



Advantages and Services of a Digital Cluster for Health Textiles

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Lead Beneficiary



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Partnership



CTN
Industrial Association
of Northern Tuscany
(Italy, Tuscany)



SEPEE
Hellenic Fashion
Industry Association
(Greece, Kentriki Makedonia)



CETTEX
Textile Technical Center
(Tunisia, Ben Arous)



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Palestinian Federation of Industries

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Palestinian Federation
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Key features of the Health Textiles market

The Health Textile (Medical devices) Markets is:

1. Highly Regulated (products/suppliers)
2. Often Administrated (pricing)
3. Clearly segmented (demand)
4. Globalized (suppliers from all over the world)
5. Erratic, unforeseeable (epidemic/pandemic)



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Regulated Market

Institutions require products to comply with a set of quality standards (safety of the users).

Product Tests and Certifications are necessary for both segments (public organizations and individuals (consumers) and particularly for public procurement (National Health Systems).

Suppliers to NHS and other public institutions or organizations with a social role, need to be pre-selected or included in a roster of authorized supplier (appointed supplier of).

Compliance of product, compliance of supplier.



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Administrated Pricing

In many countries, the national government impose price limits to mass products in order to ensure a large use of devices.

Maximum final prices of masks and covid tests to the consumer are defined by national authorities.

The price administration has impacts along the whole value chain.



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Demand side. Segmented markets.

The demand has two different components:

- Public organizations
- Individual consumers

Which have very different buyer's behaviours.

The first is mainly characterized by call for tenders or selected bids among suppliers already in their roster.

The second is on the “free” market through the retail system (generic retailers, pharmacies, online ...).

Therefore, marketing strategies of suppliers must be differentiated (anyway focused on a specific buyer's behaviour).



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Supply side. Globalized market.

Despite being highly regulated, the market is globalized, that is open to all countries of WTO.

Local SMEs has no a-priori advantages as “national supplier” in many countries and they are in direct competition with imported goods.

Often, in particular for categories of “simple” products, imported goods have an actual advantage being them “less” checked in terms of product standards and social and environmental requirements.

DURING EPIDEMICS AND PANDEMICS delivery is a key and critical factor; proximity suppliers should take advantage of their localization.



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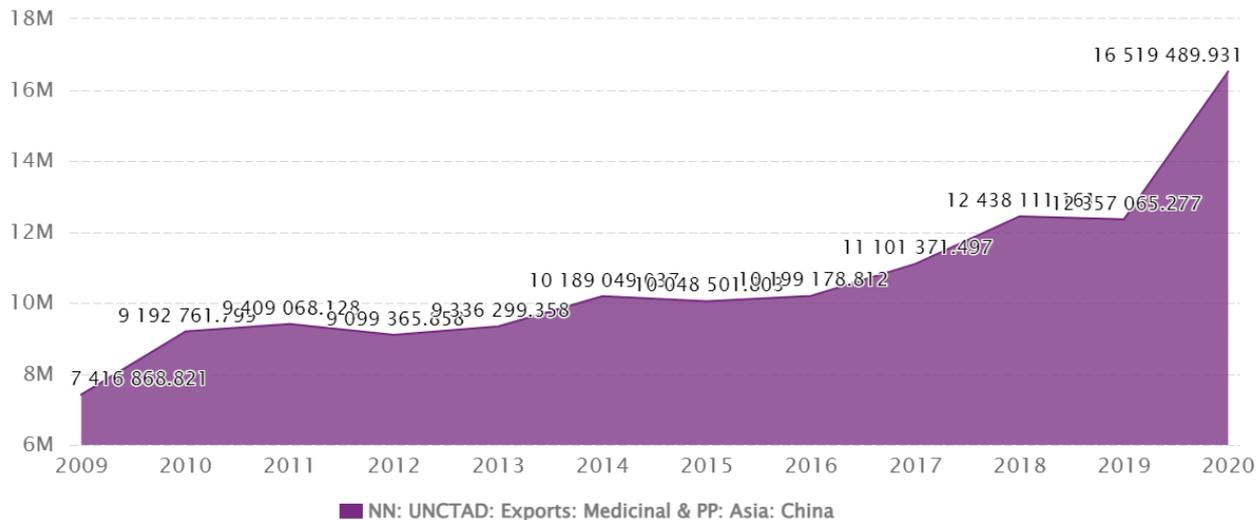


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Supply side. China.

China's medical devices exports up more than 40% in 2020 amid fight against COVID-19

By Global Times Published: Jan 14, 2021 03:18 PM



■ NN: UNCTAD: Exports: Medicinal & PP: Asia: China

SOURCE: WWW.CEICDATA.COM | United Nations Conference on Trade and Development



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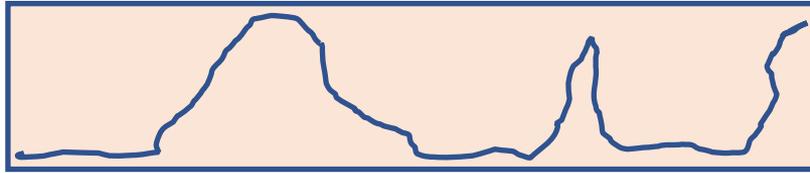
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Erratic Market

Epidemics and Pandemics are unforeseeable.



