

Medical Devices for Institutions & Home Health Care - Brazil

direct importation by hospitals. In such cases, the commission is usually established on an individual basis, but the usually accepted rates are around 10 - 12%.

The percentage of imported products commercialized by Brazilian distributors ranges from 25 to 60% and even higher, depending on the area of specialization of the distributor.

Even though imports of medical equipment and devices do not fall under a general tariff position, under the new import policy most items will average an import duty of 20%. The government has, on occasion, lowered import duty to as much as 2% for some products, in order to control inflation trends. Detailed information on duty for specific products, as well as import cost estimates, can be supplied on request by the Canadian Consulate General in São Paulo.

No restrictions or specific barriers affect imports from Canada, which also benefits from a very positive image as a supplier of high quality products and technology. In 1993, Canadian exports totalled Cdn\$ 3.9 million in various segments and products.

Besides the import duty there are a number of Federal and State taxes which affect the final cost of product, and which may add up to over 85% of the FOB price. An example of the cost structure used to calculate import prices is:

Imports - Cost Structure

1. Cost price	100.00
2. Insurance (estimate)	1.00
3. Freight (estimate)	15.00
4. Sub total I (1+2+3)	116.00
5. Import Duty (20% over 4)	23.20
6. IPI (10% over 4+5) - Federal Tax	13.92
7. Sub Total II (4+5+6)	153.12
8. ICMS (18% over 7) - State Tax	27.56
9. Warehousing (3% over 4)*	3.48
Grand Total	184.16
Customs Broker's fee **	

Notes:

* warehousing considered for a period of 15 days.

** Customs Broker's fees are 0.75% over CIF prices or USD 150.00, whichever is higher, per shipment

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