Medtronic announced a joint venture with Shandong Weigao Group Medical Polymer Company Limited to bring spine and orthopedic therapies to the market in China. Under the joint venture agreement, the companies will sell spine and orthopedic products, including therapies for hip, shoulder and trauma. Medtronic will have a 51% interest and Weigao will have a 49% interest in the joint venture.

Additionally, Medtronic will acquire a 15% equity interest in Weigao for US$221.0 million, which will grant Medtronic the right to nominate two non-executive directors to Weigao’s board of directors. No projected closing date was given, and the announcement said closing was pending the approval of Chinese regulators and Weigao’s shareholders.

Medtronic CEO Bill Hawkins said, “China is key to our global strategy as we continue to expand our geographic footprint. China’s demographics favor this expansion: the country has a population of about 1.3 billion people, and in addition to the demand for orthopedic products stemming from an aging population, factors such as China’s notoriously dangerous workplaces create orthopedic and spinal injury patients. In fact, the Wall Street Journal reported that spinal-cord injuries occur in an estimated 60,000 Chinese each year, compared to about 11,000 new injuries in the US annually, as a result of workplace and car accidents. The presence of US device makers could dramatically alter treatment options for China’s thousands of orthopedic patients.”

About Medtronic
Medtronic is the world leader in medical technology providing lifelong solutions for people with chronic disease. They offer products, therapies and services that enhance or extend the lives of millions of people. Each year, six million patients benefit from Medtronic’s technology, used to treat conditions such as diabetes, heart disease, neurological disorders, and vascular illnesses.

About Weigao
Weigao group owns 18 subsidiaries, with a total fixed asset of US$100 million. Of the total 6,000 staff, 426 are honored with senior technical credentials. They specialize in producing disposable medical products and trading medical devices. Their main products include disposable infusion sets, transfusion sets, syringes, blood bags and venous blood collection sets. They export products to more than 30 countries and regions, including Germany, Russia, South Africa and Romania, the UK, Iran, Turkey, Brazil and Bengal.