Erratic Demand
Elastic Supply

This means that it is impossible to “plan” the production as well as to keep a “all-time” fully working value chain.

A sudden increase of demand boosts the average size of the order so emphasizing the discrepancy between the magnitude of the order and the size of supplier SME.

The supply side should be “prepared” to react without knowing “when” and “how much” react. In addition “quick delivery” is a key and critical factor when a pandemic occurs.

“Proximity” suppliers should get a competitive advantage in terms of service as well as in terms of price when the shipping cost increase (2021).



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A difficult market

Strict **products requirements** (standards, certifications)

Appointed Suppliers (registered, authorized, listed ...)

Erratic/Unforeseeable demand requiring quick response for unusual quantities.

Two segments with **different buying methods** (tenders/public vs free competition/individuals)

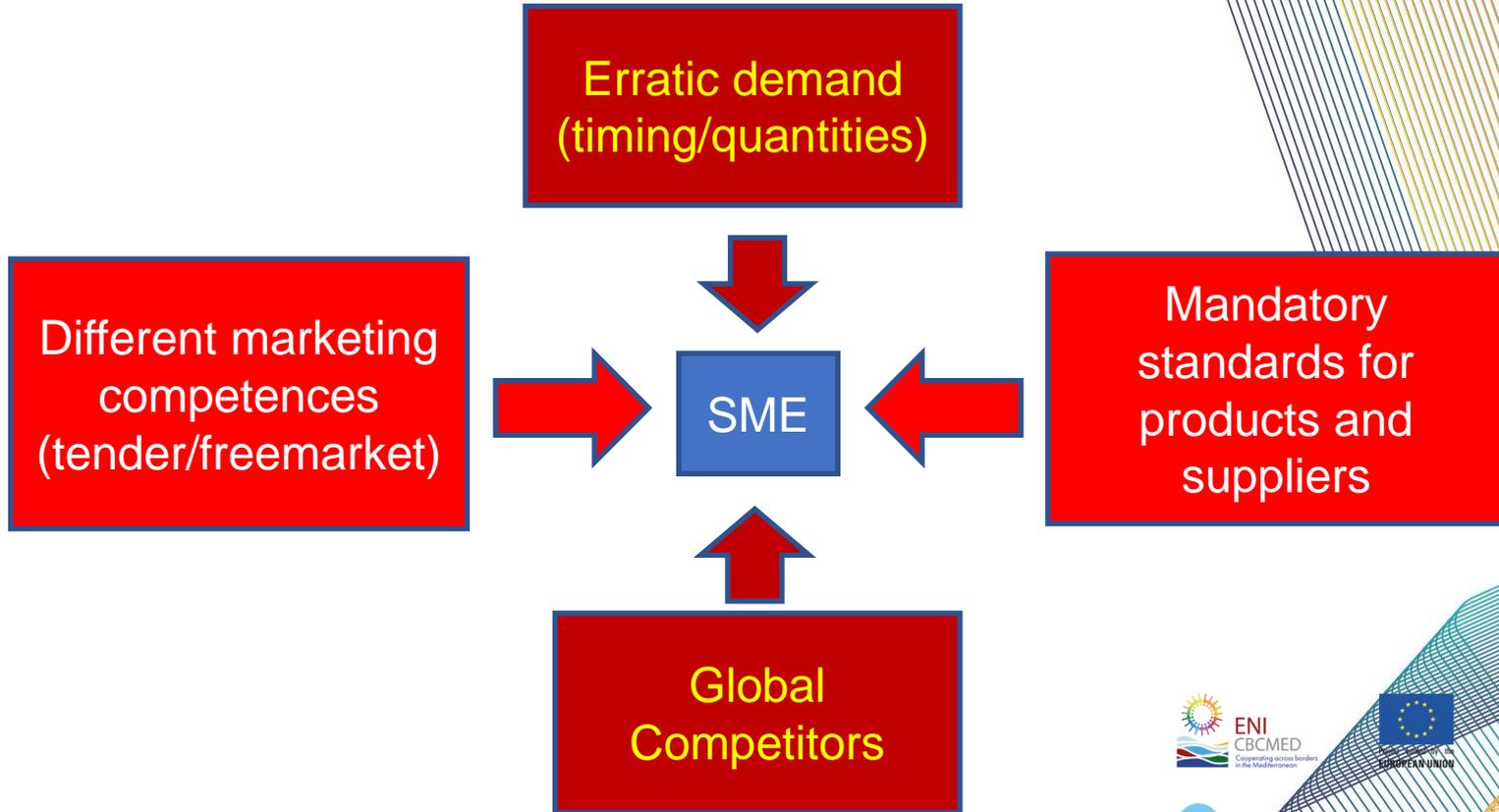
Global competitors with asymmetrical constraints.

