

Message

From: Shoultz, David [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=0E0CF5FDACFE43D29250F1C0A7DDD376-USD24339]
Sent: 3/23/2020 11:21:38 AM
To: alex.azar@█.gov
CC: robert.kadlec@█.gov; Beck, Gary (OS/IEA) [█@█.gov]; bryan.shuy@█.gov; jonathan.hayes@█.gov; Houten, Frans van [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=011f6b4ad83940f4b1890c35c152a260-nly40790]; Tignor, Beth (HHS/IOS) [█@█.gov]
Subject: Map Demonstrating Global Interdependence of World Ventilator Supply
Attachments: Ventilator - global interdependence (003).pptx
Importance: High
Flag: Follow up

Good Morning Mr. Secretary –

At the request of Philips CEO, Frans van Houten, and as a follow up to yesterday's call, he asked me to thank you for taking the time on a Sunday to discuss the critical issue of ventilator supply in the context of the Defense Production Act (DAP).

With your mention yesterday of the upcoming Cabinet meeting to discuss the DPA, Frans asked me to provide you with the attached map of the world showing the location of every global ventilator manufacturer.

To summarize the map: while Philips is the largest producer of ventilators in the US, actually most ventilators are produced outside the US. The attached slide shows how the ventilator producers are spread in different locations across the world. Moreover, there are 1000s of suppliers of essential components and materials located all over the world that are needed to produce these ventilators. The same also holds true for all other medical devices and their suppliers that are needed to combat COVID-19, such as patient monitors (for use in ICUs), CT scanners, ultrasound and XRay machines.

It is essential that governments commit to keeping global supply chains open. The role of the US is therefore critical in helping other countries understand that it is important to keep manufacturing, transport, import & export, and movement of essential employees open.

At the same time, it is critical that the US maintains open borders itself and commits to a fair allocation of medicines and medical supplies/devices with the rest of the world. Invoking the DPA on ventilators or other essential supplies is likely to provoke a reaction from allies and others. It is imperative that we prevent a chain reaction that grinds supply chains to a halt across the world.

As Frans said on his call with you yesterday, Philips is fully committed and in the process of ramping up our production capacity multifold. He appreciates all the help we can get from the US government to do so, and as you discussed only if we all work together can we combat this pandemic.

Please let me know if you need anything else or if there is anything else I can provide you. Thank you for your support and sensitivity to this issue.

Regards –

Dave

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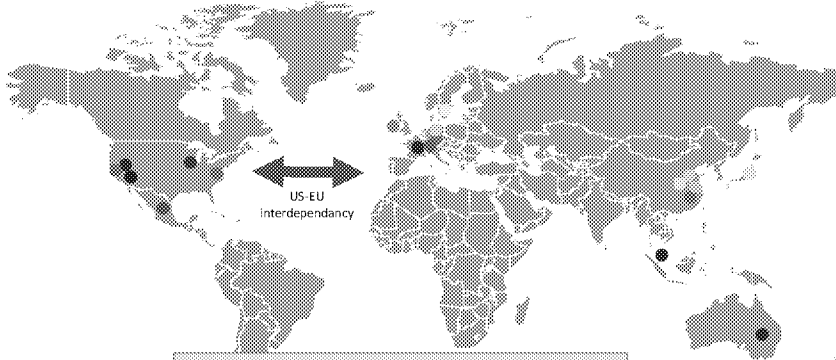
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COVID 19 therapy relies on availability of ventilators

Overview of manufacturers



Ventilator production locations



- Approx 60 % of global supply is outside USA
- All critical ICU ventilators are outside of USA
- Component supply chains depending on US, EU and Asia

Hospital Ventilator (2019 data)

Estimated Value Market Share/quantity:

- Draeger = 19%/10K p.a.
 - Philips = 15%/25K p.a.
 - Medtronic/Covidien = 12% /17k p.a.
 - Maquet / Getinge = 11% /10k p.a.
 - Hamilton = 12% / 15k p.a.
 - Vyair = 10% /16k p.a.
 - Others = 21%
- } ~80% of Global Supply

Others include:

- GE
- Resmed
- Fisher & Paykel
- Mindray = 2k p.a.
- Aeon Med
- Nihon Kohden

- Global unit volume estimated at 125k p.a.

Market Share Source: MASF 2020