“IDS Cologne: The Future is Now”

Interview with Dr Martin Rickert, Chairman of the Association of German Dental Manufacturers (VDDI e.V.)

Prospects for the 53rd International Dental Show Cologne next month look promising, representing the future of our industry have agreed. At a recent press conference in Cologne, they also rejected fears of economic disaster due to the ongoing financial crisis. According to Dr Martin Rickert, Chairman of the Association of German Dental Manufacturers (VDDI e.V.), there is still a steady demand for medical and dental services. DTI Group Editor Daniel Zimmermann spoke with Dr Rickert about the current state of the industry and his expectations for IDS Cologne 2009.

Daniel Zimmermann: Dr Rickert, the economic evaluation of the German dental market in 2008 was fairly positive. Has this changed with the current financial crisis?

Dr Rickert: Not really. As you correctly point out, it is predominately a financial crisis. The industry’s outlook for 2009 was good and currently there is a trend towards a stable return which does not fulfil all our expectations. But there is a common consensus to deliver satisfactory profits. There are certainly fluctuations in various market segments and world markets that stem from different influences and are not attributable to a single cause.

There have been internal reports on redundancies in the United States. Should we be preparing for cutbacks or restructuring measures in Germany as well?

The US health sector differs from that in Germany and in most European countries. Therefore, many private investors have been affected by the financial crisis. Mass redundancies in key sectors mean that many people can no longer contribute towards company health insurance schemes in the US. This will definitely not be the case in Germany because the statutory health insurance provider and private health insurance companies are prepared to cover the healthcare costs for their clients in the future. Even if we are in for job losses in various economic sectors, there are not likely to be any negative effects on the German healthcare market.

What positive effects will IDS have on the industry?

The 53rd IDS will again exhibit a comprehensive range of modern dental products and technologies. Visitors will be able to experience an abundance of new products and service innovations. Technological developments in the medical field and our industry’s investment in research and development continue to usher in new and improved systems solutions for dental practices and laboratories, which is of crucial interest to dentist and technician alike.

IDS has always been a driving force behind the dental market and will remain in this role in the future. I expect our partners—dentists, dental technicians, dental hygienists, and prosthesis assistants—to be able to survive because investing in their health is the best way to secure their own well-being and quality of life. Investments in dental health are a stimulus to one’s own future. I am confident that despite the current economic fluctuations patients are not likely to neglect their oral health or decide not to make use of necessary care and treatment. Falling prices for energy, the commuter tax relief refunded, and private savings assets of around €1 trillion in Germany ensure the solidity of a large portion of the population. Moreover, patients’ demands for health-related services are mostly governed by acute health problems and the desire for a return to health and recuperating quality of life.

Dental implants and automated fabrication of dental restorations are currently the fastest growing sectors in dentistry. Is this boom reflected in the products and services that are going to be presented at IDS?

Implant restorations are in fact one of the fastest growing sectors, with more than 700,000 dental implants being placed in Germany last year and an annual growth rate of around 10 to 15 per cent. These high-quality restorations will continue to be in demand by many patients in the future because they are one of the most progressive and long-lasting restorations available. Incidentally, the growth in dental implants in Germany can largely be attributed to the fact that the statutory health insurance scheme has subsidised this treatment since the introduction of the dental insurance coverage system in 2005, IDS will exhibit the entire range of modern implantology systems, presenting both innovations and developments in trial-and-tested systems.

What other sectors do you view as having potential for growth?

Apart from implantology, I see the most potential in the all-ceramic sector. Around 25 million restorations worldwide were fabricated using CAD/CAM technology. Modern laser scanners are able to reach a resolution of 100,000 reflecting points a second, and image-capturing has become quicker and more precise. Modern high-performance materials provide the best possible stability for a wide range of indications and are able to guarantee biocompatibility at the same time.

The latest digital fabrication technology using laser metal sintering of, mostly precious metals, free, alloy powders can now also be considered for prophylactic restorations. These dentures stand out because of their incredibly precise fit and durability.

