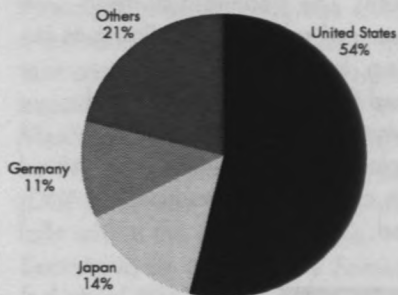


MARKET SHARE OF IMPORTS BY COUNTRY, 1993



Source: *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, *Import Statistics*, 1990, 1993.

import market dropped from 58 percent in 1990 to 54 percent in 1993. Japan more than doubled its share to 14 percent over the same period, while Germany's share fell by three percentage points to 11 percent in 1993.

American and German suppliers are not focused in any particular market segment. Japanese imports tend to be technologically-sophisticated. For the most part they fall into three categories: electro-diagnostic equipment, X-ray films and plates, and X-ray equipment.

MAJOR CUSTOMERS

Any marketing program aimed at the Mexican health care sector should first consider the nine public agencies that make up the *Sistema Nacional de Salud*, National Health Care System. They are divided into the *población abierta*, open system and the *población derechohabiente*, premium-based system. Private health care facilities also constitute a significant market.

The Open System

The *población abierta*, open system, serves the population which is not formally employed and therefore does not pay health care premiums.

Its facilities are oriented towards the poorer segments of Mexican society. It includes the following institutions:

- *Secretaría de Salud (SS)*, the Secretariat of Health, with responsibility for 50 percent of all public medical units in the country;
- *Departamento del Distrito Federal (DDF)*, the Department of the Federal District, responsible for more than 100 health care units in the Mexico City area;
- *Instituto Mexicano del Seguro Social — Solidaridad (IMSS — Solidaridad)*, the Mexican Institute for Social Security, encompasses the services provided under the National Welfare System of *Solidaridad*;
- *Sistema Nacional Para el Desarrollo Integral de la Familia (DIF)*, the National System for the Development of the Family, provides social assistance and care to disadvantaged children;
- *Institutos Especializados*, Specialized Institutes, are clustered in Mexico City and serve as both hospitals and teaching institutes; and
- *Servicios Estatales, Municipales y Universitarios*, medical units which depend on funding through various state and municipal governments, and universities.

Premium-Based System

The *población derechohabiente*, premium-based system, covers formally-employed Mexicans and their families. It operates one-third of the primary care facilities and 55 percent of the hospitals in the National Health Care System.

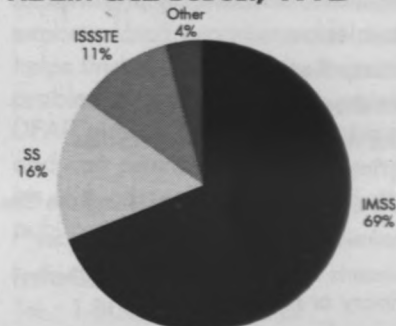
- *Instituto Mexicano del Seguro Social (IMSS)*, the Mexican Institute for Social Security, covers the privately-employed population, about 78 percent of the premium-based system;

- *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, the Institute for Security and Social Services for Public Sector Employees;
- *Secretaría de la Defensa Nacional (SDN)*, the Secretariat of National Defence;
- *Secretaría de la Marina (SM)*, the Secretariat of the Marine; and
- *Petróleos Mexicanos (PEMEX)*, the state-owned oil company.

Private Health Care System

The largest private hospitals are located in Mexico City. There are also important facilities, although fewer of them, in most major cities of Mexico including Monterrey and Guadalajara. Hospitals within the private system operate independently of each other. A few have "branch" hospitals in other locations.

BREAKDOWN OF THE NATIONAL HEALTH CARE BUDGET, 1992



Total Budget = US \$9.1 billion.

PRODUCT OPPORTUNITIES

The most important buyer in the Mexican Health Care System is the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security. Most foreign suppliers focus their marketing emphasis on developing sales to this entity. A number of *Institutos Especializados*, Specialized Institutes, exist in Mexico and these include the *Instituto Nacional de Cardiología*, Institute of Cardiology, the *Instituto Nacional de*