



MOITI
Massachusetts Office of International Trade & Investment

MEXICAN MEDICAL DEVICE INDUSTRY

Report prepared by the Massachusetts Mexico Office
E-mail: cvmexico@avantel.net

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THE MEXICAN MARKET FOR MEDICAL EQUIPMENT AND DEVICES

The recent development of the Mexican market for medical equipment expands possibilities for foreign companies in this sector to start or increase their business in this country.

The efforts to improve the quality of services offered by the public health care sector and major investments by the private sector have resulted in an impressive increase in imports of medical equipment of an average 24% in the last two years.

With a population of over 100 million, Mexico is the second largest medical equipment market in the Americas, behind Brazil. The Mexican market for medical equipment is rapidly expanding at double-digit rates, and this trend is expected to continue at least through 2008. Imports are estimated to represent 70% of all purchases, and the US has been the leading supplier, with over 66% of market share.

The Mexican market represents strong opportunities for Massachusetts' medical equipment and device developers and manufacturers, one that is augmented by geographic proximity and favorable NAFTA terms. The total market for medical equipment is estimated at US\$2.2 billion in 2006, of which more than US\$1.9 billion are of imported origin.

Since 2003, the Mexican government has been implementing new policies to improve the quality of the healthcare services offered by public institutions and has begun replacing old and obsolete equipment, building and equipping new hospitals and clinics, and purchasing equipment to complement insufficient resources. The private healthcare sector is also remodeling existing clinics and replacing obsolete equipment, as well as building new hospitals and clinics nationwide.

President Felipe Calderon, who took office in December 2006, has implemented new healthcare policies that include public spending of at least US\$ 2 billion per year in the Mexican healthcare sector. These policies consider the enhancement and maintenance of current infrastructure: hospitals, clinics, healthcare centers, and centers for monitoring, prevention and emergencies.

Mexico is still highly dependent on foreign technology. The majority of high-end sophisticated medical equipment is imported, with the US as the primary market leader.

With the exception of very specialized and expensive high-tech equipment, most medical equipment and supplies are sold in Mexico through specialized agents and distributors. Most distributors concentrate on one product area or brand name. The larger ones cover the whole country, smaller firms cover specific regions. A well-established method of promotion is to employ technical advisers to visit hospitals and doctors to explain new products.

Many distributors are open and even eager to introduce new products to represent in the Mexican market, and most of them are current on the new technologies available in the health care sector. There are many Mexican distributors attending exhibitions in the U.S. and in Europe in order to meet with foreign companies wishing to sell into the Mexican market.

End users:

- 1.- Public institutions which, by law, can only purchase new equipment and devices.
- 2.- Private sector institutions, which can buy new or used and refurbished medical equipment. However, large private hospitals prefer to have the best technology available for their patients, and therefore, rarely buy used or refurbished equipment.

Most medium and small health care institutions look for refurbished equipment that is in good operating condition, at an affordable price and which includes a warranty.

Public institutions purchase through open invitations to tender published in the official gazette. Government institutions are required to prepare an annual procurement program, which must be available to suppliers and contractors by March 31st each year. Private hospitals often use an informal tendering process, requesting quotes from several suppliers.

Mexico's healthcare system is complex, with several government and public insurance bodies responsible for funding and providing care. Health coverage remains uneven, especially in poorer areas. A long-term World Bank-funded project is seeking to address some of these problems.

There is an increasing demand for products related to degenerative diseases, like diabetes, which is a major health problem in Mexico and the first leading cause of death in the country. These products include the following:

- Personal monitors of glucose and cholesterol
- Glucose control products
- Products for foot care
- Massagers
- Products for weight monitoring and control

Other products with high demand in the Mexican market include, but are not limited to, the following:

- Anesthesia equipment
- Cardiac stimulators
- Defibrillators
- Diagnostic equipment
- Electrocardiographs

- Electro surgery apparatus
- Gamma Ray Equipment
- Incubators
- Lasers for surgery
- MRI equipment
- Patient monitors
- Respiratory therapy apparatus
- Suction pumps
- Ultrasound equipment
- X ray apparatus
- Endoscopy equipment

The market for medical instruments is a very dynamic segment that is growing fast due to the development of public projects and the need of private clinics to be better equipped. Products with high demand in Mexico are the following:

- Accessories for laser and other apparatus
- Electronic and manual stethoscopes
- Surgery sets
- Instruments for ophthalmology
- Scissors
- Bistouries
- Valves and surgery chisels
- Surgery tweezers
- Instruments of medical specialties of all kinds
- Blood pressure monitors

Health conditions have improved in Mexico in the last twenty years due to several factors led by an increase in urban population that leads to better sanitary conditions, access to health care services, preventive medicine, a higher level of education and better nutrition.

Life expectancy has increased for Mexicans from 72 years in 1994 to 75.3 years in 2000, with a mortality index decline from 6.5 in 1980 to 4.3 in 2000.

According to the Mexican Secretariat of Health, the 15 main causes of death in Mexico are, in order of importance, the following:

- Diabetes
- Heart diseases
- Cerebrovascular diseases
- Cirrhosis and liver diseases
- High blood pressure related diseases
- Homicides
- Perinatal problems
- Traffic accidents

- Pneumonia and influenza
- Nephrosis and nephritis
- Nutrition problems
- Cancer/respiratory system
- Cancer/stomach
- Cancer/liver

Sources:

US Commercial Service
Mexican Ministry of Health
Own research