

LatAm Medical Market Pulse

Key data and perspectives on the medical equipment industry

Colombia

GHI has been monitoring health care trends as well as market and pricing trends for medical products in Latin America throughout the COVID-19 crisis. Our team of analysts and in-country experts have been interviewing medical staff as well as importers, distributors, and procurement specialists on a regular basis to understand how the pandemic, global market supply chains, and government policy are affecting patient health outcomes and healthcare market dynamics.

We report key insights and local perspectives on the Colombian market, based on research conducted with physicians, industry leaders, market experts and other key players of medical devices, medical products and surgical equipment.

Colombia's market for medical equipment

The Covid-19 crisis changed how hospitals exercise their budgets:

- There was significant growth in sales of medical devices used for treating Covid patients, especially ventilators (80%) and patient monitoring systems (15%).
- Medical equipment distributors expect short-term sales growth of protective gear, other Covid-related equipment, and products used for emergency surgeries by 10-20%. Generic products will lead growth since hospitals experiencing budget contractions will not be able to make investments in premium products until the case load returns to normal.
- Hospital purchases of medical devices and equipment for specialized procedures have dropped, however, and are not expected to resume until vaccination campaigns reach a greater share of the population and procedure volumes return to pre-pandemic levels.
- Hospitals estimate they will regain their normal volume of procedures within 12 to 24 months.

"Most of the budget has changed since there has been a fairly large investment in personal protective equipment for all health workers. This was an unforeseen expense that has affected the hospital budget. Medical equipment budgets have gone down not only because of Covid: What has dropped is the income of patients, and when the income of patients goes down, the purchase of equipment decreases."

—Procurement Manager, private cardiology clinic, Colombia (March 2021).

"Although it is a challenging situation, we expect hospital budgets to return to the same pre-Covid level in approximately one year and a half."

—Procurement Manager, wholesale distributor of surgical equipment and medical instruments, Colombia (March 2021).

The price of medical products increased across several product categories:

- **Price increases** have occurred across the board due to disruptions in supply chains. There is a variance of 20% between the private and public sectors; sales to the private sector still command a premium.
- Hospital **capital expenditure budgets** have changed as institutions prioritized investments such as ventilators, defibrillators, and equipment that supports the recovery from COVID.
- **Investment in personal protective equipment** was one of the most important investment categories for hospitals over the past year. Hospitals had to bear this cost, which they have not been able to recoup from health insurance companies or occupational risk insurers.
- The price of some products, including **ventilators, body bags, and personal protective equipment**, increased by as much as 40% during the pandemic and are expected to return to their average range slowly, within 12 to 24 months.

"When a product increases its price it is very difficult to lower it again. All the protective equipment, for example, went up a lot; their prices have already come down a little, but they never returned to the initial pre-Covid prices. Something very similar will happen with cardiovascular products."

—Procurement Manager, Private Cardiology Clinic, Colombia (March 2021).

International devices continue to dominate the market and drive preference over local products:

- Over 70% of users prefer international products over local ones.
- The most recognized brands of **ventilators** and **patient monitoring system** include Drager, GE and Mind-Ray, while Baxter and B.Braun stand out in the **hemodialysis systems** space.
 - Mind-Ray accounts for ~30% of the ventilator market, whereas GE has an estimated share of ~30%; customers value their status as internationally recognized brands, their quality guarantee and competitive price.

- Baxter accounts for ~30% of the **hemodialysis** market.

- by Medtronic and Boston Scientific dominate the **cardiovascular** space, especially in products such as stents.
- In the **neurology** specialty, market leaders include: J&J (~30%) with an array of spine treatments solutions, Zimmer/ Biomet (~25%), Stryker (~20%) and Medtronic (~20%).
- For **diabetes care** products, Dexcom and Medtronic are the most recognized brands on the market as well as Abbott for monitoring and administration of insulin.

"While competition is very high from foreign imports, the pandemic has also been an important opportunity for local distributors and manufacturers. Health institutions gave opportunities to local market and once we gained entry, we were able to gain their trust, thus ensuring long-term sales."

—Procurement Manager, wholesale distributor and service provider of medical equipment and devices, Colombia (March 2021).

GHI will continue to report on noteworthy trends in-country. For more in-depth market intelligence and insights, please contact us directly at: info@globalhealthintelligence.com

About GHI

Global Health Intelligence (GHI) is the leading provider of data analytics for Latin American healthcare, specializing in the region's hospitals. Its databases deliver strategic market data for medical equipment/devices manufacturers that allow them to identify new sales opportunities, gauge demand for new products, understand their market share vs. those of their competitors, spot trends in the acquisition of products, determine market needs and more.