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LatAm Medical Market Pulse:
Key data and perspectives on the medical equipment market

LATAM – A RGENTINA, BRAZIL, CHILE, COLOMBIA

September 2022

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 and will continue to do so post-pandemic. Our team of analysts and in-country experts interview medical staff as well as importers, distributors, and procurement specialists on a regular basis to understand how the pandemic, supply chains, and government policy are affecting patient health outcomes and healthcare market dynamics.

In this brief, we report key insights and local medical perspectives from Argentina, Brazil, Chile, and Colombia in the first and second quarters of 2022. We conducted our analysis based on primary research with hospital decision makers, industry opinion leaders, physicians, and market experts in medical devices, medical products, and surgical equipment. GHI's findings track fluctuations in hospital investment decisions, purchasing patterns and procedure volumes from quarter to quarter.

Key data on medical devices in LATAM

Demand for medical equipment and pricing considerations

- The market for sutures is very competitive: it is a ubiquitous product used in multiple procedures ranging from simple incisions to extremely complex procedures such as heart surgery. In terms of sales volumes, sutures feature prominently in open surgeries as well obstetrics and gynecology procedures such as cesarean sections, appendectomies, and hiatal hernias.
- Demand for sutures remained largely unaffected by the pandemic; COVID did not influence purchasing decisions for sutures.
- As elective procedures have regained their pre-pandemic levels, the trend over the last six months has been the growth of bulk purchases. Hospitals are seeking lower prices and ensuring inventory of all essential products and consumables. The level of inventory that hospitals try to maintain for sutures is 20 to 30 days. The purchasing frequency for sutures tends to be monthly,
- Purchasing trends show a growing preference for more economical and better-quality kits. Pricing nevertheless depends on the number of sutures in a kit, whether the sutures are absorbable or non-absorbable, the material (silk, nylon, polyester) and whether they are absorbable.

- In the private sector, there is an average premium of 10% compared to sales in the public sector.
- Select foreign brands also command higher prices, though Asian imports have gained ground. Chinese brands have been aggressively competing to enter the market at lower prices.
- Distributors typically leverage the sale of sutures to gain access for other devices.
- Distributor markups for sutures vary between 10% to 45%.

"As a trend in purchasing due to the pandemic, hospitals are seeking inexpensive disposable products or products that have a higher degree of sterilization. They continue to use single-use products as long as the cost is reasonable".
—Head of nursing, private hospital, Chile (July 2022)

"Marketing and distribution for these products is not yet extensive in certain regions of Brazil, especially outside of big cities and in the interior. Also, distributors are realizing that hospitals in the interior have a great purchasing potential".
—Control of raw materials and medical products, private hospital, Brazil (July 2022)

"Many say that China produces low quality products, but it is not so: they are also capable and have shown that they are great manufacturers of quality products. Chinese manufacturers typically sell at lower prices".
—Control of raw materials and medical products, private hospital, Brazil (July 2022)

Product selection considerations

- The most relevant attributes for sutures are affordability (price), being easy to use, and having high clinical performance.
- The key attributes for sutures are state-of-the-art technology, made with high quality raw materials, 100% antibacterial, and highly sterilized.
- Leading product brands offer special discounts for bulk purchases and for closing contracts for more than two years. The face-to-face visits show to customers even more attention and security since it gives them the peace of mind that there will always be suppliers for any problem and to help them in a quick and easy way.

Brand preference

- Johnson & Johnson's Ethicon brand is the market leader with between 30% and over 50% (e.g., Colombia); other top brands include Covidien, B. Braun, whose share varies between 15-25% by market. Fengh, Tagum, and Ezisurg are strong competitors in Argentina, whereas Shalon Bioline and Supermedy compete with top brands in Brazil.
- Top brands all sell absorbable and non-absorbable sutures, needles, thread strands of different lengths, cardiovascular sutures, staplers, and clips. Premium products are 100% antibacterial materials.

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.