



INVEST IN FINLAND

# Market for Diagnostic Tests in Finland

EXECUTIVE SUMMARY

---

January 2007

Invest in Finland is a national organisation promoting foreign direct investment in Finland. It is funded by the Ministry of Trade and Industry. Working closely with Finnish business community, it provides a link for foreign investors who are looking to set up ventures in Finland.

[www.investinfinland.fi](http://www.investinfinland.fi)



INVEST IN FINLAND

## Contents

---

Finland as a part of the global diagnostic tests sector	3
International presence on the Finnish market	3
Centres of excellence	5
Conclusions	5
Invest in Finland	6

---

# Market for Diagnostic Tests in Finland

## Finland as a part of the global diagnostic tests sector

The diagnostic test field has the answers to some of the world's most significant medical questions, and the industry is developing biotechnology-derived drug products directed at such diseases as cancer and cardiovascular diseases. As a result, exciting and significant market and investment opportunities are unfolding in the development of diagnostic tests for these diseases. Molecular (DNA, RNA) technologies are becoming the dominant platform for discovering and developing diagnostic tests and represent one of the fastest growing segments of the diagnostics market, estimated to be worth \$12.6 billion by 2009.

Finland is strong in innovative research into diagnostic methods, cancer and cardiovascular diseases, developing Genes and Genetic markers, and tests for Cardiac markers, Celiac disease, Diabetes and Helicobacter Pylori. In the Finnish point-of-care test market (POC), growth expectations are high and exciting new market opportunities exist. Demand for testing nearer to patients is driving this growth. Traditionally, healthcare providers have neglected to recognise the overall cost benefits that diagnostics offer, but new developments are highlighting their ability to provide early diagnosis, improve decision-making and monitor treatment.

Diagnostic tests and reagents represent 60 % of the total turnover of the Finnish diagnostic market, the remainder being diagnostic equipment. Finnish diagnostic test companies export around 70-90 % of their production and make over 90% of their turnover from abroad. Finland has 30 companies classified as diagnostic manufacturers. Most Finnish diagnostic companies can attract foreign investors, not least because almost all of them are profitable.

## International presence on the Finnish market

Major global players already in Finland by acquisition are Thermo (acquired LabSystems), a leading provider of differentiated speciality diagnostics products targeted for use in high growth markets, and Perkin Elmer (acquired Wallac), a supplier of sensitive diagnostic test kits for various applications and strong in the cancer diagnostic test market. Bio-Rad Laboratories, Dade Behring, Bayer, Abbott and Roche are also established in Finland:

- **BioMérieux Suomi**
  - aiming to be close to its customers on all continents
- **Thermo Electron**
  - mainly in the laboratory diagnostic field.
- **AnalyCen Laboratoriot**
  - acquired Biosystems Finland Oy
- **Bio-Rad Laboratories**
  - a multinational manufacturer and distributor of life science research products and clinical diagnostics, based in California.
- **Dade Behring**
  - the world's largest company dedicated solely to clinical diagnostics. Offers a wide range of products designed to meet the day-to-day needs of clinical laboratories.
- **HemoCue**
  - products sold in more than 120 countries through a highly effective organisation consisting of independent distributor partners and subsidiaries, as in Finland.

- **Medinor Finland**
  - a member of the Axis-Shield Group (listed on the London and Norwegian Stock Exchange). An important healthcare services supplier in the Nordic countries.
- **Roche Diagnostics**
  - globally employs about 20,000 people to work on the broadest product range in the diagnostics industry.
- **Perkin Elmer** (Wallac)
  - EG&G acquired Wallac in 1993 in what was an important move toward Wallac becoming a far more focused corporation. By 1999, EG&G had changed its name to PerkinElmer, and reduced 50 separate businesses to just four business units. Now there are three, the largest being Life and Analytical Sciences to which Wallac belongs.
- **Sarstedt**
  - markets and sells its products worldwide exclusively via its own marketing organisations and field service.
- **Triolab**
  - sees the Nordic region as one market with local variations, giving efficient utilisation of both knowledge and logistics.
- **Waters**
  - a publicly traded corporation (NYSE:WAT) headquartered in Milford, Massachusetts, which sells direct in most of the countries it serves.
- **VWR International**
  - built on the merger of two market leaders – Merck Eurolab and VWR Scientific Products. Only has distribution in Finland, no manufacturing units.

