

# The Finnish dental sector

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Business Opportunities and  
Consulting Services for  
International Companies

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# 1. Introduction

**With a generally fragmented structure and lack of larger players in the private dental sector, interesting opportunities exist for those considering setting up business in Finland. There are only a few distributors for medical products including dental devices and with the introduction of a health voucher system and restructuring of the health care system, growth in the private dental business is predicted. Finland's dental sector know how and technology is world-class; Finnish ergonomic design combined with highly engineered and tailored dental functionality is appreciated around the world.**

The Finnish Dental Association, which covers 98 per cent of all dentists active in Finland, has 6400 members. Of these, half work in the public sector and half in the private sector in a total market worth roughly 760 million euros. In 2007 there were 1877 private dentists and approximately 500 companies providing dental services worth a turnover of between 380 - 465 million euros. The dental profession can be divided into dentistry and special dentistry, whereby the term special dentistry typically means services such as clinical dental care, mouth and jaw surgery and orthodontist services.

Finns can access public dental services in municipal health centers or alternatively use private services. Private dental care is partly reimbursed by the NHI system with, however, the exception of orthodontic or prosthetic treatments (Health in Transition, 2008). In relative terms Finns use private dental services much more commonly than private medicine (Health Systems in Transition, 2008). Yearly, about one million Finnish adults receive dental care in the private sector compared to 1.8 million in public care centres. Approximately 75 000 patients receive special dentistry services in the private sector.

## Dentists are in short supply

There has been a general shortage of dentists in Finland for some years now. In the public sector in 2008 there was a deficit of 12 per cent corresponding to 244 vacancies unfilled. As a result, some municipalities have problems serving patients and long waiting lists are the result. There is also a growing demand for specialist dentistry services, partly due to Finland's ageing population and the fact that cosmetic dentistry is becoming more popular. In the next 10 years 40 per cent of specialist dentists will retire.

In addition to dentists, Finland's dental sector also includes the professions of dental technicians and denturists. Dental technicians subcontract to dentists in the manufacture of dental plates. Training to become a dental technician takes four years. Once a dental technician has practiced 4-10 years they can acquire further education and become denturists. Denturists often work in their own clinics dealing directly with patients. The registered Union of Denturists has 320 members representing 90 per cent of all the legally practicing denturists in Finland.

## 2. Dental health in Finland

Generally, Finns have good oral health and take good care of their teeth. According to the 2000 Health Examination Survey, the majority of the population rated their oral health as good or fairly good and had been to a dentist once a year. Oral health has improved markedly during the last 30 years partly due to the Primary Health Care Act from the early 1970s, whereby children and adolescents have attended dental checks regularly. Since 2002 there has been no age restriction to regulate the access to municipal services. (Health Systems in Transition, 2008).

From all the potential customer groups, the largest segments are senior citizens and baby-boomers. Baby-boomers have the highest level of disposable income and there are approximately 1, 5 million Baby-boomers in Finland. Added to this, by 2015, 27 per cent of the population will be pensioners (Euromonitor International 2007). At present, edentulousness (= all teeth missing) remains a serious problem for those aged 65 or over. Edentulous people, dental caries and especially periodontal diseases are still a major oral health problem, particularly among men and older women (KTL, health 2000 survey).

### 3. Future opportunities and core competences in the dental sector

Even though some syndication in the Finnish private dental sector exists, the sector is still to a large extent fragmented and mostly populated by individual entrepreneurs. Finnish dentistry is more typically characterised by an interest in new types of care and materials, rather than competition for clients. There are different prices in different clinics, but direct price competition does not exist. The type of competition present in Finland is the competition to withhold and to recruit dentists. For larger players it is easier to attract dentists, since the new generation of dentists do not want to engage in large start-up investments. For these reasons the number of one person clinics is diminishing. In 2007 there were 40 per cent and in 2008 there were 30 per cent of one person clinics.

