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OPPORTUNITIES IN MEXICO:  
MEDICAL EQUIPMENT AND HEALTH CARE SERVICES



M A R K E T P R O F I L E - M E X I C O

## **Market Profile – Mexico Series**

**Opportunities in Mexico: Medical Equipment and Health Care Services** was developed by the Department of Foreign Affairs and International Trade (DFAIT), researched and written by Townsend Trade Strategies Inc., in collaboration with Industry Canada, and published by Prospectus Inc.

This market profile is designed to provide an overview of the market for **Medical Equipment and Health Care Services** in Mexico; it is not intended to be the only source of market information on this sector. Any errors or omissions found in this book are the sole responsibility of the authors. As well, all opinions expressed herein are those of the author. They should not be attributed to the Government of Canada. Neither the authors, the publishers nor the collaborating organizations will assume any responsibility for commercial loss due to business decisions made based on the information contained in this book.

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Catalogue No. E73-9/16-1994E

ISBN 0-662-22377-2

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Published by Prospectus Inc.

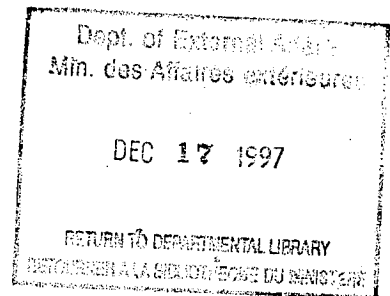
Printed in Canada.  
Version français disponible.

# MARKET PROFILE

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## OPPORTUNITIES IN MEXICO: MEDICAL EQUIPMENT AND HEALTH CARE SERVICES

43-280-767







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## THE NAFTA

The North American Free Trade Agreement (NAFTA) expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 12 countries of the European Community and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$4.2 billion in 1993 and is expected to increase to over \$5 billion by the end of the decade.

Cumulative Canadian investment in Mexico is growing rapidly, increasing from \$350 million in 1989 to over \$580 million in 1992.

This guide has been prepared with the problems inherent to the new exporter in mind. However it is not exhaustive; individual circumstances, interests and needs will dictate how companies should tailor their approach and strategy to the Mexican market. While every attempt has been made to ensure accuracy in this study, no responsibility can be accepted for errors or omissions.

Further assistance can be obtained by addressing requests directly to:

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through the provincial International Trade Centres (Key Contacts Section) or

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## FOREWORD

### A GROWING ROLE FOR THE PRIVATE SECTOR

The private sector is expected to play a growing role in the Mexican Health Care System, as higher standards of quality and efficiency become the norm. President Zedillo has stressed that the National Health Care System will be maintained, strengthened and modernized. An expanding private sector will be expected to complement the public system.

Increasingly, public institutions will purchase services from the private sector. The focus will be on obtaining better quality at lower cost. This could apply to a wide range of services. For example, high-technology services such as magnetic imaging are good prospects for the private sector, but so are many low-technology services, such as hospital laundry.

The private network of clinics and hospitals in Mexico will have to develop better linkages between institutions in order to improve quality and become more efficient. For the same reasons, they will be looking to foreign hospitals for technology alliances. Computized networks of health care information are a particular area of interest. These trends towards the increased participation of the private sector in Mexican health care will be reinforced by the increased availability of health care insurance.

Mexico's rapidly growing population, combined with expanded coverage of public health care programs, has created a broad need for medical equipment and services. Mexico currently lacks the capacity to produce all of the needed equipment, and as a result, imports have surged. Between 1990 and 1993 alone, imports rose by 133 percent. Nonetheless, a shortage of funds has constrained potential market growth.

As Mexico's population ages, the National Health Care System will have to respond to new and unfamiliar demands. This comes at a time when there are still large disparities in the level of care available to different segments of the population. Buyers are increasingly choosing technologies that will increase the efficiency of health care and bring the greatest benefit to the largest number of people. This creates niche opportunities for Canadian companies with appropriate technologies.

There are especially good opportunities for low-cost and efficient diagnostic technologies which can be used in small clinics in remote parts of the country. Solutions to the problems associated with bio-medical waste are also in demand. Products with strong market potential include equipment for cobalt treatments, physiotherapy, artificial respiration, X-ray and cardiology procedures.

