II. Sources of Supply

The major source of supply is still domestic. Local manufacturers are very active, even though not always price competitive due to the past policy of import substitution. Local industry is comprised of small and medium sized companies and a few large sized ones. Of the total, approximately 17% are of foreign or mixed capital, including the known multinationals of the sector.

There are over 500 companies, employing in excess of 13000 people. Commercialization is done through an estimated network of 1500 distributors/resellers.

Size of Brazilian Manufacturers

	1992	1991	1990
Small	50.7 %	47.1%	49.3 %
Medium	46.5 %	48.5 %	46.5 %
Large	2.8 %	4.4 %	4.2 %

Imports have made good inroads in the market and are steadily growing. Major suppliers are U.S.A., Japan, Germany and East Asia - China, Korea, Malaysia and Pakistan - from which most low- cost disposable items are imported.

In the capital equipment segment, European suppliers have kept an edge on the market due to their capacity of financing their exports. Whenever possible, this is an important business advantage.

Brazilian Market - Imports versus Exports (US$)

	1992	1991	1990
Local production	709,450,000	672,000,000	960,000,000
Exports from Brazil	160,951,514	95,800,376	72,963,622
Imports	Data not available	415,349,694	288,615,674

Besides the areas where Canadian products have traditionally been competitive, business opportunities are particularly expected to grow in the following segments :

Equipment and Materials

- Catheters
- Liposuction tapes
- Orthopaedic equipment
- Blood bags, blood pressure & other testing instruments
- Videolaparoscopy
- Hernia tapes
- Non-traditional protheses
- Surgical equipment and devices
- Leucocite filters and hemotherapy
- Post-operatory tapes
- Needle-less insulin application