The only two chain concepts in Finland are PlusTerveys Oy (market share approx. 16 per cent) and Oral Hammaslääkärit Oyj (market share of approx. 8 per cent), where PlusTerveys operates under cooperative principles. Mehiläinen offers dental services in its service portfolio as well but it is not regarded as a dental specialist clinic. There are some independent larger dental clinics in Finland, but those are only few and are typically not part of any chain, e.g. Hammas Pulssi located in Turku. Larger chains have the opportunity to create and develop support and back-up functions, which facilitate both dentistry and visiting dentists.

Against this background, the organisation of public dental care is creating some opportunities by outsourcing parts of the public dental care services (ca. 30-40 million euro worth are outsourced). In addition, the Finnish health care system has just undergone restructuring, where a service voucher system has been introduced. Patients in the public sector can get a service voucher, which they can use as a payment in order to receive dental service in the private sector. This system is still in its early phases and will be defined more specifically in the next few years. It will, however, have an impact on the utilisation rates of private dental services. In the public dental sector generally, the customer's share of paying for dental expense is likely to increase. Services are likely to become more streamlined in the public sector in the future since at the moment it is not working effectively.

More information about the service voucher system can be found at:  
[www.stm.fi/en/focus/article/view/1421597](http://www.stm.fi/en/focus/article/view/1421597).

## 4. A Mecca for dental technology

Finland is considered a Mecca for dental technology in a sector characterised by high-quality professionalism, a good education system, and adaptiveness to and a high rate of using the latest technologies. Imaging and dental science are a particular forte. As a sign of this the larger chains are able to provide comprehensive centers of excellence offering a high level of services due to close cooperation between dentists, specialist dentists, dental technicians as well as use of imaging and communication network technologies.

Finland has hatched world leading imaging solutions and supporting technologies for the dental field. There are two competences that Finns are particularly good at in the dental technology field: the design and functionality of the equipment and sensor technology in direct conversion. The distribution of dental materials is organised primarily through wholesalers such as Hammasväline Oy, Dental-Service Nick Oy, Plandent Oy, Oriola Oy, K.A. Rasmussen, Mads Dental Oy, etc.

Historically, Finland has invested a lot in technology development, semiconductors and production methods that gives Finland a technological edge in many sectors but is particularly notable in the success of the dental sector. Contrary to the private dentistry field, the dental technology sector in Finland is characterised by high competition from USA and Korea.

From the European perspective, Finland also has some leading facilities for technological testing, accompanied by production skills and smart processes. VTT, the Technical Research Center of Finland hosts world-class facilities for technology development.