The administration of President Ernesto Zedillo is committed to restructuring the Health Care System to achieve better quality at lower cost. This will also expand the role of the private sector in the provision of services. Services in demand will include health services management, information services, equipment maintenance, waste management and training.

Selling imported products and services in Mexico's health care sector is a complex process. Health care is delivered by several different entities. Public institutions make the bulk of their purchases using formal bidding processes based on an annual buying cycle. Prospective suppliers must ensure that their products are tested and listed in the basic formularies of each health care provider in the year before purchases are put up for tender. Then they must identify and formally respond to bid announcements. In the service sector, sellers must overcome a tradition with a built-in bias against contracting out. Large private hospitals constitute a significant market, but purchasing is highly decentralized and suppliers must commit significant resources to the marketing effort.

### CHALLENGES FOR THE HEALTH CARE SYSTEM

The Mexican Health Care System faces unprecedented challenges. Health care providers are struggling to serve a larger proportion of a rapidly growing population. Between 1970 and 1990, the proportion of the population covered by health care programs more than tripled, and by 1992, only seven percent of the population did not have access to full medical coverage. Even then, free emergency care is guaranteed to every Mexican citizen.



Mexico's population has been growing rapidly. Although the rate of growth will gradually decline, millions of people continue to be added to medical care programs every year. Half of all Mexicans are under 30 years old.

Mexico is faced with a growing incidence of "first-world" diseases, such as cardiovascular ailments, cancer, mental disabilities and addictions. At the same time, it must continue to cope with the diseases of underdevelopment, including infectious diseases, parasites and malnutrition as well as maternal and neonatal deaths.

The magnitude and the complexity of these challenges has been recognized in Mexico, and there is growing awareness that new policies, administrative structures, infrastructure and delivery systems are needed. Several recent studies have examined alternative means of restructuring the Health Care System. One of them, carried out by the *Fundación Mexicana para la Salud (FUNSALUD)*, the Mexican Health Fund, has received particular attention. Among its recommendations are the following:

- decentralization of health care delivery to a designated authority in each state;
- separation of financing and delivery of services;
- re-organization of health care by function instead of by target population;
- assignment of regulatory functions solely to the *Secretaría de Salud (SS)*, Secretariat of Health; and
- competition between the public and private sectors to give the client seeking care, a choice among providers.

These proposals have been featured in speeches by President Zedillo and they are likely to become government policy under his administration.

The need for improved quality and efficiency has also been recognized by Mexican health care authorities. A first step was taken in 1990 when a task force of public and private health care agencies was created to establish certification standards for hospitals. The certification standards were released in March 1994. They rely heavily on guidelines issued by the *Organización Panamericana de la Salud*, Panamerican Health Organization.

Certification in accordance with the new standards is voluntary. A pilot program involving six private hospitals began in the fall of 1994, and they are expected to be certified within five years. Certification standards will be extended to laboratories, radiology units and other medical services and professions in the future.





# 1. THE MEXICAN HEALTH CARE SYSTEM

## THREE LEVELS OF SERVICE

Public sector medical units in Mexico are classified into three levels of care:

- primary care includes out-patient services which are primarily diagnostic, with no hospitalization facilities;
- second level medical units are general hospitals that may or may not offer specialized services; and
- third level facilities provide hospitalization and specialized medical treatment, and do not offer out-patient facilities.

The *Sistema Nacional de Salud*, Mexican Health Care System, has three major components. It is divided into separate systems for those who are employed in the formal economy and for those who are not. Mexicans who can afford to pay have the third alternative of using private health care facilities, which tend to offer faster service.

The body responsible for health care policy and regulation throughout Mexico is the *Secretaría de Salud (SS)*, Secretariat of Health. The *SS* also delivers medical services to the poorer segments of Mexican society through a system of clinics and hospitals.

