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***Latest business conditions survey***  
**Manufacturing costs and a challenging NHS concern UK MedTech**

Assessing the NHS and the impact of the weak pound top the list of concerns for Britain's Medical Technology (MedTech) industry, one year on from the EU referendum. The latest business conditions survey of the Association of British Healthcare Industries (ABHI) members shows that:

- 70% of MedTech companies (46% in August 2016) consider the NHS is rapidly slipping away from being an optimum customer
- 60% (30% in August 2016) state manufacturing costs have increased due to the weaker pound
- Brexit remains a key priority, 54% of businesses rate it among the most important challenges they are facing
- Over a third of companies have seen export business increase from 2016

Though Brexit remains a critical matter, a bigger concern for UK MedTech is maintaining the strong domestic market. This issue has increased dramatically in importance from when the survey was run in 2016 and illustrates the widely held view that the NHS is difficult to do business with. Unchecked, the situation will continue to deteriorate and have a significant and lasting impact on the industry and the patients it serves.

We call on government and the NHS to allow greater contracting flexibility to offset increased manufacturing costs. The NHS must take a more long-term, value-based approach to purchasing, not simply buying the lowest-priced product.

To sustain their growth, MedTech companies are exploring other markets. Exporters have seen their international orders increase by over a third, and more companies than before are now looking for new markets outside of the European Union. Greater practical trade support from government will accelerate this.

*ABHI Chairman Philip Kennedy said: 'Brexit brings both risks and opportunities for MedTech companies, and the industry foresees a significant impact from both. We have set out our recommendations to government in our document "[Healthy outside the EU](#)." Implemented, they will ensure both that the industry can flourish and prosper as we leave the EU, and that NHS patients continue to benefit from innovative medical technologies, saving and enhancing millions of lives every day.'*

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**About ABHI**

The Association of British Healthcare Industries (ABHI) is the industry association for the medical technology sector in the UK. ABHI's mission is to champion the benefits and use of safe and effective medical technologies to deliver high quality patient outcomes. With over 260 members, ABHI leads the advocacy of the industry in order to advance access to medical technology. Our membership includes some of the leading multinational businesses in the sector in the UK right the way through to small and medium sized enterprises (SMEs).

**Association of British Healthcare Industries Limited**

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