

8. Specialty medical devices: growth rates of over 20% in 2015

Expanding medical device import markets offers attractive growth regarding the processes and demands affecting the industry. The market shows opportunities for global players and regional localists alike.

In 2015, imports of capital equipment for the medical field contracted slightly from \$22 billion to \$21 billion per year (see chart). Despite tapered numbers, there are still a number of profitable product classes in response to the region's epidemiological transition, which aging populations and a pervasive obesity epidemic have left countries facing a high prevalence of non-communicable diseases (NCDs). Growth stemming from chronic diseases are projected to reach 56% by 2020. This is not to say, however, to shy the primary driver for capital equipment imports is aging populations.¹²

Mexico, Brazil, Argentina and Colombia account for over 80% of the region's import and sale of capital equipment. All of these countries have made efforts to increase their healthcare systems that attract opportunities for manufacturers, distributors and integrators alike.

In spite of the existing economic downturn, the Brazilian government allocated funds towards building hospitals and improving primary services in 2014. Mexico has introduced the electronic medical records, as well as expanded initiatives to migrate systems to electronic medical records (EMRs), and Argentina has initiated their National Information Plan to expand patient outreach.

Manufacturers, distributors and integrators can expect continued interest in capital goods, such as **diagnostics** and **patient monitoring** equipment. Given the continued need for capital equipment as well as the financial outlook of people, patient generation and sophisticated health equipment may prove fruitful.

In Mexico, **ultrasound** led as the dominant product line for the country's imports, doubling a 7% net increase. **Health monitoring** machines such as **respirators** and **retainers** is well-represented, experienced the highest growth, with a 20% net increase the most a market value of 280 million, and a 20% net increase the most a market value of 250 million, respectively. Other product classes showing significant growth are **blood pressure monitors**, with a 25% net increase to reach a market value of \$34.6 million. Such gains are not exclusive to Mexico. Brazil's high-growth product class, **electrocardiograph** machines, increased 28% to reach \$62 million. The market also saw growth of 6% in **diagnostic machines**, reaching a market value of \$207 million. Meanwhile, Colombia displayed a 26% net growth in **EMR machines**, reaching \$75 million by year end 2015.

Suppliers should heed the **pathophysiological** nature of Latin American imported capital equipment, such those in card



Source: Global Health Intelligence 2015

vascular. Canada, Mexico, Venezuela and Argentina are among the most active countries in the world that saw growth rates in devices, Colombia and other countries have made the same level advances in the region.¹³ Furthermore, the potential total available foreign market share with the device systems and its aging population, chronic, cardiovascular disease, blood cancer diagnosis are expected to continue rising.¹⁴ Given the significant potential for the diagnostic and treatment capabilities of **ultrasound**, **diagnostics**, **EMR**, **electrocardiograph**, **blood pressure monitors**, and **diagnostic machines**, which address the acute and chronic symptoms of these diseases and their associated risk factors, suppliers should expect continued growth in products such as **cardiac health monitors**, **hypertensives**, **ultrasound/machines**, **retainers/retainers**, **respirators**, and **diagnostic machines**.

Given global aging of the population, the spread of chronic diseases, and health-related aging with growth in healthcare spending of \$35 per year through 2024, the demand for these product classes will persist in the near future.¹⁵ Additional opportunities exist in aging patients' patient monitoring devices with **patient monitoring** and **diagnostic** categories, having government programs such as **free devices** to further public health objectives. Such is the case of Mexico's National Strategy for Innovation for Control of Campaigns, Chronic and Infectious and Acute Illness (National Program, which also encourage **diagnostics and therapeutics**).¹⁶

There is a clear regional trend in end-user products made "simple and convenient", with **portability**, **flexible** and **easy** use in mind, particularly if there are aims to improve the **patient-to-care relationship**.