## OVERVIEW OF THE NATIONAL HEALTH CARE SYSTEM, 1992

Component	Spending (U.S.\$ millions)	Population (millions)
<b>Open System:</b>	<b>2,030</b>	<b>42.0</b>
<i>Secretaría de Salud (SS)</i> , Secretariat of Health	1,484	27.9
<i>Instituto Mexicano del Seguro Social (IMSS)</i> , Mexican Institute for Social Security	214	10.9
<i>Departamento del Distrito Federal (DDF)</i> , Department of the Federal District	119	3.2
<i>Sistema Nacional para el Desarrollo Integral de la Familia (DIF)</i> , National System for the Development of the Family	213	—
<b>Premium Based System:</b>	<b>7,894</b>	<b>47.8</b>
<i>Instituto Mexicano del Seguro Social (IMSS)</i> , Mexican Institute for Social Security	6,279	37.5
<i>Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)</i> , Institute of Security and Social Services for Public Service Employees	1,045	8.6
<i>Petróleos Mexicanos (PEMEX)</i> , the state-owned oil company	270	0.8
Others	300	0.9
<b>Total</b>	<b>\$9,924</b>	<b>89.8</b>

Source: Adapted from *Recursos y Servicios - Sistema Nacional de Salud*, Boletín de Información Estadística, Número 12, 1992.

## NATIONAL HEALTH CARE SYSTEM

Mexico's *Sistema Nacional de Salud*, National Health Care System, has been substantially expanded in recent years, and now makes health care services available to virtually every Mexican. Primary care clinics have been established in a growing number of remote towns and villages. By the end of 1992, health care services were available to an estimated 90 million people. The budgets of the nine principal entities in the National Health Care System totaled just under US \$10 billion (see table).



## PUBLIC HEALTH CARE INFRASTRUCTURE IN MEXICO, 1992

	Total	Open System	premium-based System
People covered	89,900,000	42,000,000	47,900,000
Primary care facilities	13,339	10,309	3,030
General hospitals	676	310	366
Specialized hospitals	157	100	57
Laboratories	967	769	198
X-Ray rooms	2,108	887	1,221
Operating rooms	2,290	997	1,293
Beds	71,500	32,319	39,181
Medical doctors	103,354	40,570	62,784
Paramedics	177,334	62,160	115,174
Nursing staff	148,957	58,556	90,401
Blood banks	235	110	125

Source: Recursos y Servicios - Sistema Nacional de Salud, Boletín de Información Estadística, Número 12, 1992, p. 76.

Individuals are eligible for different programs that make up the National Health Care System, depending mainly on their employment status, their economic status and their location.

Roughly half of the population consists of formally employed persons and their families. They are covered by the *población derechohabiente*. This is a premium-based system funded by employer and employee contributions to a variety of health care entities. There are several programs covering different types of employers. A separate system serves the health care needs of Mexicans who are not employed, who are self-employed or who are engaged in the informal economy. It is referred to as *población abierta*, or open system.

The facilities of both the open and premium-based health care systems are classified as primary care, second level or third level (see box). Each system offers services throughout all 31 states and the Federal District. In a few of the more remote and less populated areas, second and third level facilities may not be available.

The National Health Care System is based on an extensive infrastructure of more than 14,000 medical service centres, of which about 13,000 are primary care facilities. About three-quarters of these facilities fall under the jurisdiction of the open system. General hospitals are a key element of both systems, but two-thirds of specialized hospitals are in the open system. Although several hospitals in the larger cities are comparable to those in Canada, Mexican facilities average only 86 beds.



## THE PRIVATE HEALTH CARE SYSTEM

There is also a parallel private health care system, catering to affluent Mexicans, which is financed entirely by user fees. This system is supported to some extent by private insurance policies. Data provided by the *Asociación Mexicana de Instituciones de Seguros (AMIS)*, Mexican Association of Insurance Institutions, indicates that less than three percent of Mexicans are covered by private health insurance.

There are no reliable statistics describing the non-insured use of private health care. Estimates developed for the U.S. Department of Commerce suggest that about 20 percent of all health care services in Mexico come from the country's 2,200 private hospitals. Industry observers in Mexico believe that the private sector market share is actually much lower. Uncertainty regarding the coverage of the private system does not affect the statistics cited in this profile for the public system, since private system users are also covered by the public system.

