

Latin America Medical Device and Equipment Market



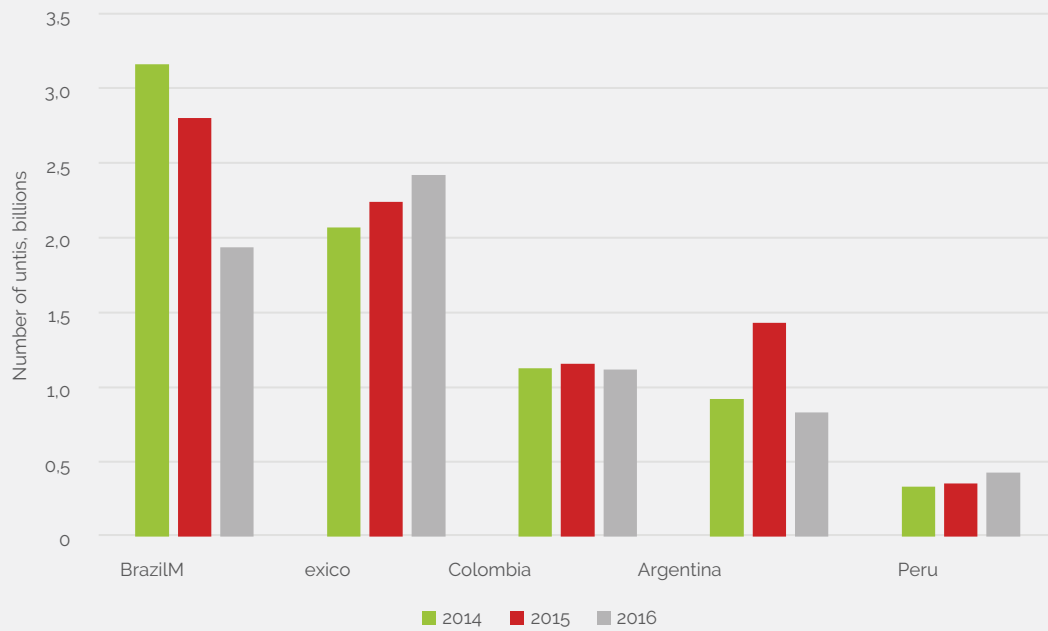
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Intro

Latin America's medical equipment, device and consumables market was worth an estimated US\$ 29 billion in 2016. Imports accounted for 85%-90% of this market, with limited production for the local market in Brazil, Mexico, Argentina and Costa Rica. As a result, the market has had a high exposure to currency fluctuations and lost significant purchasing power due to foreign exchange rate devaluations across the region in 2015 and 2016.

IMPORT TRENDS ACROSS MAJOR MARKETS



3.

Colombia's medical device and equipment market

The Colombia healthcare market has been stagnating from 2014 thru 2016. The market remains at a steady 1.1 million units sold across all major classes of equipment, devices and consumables. Meanwhile, the market's value experienced a 13% year-over-year drop, going from \$1.1 billion in 2014 to \$0.9 billion in 2016, revealing the extent of the economic downturn and the pressure put on importers and distributors to sacrifice margins and lower pricing.

A rising demand for miscellaneous supplies such as gas masks and gas meters were able to keep the market afloat, but no conventional modality experienced legitimate success. Capital equipment (such as Electrocardiographs, Ultrasounds, MRIs) as well as devices and consumables (such as Syringes, Needles, Catheters, Dental equipment) registered a 4% CAGR growth in

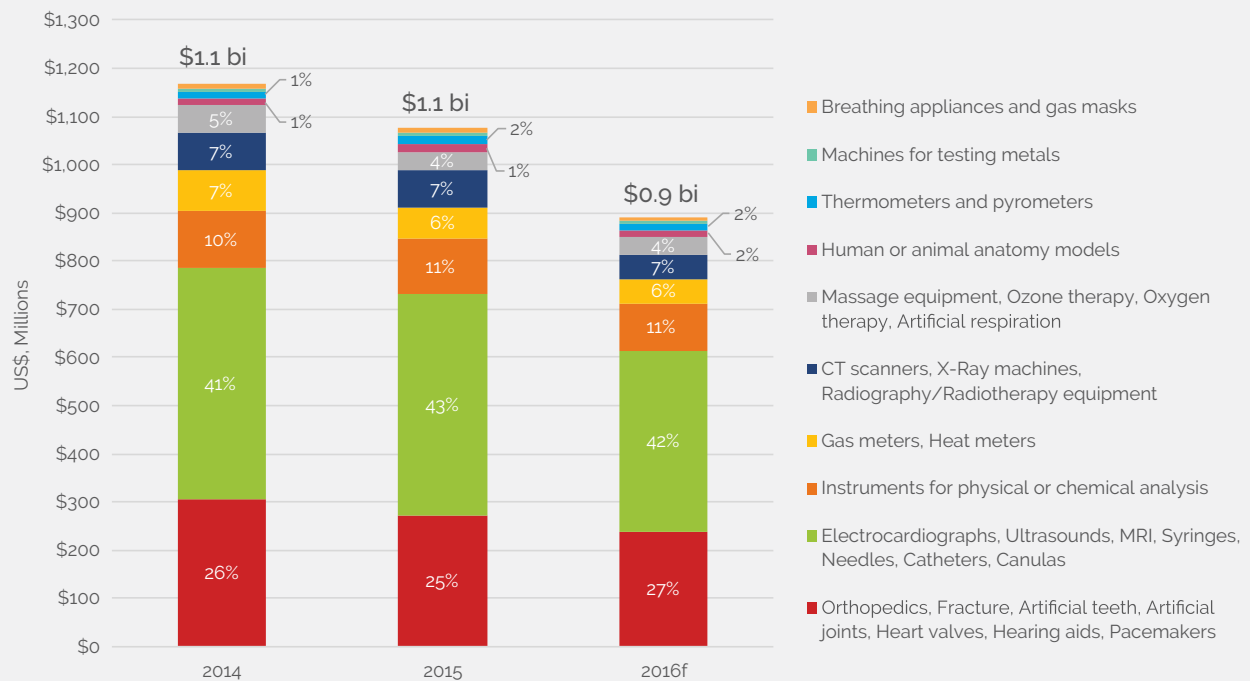
number of units yet a 12% CAGR drop in value from 2014 to 2016f. The situation was even more dire for CT scanners, X-Ray machines and Radiography/Radiotherapy equipment that registered an 11% CAGR drop in number of units and a 21% CAGR drop in value during the same period. The cases of increased demand were not sufficient to overcome the effects of a contracting public sector and currency devaluations.

Colombia's institutional market will likely remain depressed for the course of 2017, burdened by financial troubles from corruption and poor accountability within the EPS system. The recent reforms of the Statutory Healthcare Law (LES) indicate that the priority will be to recover the \$1.6 billion deficit. Equipment, device and consumable manufacturers should continue to brace for hard times ahead, with strong cost pressures

that will affect both the topline and the bottom-line. This may represent opportunities for low cost manufacturers (notably from Asia) to gain a foothold in one of Latin America's key markets.

Additionally, growth may be seen in Colombia's private sector (which has grown 70% in recent years), in the form of out-of-pocket expenditures. Consumers can be expected to continue paying for services and supplies to receive the higher level of care they desire.

COLOMBIAN IMPORTS BY MODALITY



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