4 percent and the number of employees by 1.6 percent. Although the share of iGW in the total gross value added of the healthcare industry was still 33.9 percent in 2012, it fell to 32.6 percent in 2021, a decrease of 1.3 percentage points. However, the sector saw a significant increase in gross value added, particularly in the "coronavirus year": in the period from 2020 to 2021, it recorded relative growth of 10.7 percent and a 1.3 percentage point increase in its share of the overall healthcare industry.

Human pharmaceuticals account for the largest share of gross value added (GVA) in the iGW in Baden-Württemberg (6.5 billion euros GVA in 2021), followed by medical technology (4.1 billion euros GVA in 2021). However, the human pharmaceuticals sector has only grown at a below-average rate of 1.5 percent per year since 2012 compared to the entire GVA (3.4 percent p.a.).

Research and e-health as an economic factor

At 7.4 percent, research and development has recorded the highest growth since 2012: In 2021, this sector generated GVA of 930 million euros. In second place among the growth sectors is the e-health sector with 6.5 percent growth in GVA, followed by the biotechnology sector with an increase of 4.5 percent. In terms of the number of people in employment, research and development also recorded the highest growth with an annual increase of 4.9 percent and e-health with an annual increase of 3.4 percent.

The megatrend of digitalization is not stopping at the healthcare sector. Accordingly, e-health is becoming increasingly important and, together with research and development, is a decisive driver for the future viability and competitiveness of the country. This is because important innovations with great growth potential are being driven forward in the field of e-health in particular. These include, for example, digital health applications or new, AI-supported methods for medical diagnostics.

Study to read for more information

The first part of the WifOR study, which has now been published by BIOPRO Baden-Württemberg, is available for download at https://www.bio-pro.de/infothek/publikationen (only available in German). The second part of the WifOR study, which will be published in fall 2024, analyzes the impact of regulatory framework conditions on the iGW. It also identifies potential scenarios for the future development of the industry.

About BIOPRO Baden-Württemberg

BIOPRO Baden-Württemberg uses its expertise to support policymakers and state institutions in matters relating to the healthcare industry, including biotechnology, medical technology and the pharmaceutical industry. This collaboration results in a comprehensive offering for companies, research institutions and networks that aims to drive forward the technological, digital and sustainable transformation. Start-ups play a key role in this transformation and receive comprehensive support from BIOPRO. As a state company, BIOPRO also provides strategic, technical and implementation-related support for innovations and projects, such as the Baden-Württemberg Healthcare Forum. It also provides information about Baden-Württemberg as a location for the healthcare industry and offers in-depth information on regulatory issues, new technological developments and more. Since January 2022, BIOPRO has been providing targeted support to the healthcare industry for sustainable (product) development.

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Downloads

- Quantitative Analyse der industriellen Gesundheitswirtschaft in Baden-Württemberg Studie Teil 1 (PDF ca. 3.23 MB)

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