## BLOOD BANKS

The *Secretaría de Salud (SS)*, Secretariat of Health, sets standards for the national blood supply. In recent years, the processing of blood and plasma products has been restructured to ensure a high level of quality. Accordingly, *SS* oversees all collection of blood products and all of the distribution to the public institutions. The private hospitals have their own blood banks but they too are supervised by the *SS*.

## THE RED CROSS

*La Cruz Roja*, the Red Cross, is the largest emergency and rescue service provider in Mexico. It operates hospitals in addition to providing ambulance and rescue services. It also delivers first aid and nursing training programs. Its emergency services include transportation of critically ill and injured people, medical attention to stabilize a client's condition during transport, disaster-related aid, maternity and post-natal services, blood banks, and organ donor services. People who use Red Cross emergency services are given primary care while in the ambulance and taken to the hospital of choice. There is no fee for using the Red Cross emergency services.

### RED CROSS INFRASTRUCTURE

*La Cruz Roja*, the Red Cross, operates 420 posts in Mexico and has a total of 1,800 ambulances. It also maintains 70 hospitals throughout the country, the majority of which are specialized in traumatology, emergency-related services and minor surgeries. The Red Cross provides general medical and hospitalization services in its hospitals which are located in areas where there is no public institution. About 450,000 volunteers comprise 80 percent of Red Cross staff.



# HEALTH CARE TRENDS

## INFRASTRUCTURE DEVELOPMENT

On December 1, 1994, Ernesto Zedillo assumed power as President of Mexico for the period 1994-2000. He appointed the individuals who head up the new Secretariats, however, the overall direction of health care will remain in limbo until mid-1995. Purchases will continue in accordance with last year's budget allocations with an emphasis on day-to-day maintenance of the *Sistema Nacional de Salud*, National Health Care System.

No new construction of public hospitals is foreseen for 1994 or 1995, although new construction is expected in 1996. There is increasing interest in developing new hospitals on a turnkey basis. The contractor would develop the site, construct the building and equip the hospital. This would be a significant departure from the current approach in which all purchases are arranged by the purchasing departments of each health care entity.

## PRIVATIZATION

The health care sector has lagged behind other sectors of the economy in the trend towards privatization. Under the new administration this is likely to change, and a growing role is expected for the private sector.

Already, there are specific cases of privatization and rationalization of certain auxiliary services in the National Health Care System. A good example is the *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute of Security and Social Services for Public Sector Employees, which provides services to public employees. It has privatized its laundry services, sold off its general stores, entered into contracts with private funeral homes, and privatized some of its pharmacies. This type of cost-cutting measure is expected to continue in the future.

## HEALTH CARE BUDGETS

Accurate data on total purchases of medical devices, equipment and services are not available. Most observers believe that the *Sistema Nacional de Salud*, National Health Care System, purchases 80 to 90 percent of products sold in this category. The private health care system is growing, but purchases have been restrained because of the economic recession which began in Mexico in 1993 and continued into 1994.

Restrained federal government budgets and a growing population have had an impact on health care expenditures. New emphasis has been placed on the construction of primary health care facilities, on remodeling and renovating existing facilities, and on purchasing used and up-graded equipment. Nonetheless, about 60 percent of the federal health care budget is spent on the third-level hospitals, which are the most expensive medical units in the system. The general hospitals have the second-largest budget allocations and the primary care facilities receive the smallest portion of the budget.



## DEMOGRAPHICS

At the time of the 1990 census, the population of Mexico was 81 million, and it is now estimated over 90 million. In 1994, it was estimated that 36 percent of the population was under the age of 15 years. Sixty percent was between 15 and 64 years of age and only 2.4 percent was 64 years of age or older. Life expectancy increased from 56 years in 1960 to 70 years in 1990.

In the future, more care will necessarily be directed to diseases which characterize an aging population. According to World Bank estimates, the proportion of Mexico's population under the age of 15 will decline from 36 percent in 1994 to 23 percent by 2025. At the same time, the proportion 65 years of age or older will rise from 2.4 percent to 8.4 percent.