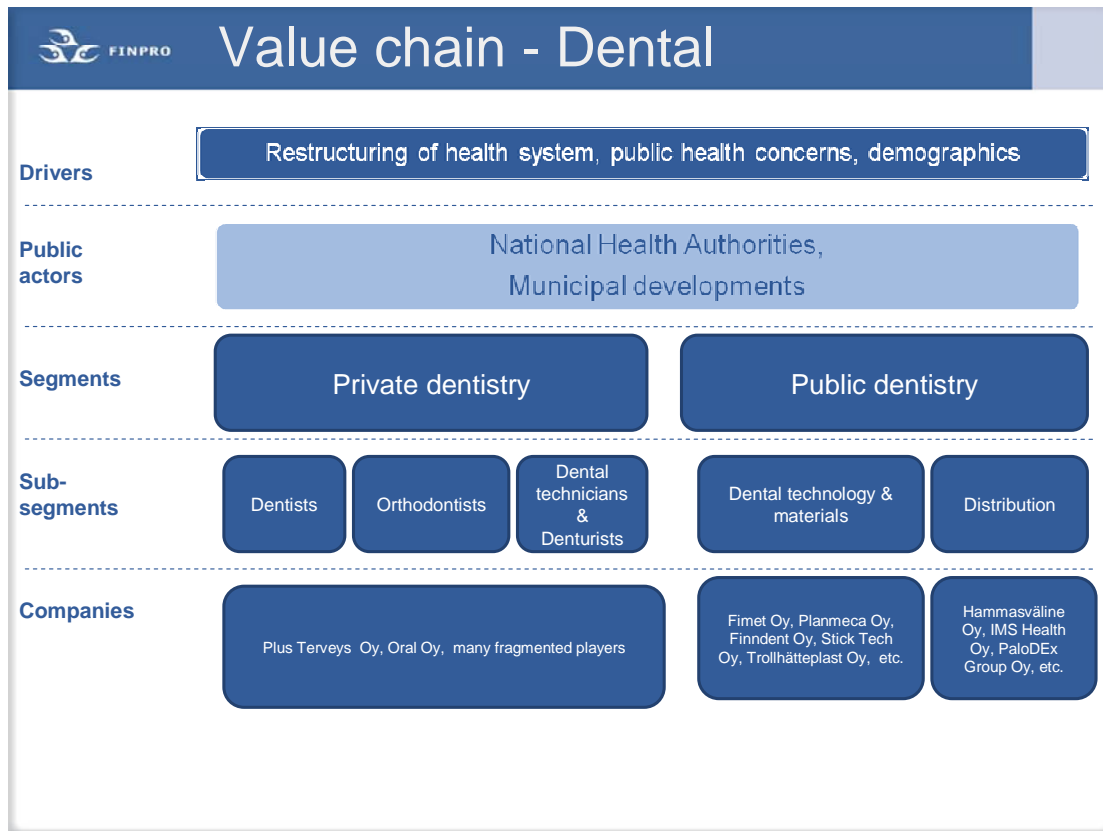
In 2008 Finland exported dental goods with a value of 432 million euros. The export of dental equipment grew by 3 per cent from 2007 to 2008. The share of dental equipment from the total export of medical technical devices is 12 per cent. The import of dental equipment was 38,3 million euros and represents approximately 24 per cent of the import of medical devices. These figures underline the strength of the Finnish dental industry.

## 5. Interesting developments and the future of the dental sector

The Regea research center in Tampere engages in research in cell and tissue engineering, the focal areas being stem cell research and research combining stem cells and biomaterials. Stem cell technology has already been successfully implemented in growing jaw bone from fat cells. In the future, there could be potential usages for this emerging technology in the dental field.

Due to the fragmented private dentistry market, in theory there is room for other larger players in the market. Also, community reforms and the introduction of service vouchers will be likely to impact the private dental sector. Drawing on Finland's high technology focus, Finnish dental technology accounts for a significant and growing percentage of export. With such a solid background, it is estimated to also have a great future.

## 6. Value chain



## 7. Key technologies and companies active in the Finnish dental sector

The following list has been made based on public sources and does not cover all companies in the sector.

Dental chairs/units (Fimet, Planmeca, Finndent, Hammasväline Oy)

Dental instruments (LM-Instruments part of Planmeca group, Hammasväline Oy)

Dental radiation imaging devices (Planmeca, Ajat, Palodex, Instrumentarium Dental)

Dental laboratory products (Hammasväline Oy)

Digital sensors (Ajat Oy)

Dental glasses (Merident)

Dental furniture solutions (Iondent Oy)

Dental materials and devices (Stick Tech Oy, Osteofix Oy)

Vision equipment (Merident Oy)

Dental software systems (Entteri Oy)

Radiology (Soredex)

Dental care (PlusTerveys Oy, Oral Hammaslääkärit Oyj)

### Leading companies active in the Finnish dental sector

Fimet Oy

Planmeca Oy

Finndent Oy

Stick Tech Oy

Oral Hammaslääkärit Oyj

PlusTerveys Oy

Oriola Hammasväline Oy

MedOne Oy (personnel services for health care)

### Foreign companies

Astra Tech Oy

Hammasväline Oy

IMS Health Oy

PaloDEX Group Oy

Trollhätteplast Oy

# 8. Sources

## Interviews:

Ajat Oy - Konstantinos Spartiotis

Oral Hammaslääkärit Oyj - Erkki Virta

## Other:

A few links and recommendations from:

Annariitta Kottonen, Suomenhammaslääkäri liitto (Finnish Dental Association)

Maija T. Laine, Apollonia (The Finnish Dental Society Apollonia)

Internet and newspapers