Suppliers (SMEs) are requested to exert “exceptional” performances in short time in terms of products, services, quantities, timing and marketing techniques to be competitive.

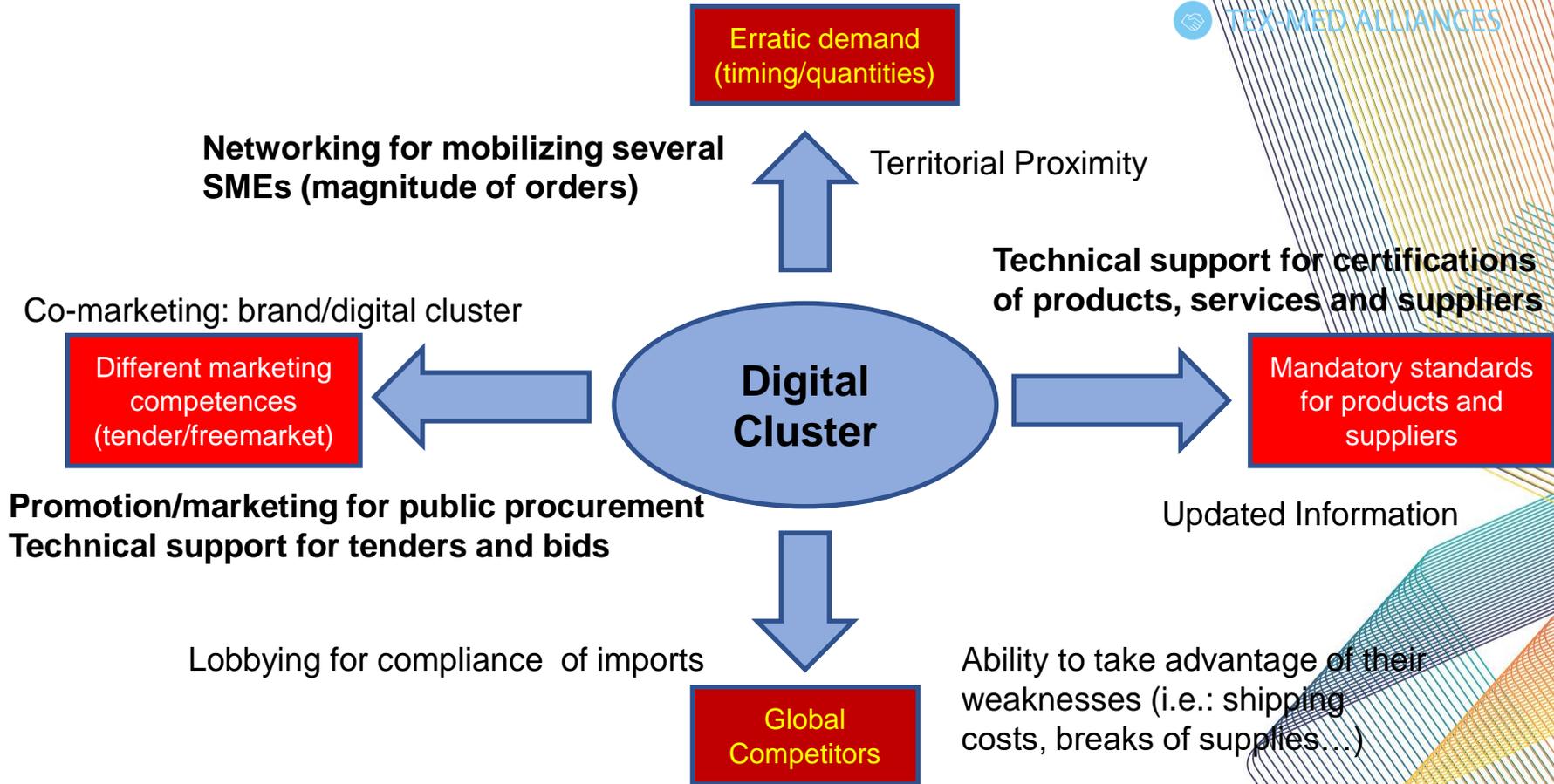


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The condition of a SME



The role of the Digital Cluster



Services of the Digital Cluster and Advantages

SERVICES PROVIDED	ADVANTAGES OBTAINED
<ul style="list-style-type: none">• Networking	<ul style="list-style-type: none">• Capacity of large quantities and quick response
<ul style="list-style-type: none">• Institutional Promotion	<ul style="list-style-type: none">• Accreditation as supplier
<ul style="list-style-type: none">• Technical assistance for tenders/bid (Public procurement)	<ul style="list-style-type: none">• Ability to make correct proposals/bids
<ul style="list-style-type: none">• Platform for sales and Co-Marketing (free market)	<ul style="list-style-type: none">• Hand-on support for sales in the free market
<ul style="list-style-type: none">• Technical support for tests and certifications	<ul style="list-style-type: none">• Ability to get tested and certified products
<ul style="list-style-type: none">• Information	<ul style="list-style-type: none">• Being updated in a continuing changing environment.

Thanks for your attention