Child mortality rates have decreased dramatically from 148 per 1,000 live births in 1960 to 26 deaths per 1,000 live births by 1994. This factor, combined with longer life expectancy and a fertility rate of 3.3 children per woman, has led the country to the point where half the population is under 30 years of age.

Mexico's population is increasingly concentrated in urban centres, and this affects the location of new health care facilities. According to World Bank statistics, between 1970 and 1990, the urban population rose from 59 to 73 percent of all Mexicans. In 1990, Mexico City alone was home to one-quarter of the population and about one third of the population lived in cities of one million people or more.

## PREVENTATIVE CARE

There is increasing emphasis on preventative care through the primary care clinic networks and on developing a health care culture in Mexico. These two elements are the basis of many health education campaigns. A number of programs focus on basic personal care, birth control, nutrition and on drug and alcohol problems. Many of them are directed to rural areas or to large urban centres both of which have large groups of disadvantaged people.

The federal government has also acted to improve health care services for mothers and newborn children. A number of programs emphasize community-based health education and greater access to primary care through an expanded clinic system. Mobile health units have been used increasingly for the delivery of primary care.

## DISEASE-RELATED CARE

The National Health Care System has invested significant resources in the fight against communicable diseases, including polio, tetanus, tuberculosis, brucellosis, rubella and diphtheria. The government is committed to the continued expansion of vaccination programs for all children under the age of five years. Programs such as the *Semana Nacional de Salud*, National Health Week (every four months), and *Días Nacionales de Vacunación*, National Vaccination Days (February and April), are promoted through the primary care clinics across the country.





Medical staff report an increase in the incidence of respiratory diseases in both adults and children, particularly in large urban centres. Control of cholera is another area of concern, since 43 cases were reported in 1993.

AIDS is recognized as a growing problem in Mexico. Nationally, the number of known cases rose by 89 percent between 1992 and 1993 and the increase was even larger in several major centres. Investment in AIDS prevention, diagnosis and care has begun to increase and this trend is expected to continue. Awareness campaigns and telephone hotlines are being used throughout the country as part of a national familiarization program.

Interviews with Mexican health care workers report a growing incidence of "first world diseases" such as heart ailments, hypertension, cancers and diabetes. This trend is expected to continue as life expectancy increases, the population ages, and disposable income improves. Surgeons have reported an increased number of organ transplants and laparoscopic surgery.

## **INSTITUTIONAL VERSUS HOME CARE**

Home care has not traditionally been part of the organized health care system, but it is nonetheless very much a part of the Mexican culture. Families care for their ill, injured, disabled or aging relatives, but there has been little formal recognition or support for home care. Women have traditionally been the main home caregivers. As Mexico's middle class grows, more women will be employed outside the home and this will contribute to a growing market in this sector.

The pressure for hospitals to cut costs by reducing the number of hospitalization days is likely to increase demand for home care services. There is also a need for education and training, human resource assistance and physical infrastructure. The latter would include assistive devices and palliative care units in the hospital system.

## **2. THE ROLE OF FOREIGN TRADE**

Mexico's purchases of imported medical devices and equipment increased by 133 percent, from US \$260 million to US \$607 million, over the period 1990 to 1993. Imports of the more technologically-sophisticated products increased even faster. For example, imports of pacemakers were up by 210 percent, electro-cardiographs by 179 percent and X-ray equipment by 289 percent. Specific product opportunities are discussed in greater detail in Section 6.

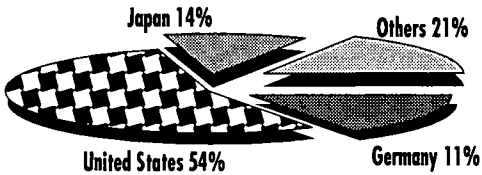
Traditionally, Canada's medical equipment trade with Mexico has been very small. Exports to Mexico totaled only about \$1\* million in 1990. Imports from Mexico have also been marginal.

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\* Note: Unless otherwise specified, currency used is Canadian dollars.



**IMPORT MARKET SHARES OF  
MEDICAL DEVICES AND EQUIPMENT, 1993**



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

In 1993, however, Canada exported \$4.7 million worth of ambulances to Mexico. Between 1990 and 1993, Mexico's imports of ambulances from all sources jumped 126 percent from US \$111 million to US \$253 million. Canada's share of the market for imported ambulances was approximately 1.4 percent.

