

BRAZIL

Market of Medical Devices for Institutions & Home Health Care

I. Market Overview

Industry sources estimate the size of the Brazilian market for equipment, instruments and general supplies at over USD 950 million, of which imports represent close to USD 400 million. With a population of 150 million inhabitants, and an organized distribution network, Brazil is not only a large potential market but also serves as a major distribution center to other neighbouring countries, with annual exports totalling USD 160 million in 1992. There are no statistics of the market break-down for capital equipment and disposable items.

Market Profile - 1991

Brazilian Production	US\$672,000,000
Exports	US\$ 95,800,376
Imports	US\$415,549,694
Number of Manufacturers	550
Number of Distributors/resellers	1300
Radiology Institutes	8000
Number of Analysis Laboratories	12000
Physicians	140000
Dentists	120000
Professional Nurses	75000
Laboratory Technicians	30000

The home health care market is incipient, and there is only one major outlet - Casa Fretin - that could fit in such category, selling a variety of items, from small scissors to electronic testing equipment. Its public is made up mostly of middle class patients, nurses and doctors. Most patients will purchase home health care devices directly from manufacturers or distributors who will often have a show room open to the public in general.

The health sector in Brazil shows great variations, ranging from small poorly equipped clinics to highly sophisticated hospitals, offering up-to-date technology and equipment, in both the public and private sectors.

Most of the health care resources are located in the southern states, although some improvements have been made in the northern regions. The State of São Paulo concentrates over 70% of all medical facilities in the country; the city of São Paulo alone is one of the largest markets in South America for the health sector.

The sector is served by both public and private hospitals and clinics. The private sector is responsible for approximately 50% of the purchases, with the Federal Social Health System (INAMPS) taking 30%, and Federal, State and Municipal governments accounting for the remaining 20% of the market.

Purchases by the public systems follow a bidding process, by which contracts/orders are awarded to the lowest priced offer. Bids are open to any interested supplier.