German dental industry export activities are once again increased by approximately two per cent in 2007, which comprises 33 per cent of the total turnover in the domestic market making its survival secure? There is no doubt that Germany remains a key market. It is clear that the German dental industry researches and develops new products and services in collaboration with healthcare providers and private health insurers, but also in cooperation with public health authorities, research institutions, technical colleges, and training schools (Meisterschulen).

We need this market in order to introduce products and services in countries that large-scale cutbacks in salaries could be the outcome of these regulations. If one considers that a significant proportion of the annual turnover in many practices already comes from patients who pay out of their own pocket in order to prevent, for example, essential for practices’ survival, one cannot understand why the dental profession should face such a drastic reduction in funding of only 0.46 per cent after 21 years.

In which markets has the German dental industry gained shares in 2008, and which markets do you regard as difficult to gain access to?

The results of our latest member questionnaire underline the fact that export figures in East European markets, especially Russia, and Asian markets have shown a positive trend. Furthermore, the economic outlook for Latin America is also positive. For example, in India and China, recent years have witnessed a steady rise in the number of dental healthcare providers, dentists, and dental technicians in the German market acceptable return on investment overseas disproportionate to the German market. As a result, this is not attributed to the fact that the status of dentistry remains our key market. It is here that we have a high level of innovation, as well as high quality of service, that make the work of dentists easier, help them work economically, and provide our clients with the most efficient and state-of-the-art technology in dental technology are available to be seen and experienced. All products and services that make the work of dentists easier, help them work economically, and provide our clients with the most efficient and state-of-the-art technology in dental technology are available to be seen and experienced at IDS.

Investments in health are investments in the future.

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The shift of sales is a result of an expansion of our market position overseas disproportionate to growth in the domestic market.

It is important to guarantee dentists and dental technicians in the German market an acceptable remuneration for their services. This is the only way to ensure that young people find the way into the health service, to prevent professional migration, and to ensure patients gain access to highly qualified dentists in general dentistry and dental technology.

German patients have to carry more medical expenses due to the introduction of the national health fund. Is this having an effect on dentistry as well?

I expect not only an added burden on the medical and dental healthcare providers including all our members, including those who predict an increase in business prospects for the first half of 2009 is higher than those who predict a decline in business prospects. On average, Western Europe presents itself as a very stable market environment and remains one of the most attractive market regions for our members in terms of turnover. One-third of our members expect an improvement in their profits within the first half of 2009 compared with the same period last year.

An increasing number of companies from emerging markets, such as China and India, are beginning to gain market shares. How do you size up the competitive situation?

It is important to remember that IDS is also a global marketplace. These countries do not necessarily come to Germany to attend IDS, in order to compete in these highly developed markets. New companies, in developing countries are of primary importance, as the world’s largest global marketplace is a meeting point for suppliers from developing countries and their customers from the most advanced countries. However, this doesn’t mean they don’t have any interest in and support for IDS. We were also given credit for the high quality of communication and careful organisation, and the show’s international character.

Only at IDS is such a comprehensive display of the international dental industries available. The complete spectrum of dentistry and dental technology is available to be seen and experienced. All products and services that make the work of dentists easier, help them work economically, and provide our clients with the most efficient and state-of-the-art technology in dental technology are available to be seen and experienced at IDS.

Unlike other international meetings, IDS seems to grow in popularity year on year. In your opinion, what are the main factors contributing towards this growth?

IDS has an appealing and powerful concept that was developed in cooperation with our partner Koelnmesse. In particular, the sheer amount of state-of-the-art innovations makes IDS the most comprehensive dental exhibition and one of the liveliest and most significant marketplaces in the dental world.

It is important that we plan this growth carefully to keep up with market demands. We do not want the show to expand too rapidly and possibly outgrow its market.

We already have a high level of international participation at IDS and this trend is likely to continue. The show is cosmopolitan, the standard of accommodation at the show is high, and the industry’s most efficient organisation behind the show makes it a visit to the show easy.

Finally, the city of Cologne is ideally situated in terms of public transport within Germany, as well as from Europe and the World.

Thank you very much for the interview!