Exports to Mexico of medical equipment in 1993, other than ambulances, totaled \$1.5 million. These exports fell into four categories: reagents, needles and catheters, artificial body parts and radiation apparatus. Imports of these products increased by 41 percent between 1990 and 1993. Canadian value-added included in U.S. exports to Mexico are not included in these figures.

Data on trade in services is not available, but Mexican imports of health care services are believed to be significant and growing.

While the increase in Canadian exports to Mexico in percentage terms is encouraging, the absolute value of the sales is small. Nonetheless, these data indicate an increased interest in the Mexican market on the part of Canadian suppliers.

### COMPETITION

Imports from three countries account for 80 percent of Mexico's imports of medical devices and equipment (see chart). The U.S. share of the 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.

The United States dominates the market for imported services. In particular, U.S. Health Management Organizations (HMOs) have been moving aggressively into Mexico. Employers and workers usually pay into an HMO plan that covers basic health care through a network of clinics and member doctors. Critics say this concept will not work in Mexico because few Mexicans can afford private insurance. Nonetheless, HMOs are targeting niches which do not necessarily depend on private health insurance.



### 3. THE OPEN HEALTH CARE SYSTEM

#### HEALTH CARE PROVIDERS IN THE OPEN SYSTEM

- Secretaría de Salud (SS)*, the Secretariat of Health
- Departamento del Distrito Federal (DDF)*, the Department of the Federal District
- Instituto Mexicano del Seguro Social (IMSS)*, 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
- Institutos Especializados*, Specialized Institutes
- Servicios Estatales, Municipales y Universitarios*, State, Municipal and University Services

The 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. Technically, it is responsible for the care of 53 percent of the population, but the more affluent people in this group are likely to use the private health care system. The open system includes 77 percent of the primary care facilities and 45 percent of the hospitals. Its spending, however is only about 20 percent of the total National Health Care System budget.

There are three main service providers within the open system. The *Secretaría de Salud (SS)*, Secretariat of Health, serves more than two-thirds of the population in the open system. The *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, covers more than one-quarter of this group, and the *Departamento del Distrito Federal (DDF)*, Department of the Federal District, less than five percent. In addition, the *Sistema Nacional para el Desarrollo Integral de la Familia (DIF)*, National System for the Development of the Family, provides community health care services as part of a broader social assistance program. There are also a number of medical units funded by states, municipalities and universities. They serve narrowly targeted groups and are not statistically significant.

#### OPEN SYSTEM OPERATING EXPENDITURES, 1992 US\$ MILLIONS

	Total	SS	IMSS	DDF	DIF
Administration	426.3	379.0	4.0		43.3
Policy and planning	100.8	46.5	38.6		15.7
Preventative health care expenditures	197.6	148.5	43.9	5.2	
Health care expenditures in primary, secondary and tertiary medical units	865.1	648.2	112.2	104.7	
Community health programs	157.9	13.8			144.1
Production of medical products	16.8	16.8			
Research and development	27.8	25.6			2.2
Employee training programs	54.0	52.8		1.2	
Health promotion	26.0	26.0			
<b>Totals</b>	<b>1,872.3</b>	<b>1,357.2</b>	<b>198.7</b>	<b>111.1</b>	<b>205.3</b>

- SS** - *Secretaría de Salud*, Secretariat of Health
- IMSS** - *Instituto Mexicana del Seguro Social*, Mexican Institute for Social Security
- DDF** - *Departamento del Distrito Federal*, Department of the Federal District
- DIF** - *Sistema Nacional para el Desarrollo Integral de la Familia*, National System for the Development of the Family



## OPEN SYSTEM CAPITAL EXPENDITURES, 1992 US\$ MILLIONS

	Total	SS	IMSS	DDF	DIF
Primary care facilities	0.9	0.7	0.2	0	0
Hospitals	93.1	88.8	1.2	3.1	0
Infrastructure improvements	48.0	32.9	10.6	4.5	0
Administrative buildings	12.5	1.9	3.7	0	6.9
Other buildings	2.1	2.1	0	0	0
Other expenditures	4.3	3.9	0	0	0.4
<b>Totals</b>	<b>160.9</b>	<b>130.3</b>	<b>15.7</b>	<b>7.6</b>	<b>7.3</b>