*Some of the most significant domestic companies in this sector are listed below:*

- **Orion Diagnostica**
  - belongs to the Orion Group, the leading health-care company in Finland. Established in 1974, the company specialises in rapid, easy-to-use clinical diagnostic and hygiene-monitoring products. Most of its products are designed to assist diagnosis by health-care professionals. Orion Diagnostica is focused on point-of-care testing enabling rapid, evidence-based clinical decisions at the site of patient care. Some of the products are used in large clinical laboratories, which perform high-volume analyses. The company also produces hygiene monitoring tests for detecting microbes at sites with high hygiene requirements. Its products are sold in more than 60 countries worldwide.
- **Biohit**
  - develops, manufactures, and markets enzyme immunoassay (EIA)-based test kits and monoclonal antibodies (MAbs) for screening and detecting different types of disease, in particular, gastric cancer and peptic ulcers. Biohit's research methods for diagnosing gastro-intestinal diseases represent a new alternative for gastroenterology, where gastroscopy has traditionally been the only diagnostic option. The company's non-invasive method and software for diagnosing atrophic gastritis and Helicobacter pylori -infection are based on over 10 years of research.
- **Ani Biotech**
  - is a well-established manufacturer of high-quality diagnostic tests, based on cutting-edge technologies. The company's new Biocard™ Celiac Test, employing original, patented technology, fills the gap for a simple tool for rapidly screening for celiac disease.

- **Jurilab**
  - applies its proprietary discoveries of genes and genetic markers associated with the root cause of common diseases and drug response across healthcare. Combining access to the unique Eastern Finland population with state-of-the-art technologies, the company provides genetic markers for mainstream and niche applications. The current product emphasis is on disease predisposition tests, which will support the advent of personalised medicine, on powerful pharmacogenetic array-based DNA tests and human-validated Drug Targets.
- **Innotrac Diagnostics**
  - provides a comprehensive immunoassay platform and test portfolio for rapid and high-quality results in cardiac and critical care diagnostics. This company has proven expertise in immunoassay system development (chemistry, hardware and software).
- **Finnzymes Diagnostics**
  - develops reagents and services for customers in the microbial, forensic and veterinary-diagnostic research fields. It is a sister operation of Finnzymes Oy, founded in 1986, and focusing on the development of molecular biology reagents. The company's products and services are based on amplification of DNA using PCR or Real-Time PCR technologies.
- **HyTest**
  - is a biotechnology-oriented company, which manufactures and markets high-quality immunological reagents for research and industrial applications. HyTest's product portfolio includes cardiac markers, hormones and toxins, human proteins, neuroscience, infectious and autoimmune disease reagents. A relatively young company established in 1994, it has grown rapidly, and is now a leading supplier of top-quality reagents worldwide

## Centres of excellence

University towns such as Turku, Oulu and Kuopio are bases for such centres. Their task is to use internationally competitive knowledge and skills as a resource for business activities, the creation of new jobs and regional development. In order to reach their objectives, the centres establish the prerequisites for the creation and commercialisation of innovation, launch co-operative projects between research sectors and industries, strengthen and modernise expertise in the region and promote the development of innovative environments. The Turku Region houses over 50% of all pharmaceutical and 60% of diagnostic industries in Finland. For more information, please see [www.bioturku.fi](http://www.bioturku.fi), [www.bioforumoulu.org](http://www.bioforumoulu.org), [www.teknia.fi](http://www.teknia.fi)

## Conclusions

Finland has strong research and results in the Point of Care Test market (POC). The Finnish strength in diagnostic field is innovative research of diagnostic methods. In some areas such as cancer and in cardiovascular diseases Finland is one of the leading countries. It also has a strong position in developing Genes and Genetic markers, Cardiac marker tests, Celiac Test, Diabetes and Helicobacter Pylori tests. Genetic screening tests, despite some restrictions are a promising area for future expansion of in vitro diagnostic market.

The interaction between diagnostics companies and drug discovery (pharmaceutical and biotechnology) companies is producing mergers, acquisitions and strategic partnerships as firms realize that their research will produce profitable applications elsewhere. Diagnostics companies now also see the areas such as genomics offering astonishing revenue growth during the next 5-10 years.

## Invest in Finland

Invest in Finland offers consulting services and relevant information to international companies interested in establishing or expanding a presence in Finland. We provide assistance with questions relating to opening a sales office, mapping potential merger and acquisition targets, establishing research and development facilities and/or a manufacturing unit, or expanding existing operations.

For further information and advice, please contact Atso Vainio, telephone +358 10773 0306, e-mail [atso.vainio@investinfinland.fi](mailto:atso.vainio@investinfinland.fi).



INVEST IN FINLAND