

# China’s Orthopaedic Device Market: Innovations are Reshaping the Market’s Fundamentals and Fueling its Growth

## EXECUTIVE SUMMARY

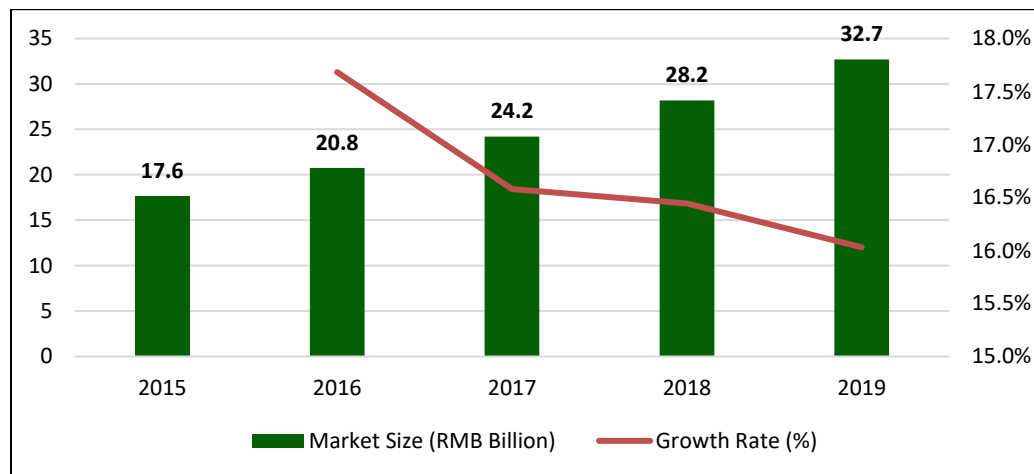
### Global Orthopaedic Device Market

Orthopaedic device is one of the largest sectors of the global medical device industry. Its market share has reached approximately 10% of the industry and with high concentration rate of over 90%. In 2019, total sales of the global orthopaedic equipment market were almost US\$3.8 trillion, with Johnson & Johnson (JNJ) being the largest market player and accounting for over 20% of market share. The compound annual growth rate (“CAGR”) of orthopaedic device sales worldwide between 2012 and 2018 was 3.1%.

Among orthopaedic devices, orthopaedic implant (object partially or totally implanted into a human body to replace, support and position, or repair bone, joint and cartilage as well as other tissues and materials) is the most important category. **Global orthopaedic implant market** reached US\$45.9 billion in 2017 and is **expected to achieve a new high of US\$66.6 billion by 2025**, registering a **CAGR of 4.7%** from 2018 to 2025.

Unlike the comparatively tepid global trend, **growth rate of the Chinese orthopaedic implant market is more than threefold of the world’s average at over 16%** based on 2016-2019 market data, evidencing China as a much more attractive market than the rest of the world.

**Exhibit A: Scale and Annual Growth Rate of China’s Orthopaedic Implant Market (2015-2019)**



Source: China’s Medical Device Blue Book

The top-3 orthopaedic implant sub-sectors in terms of scale are trauma, spine, and joint, which together add up to more than 80% share of the global market. While in China, these three categories have an even higher combined weighting of 85%, which is evenly distributed among them.

**Five major factors are fueling the growth of the orthopaedic implant market around the globe:** 1) rising prevalence of orthopaedic injuries and diseases; 2) rapidly-increasing aging population; 3) ongoing technological innovations in orthopaedic implants; 4) growing acceptance for implantable medical devices by

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