**SS** - *Secretaría de Salud*, Secretariat of Health

**IMSS** - *Instituto Mexicano del Seguro Social*, Mexican Institute for Social Security

**DDF** - *Departamento del Distrito Federal*, Department of the Federal District

**DIF** - *Sistema Nacional para el Desarrollo Integral de la Familia*, National System for the Development of the Family

## SECRETARIAT OF HEALTH

The *Secretaría de Salud (SS)*, Secretariat of Health, has two roles. It is responsible for the regulation of all medical establishments, and is also the nation's principal provider of primary health care services.

In its administrative capacity, the SS is responsible for:

- establishing national programs which are adopted by the health care providers in the National System;
- establishing standards for the quality of care to be delivered by the *Sistema Nacional de Salud*, National Health Care System; and
- establishing the standards for all supplies, products, devices and equipment used in the system.

The *Secretaría de Salud (SS)*, Secretariat of Health, operates the most extensive Health Care System in Mexico, with responsibility for 50 percent of all the public medical units in the country. The SS is responsible for all segments of the population not covered by the *Instituto Mexicano de Seguro Social (IMSS)*, Mexican Institute for Social Security, the *Departamento del Distrito Federal (DDF)*, Department of the Federal District, the *Sistema Nacional para el Desarrollo Integral de la Familia (DIF)*, National System for the Development of the Family, or state hospitals. The SS is the major force behind the primary care clinic network throughout the country. Only three percent of the units it operates are hospitals.



## THE MEXICAN OPEN HEALTH CARE SYSTEM, 1992

	SS	IMSS	DDF
People covered	27,900,000	10,900,000	3,200,000
Primary care facilities	6,790	3,316	106
General hospitals	178	54	14
Specialized hospitals	49	-	17
Total number of medical units	7,017	3,370	137
Hospital beds (excludes day beds)	23,566	1,576	2,097
Medical doctors	29,529	4,615	2,446
Paramedics	45,996	6,187	3,195
Nursing staff	43,381	6,026	3,160

Source: Recursos y Servicios - Sistema Nacional de Salud, Boletín de Información Estadística, Número 12, 1992, pg. 76.

**SS** - Secretaría de Salud, Secretariat of Health

**IMSS** - Instituto Mexicano del Seguro Social, Mexican Institute for Social Security

**DDF** - Departamento del Distrito Federal, Department of the Federal District

The *Secretaría de Salud* (SS), Secretariat of Health, also has responsibility for the *Institutos Especializados*, Specialized Institutes (see box). These institutions are clustered around Mexico City and serve as both hospitals and teaching institutes. Their research function is highly respected and they are regarded as having some of the best specialists and the highest quality equipment in the country. The institutes are funded mainly by the SS, but are managed by their own Boards of Directors. They raise additional funds from such sources as the *Fundación Mexicana para la Salud* (FUNSALUD), Mexican Health Fund, and the Rotary Club. Patients who receive care from the institutes are requested to pay, according to their means. The institutes also charge user fees for testing equipment for suppliers.

### INSTITUTOS ESPECIALIZADOS

(Under the direction of the *Secretaría de Salud* (SS), Secretariat of Health)

<i>Instituto Mexicano de Psiquiatría (IMP)</i>	Mexican Institute of Psychiatry
<i>Instituto Nacional de Cancerología</i>	National Institute of Cancer
<i>Instituto Nacional de Cardiología</i>	National Institute of Cardiology
<i>Instituto Nacional de Diagnóstico y Referencia Epidemiológicas</i>	National Institute of Epidemiology
<i>Instituto Nacional de Enfermedades Respiratorias (INER)</i>	National Institute of Respiratory Diseases
<i>Instituto Nacional de Medicina y Rehabilitación</i>	National Institute of Medicine and Rehabilitation
<i>Instituto Nacional de Neurología y Neurocirugía</i>	National Institute of Neurology and Neurosurgery
<i>Instituto Nacional de Nutrición</i>	National Institute of Nutrition
<i>Instituto Nacional de Ortopedia (INO)</i>	National Institute of Orthopaedics
<i>Instituto Nacional de Pediatría</i>	National Institute of Pediatrics
<i>Instituto Nacional de Perinatología</i>	National Institute of Neonatology
<i>Instituto Nacional de Salud Mental</i>	National Institute for Mental Health





## A MEXICAN MIDWIFE

María Reyes, who lives in Tresquezites in the State of Mexico, has been trained in the *IMSS* midwife program. She can neither read nor write, but every two months she makes the 64 kilometre trip into Toluca for further training in midwifery, contraception, hygiene and sanitation. She earns about US \$30 for each training session. People like María have helped to lower mortality rates and have assisted the National Health Care System to extend its family planning program nationwide. Reyes and hundreds of other rural practitioners in the program, educate their communities about preventive health care, act as liaisons for neighbours who need medical assistance and provide emergency service. The program encourages volunteers to use their knowledge of native herbal remedies. She knows how to administer the herbs and wild plants that can ease headaches, stomachaches or labour pains. The program also supplies her with a medicine kit of birth control supplies for free distribution and information on water purification, toxemia, infant care and AIDS.

Source: *El Financiero*, International Edition, November 1-17, 1993, p. 14

## THE MEXICAN INSTITUTE FOR SOCIAL SECURITY

The *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, provides health care services under the *Programa Nacional de Solidaridad (PRONASOL)* commonly referred to simply as *Solidaridad*. *Solidaridad* is a key element of the government's National Development Program, and is designed to respond to the needs of the poorest, and often most rural, segments of Mexican society. Rural health assistants are trained in basic care, midwifery, hygiene and nutrition. The trained assistants then work in their communities in the countryside and small villages.

## DEPARTMENT OF THE FEDERAL DISTRICT

The *Departamento del Distrito Federal (DDF)*, Department of the Federal District, is the department responsible for Mexico City, and is roughly equivalent to a state government. In 1992, the *DDF* operated a total of 137 units. They included 106 clinics or primary care facilities, and 31 hospitals of which 17 were specialized hospitals.

## NATIONAL SYSTEM FOR THE DEVELOPMENT OF THE FAMILY

The *Sistema Nacional para el Desarrollo Integral de la Familia (DIF)*, National System for the Development of the Family, is the main health care entity providing social assistance and care to children, or minors, who are abandoned, homeless, needy, malnourished or abused. The *DIF* operates throughout the country.

*DIF* services include basic nutrition, family and community development, food programs, and micro-enterprise development assistance for families and communities. The *DIF* also assists disadvantaged adolescents and seniors, pregnant and nursing women with no means of support, and persons with physical disabilities. The *DIF* has been making increasing use of prosthetic devices over the last few years.



## 4. THE PREMIUM-BASED HEALTH CARE SYSTEM

### HEALTH CARE PROVIDERS IN THE PREMIUM-BASED SYSTEM

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

### POPULATION COVERED BY THE PREMIUM-BASED HEALTH CARE SYSTEM, 1992 (MILLIONS)

<i>Instituto Mexicano del Seguro Social (IMSS)</i> , Mexican Institute for Social Security	37.5
<i>Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)</i> , Institute of Security and Social Services for Public Service Employees	8.6
<i>Petróleos Mexicanos (PEMEX)</i> , the state-owned oil company	0.8
<i>Secretaría de la Defensa Nacional (SDN)</i> , Secretariat of National Defence	0.8
<i>Secretaría de Marina (SM)</i> , Secretariat of the Marine	0.1
<b>Total</b>	<b>47.8</b>

Source: *Recursos y Servicios, Sistema Nacional de Salud, Boletín de Información Estadística, Número 12, 1992, Published in October, 1993, pg. 11.*

Employed people are covered by separate medical care systems funded through premiums paid by employers and employees. Premiums paid by private sector employers are directed to the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security. Most of the premiums for public sector employees go to the *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute of Security and Social Services for Public Service Employees. A few public sector employers operate their own health care plans, and do not participate in the *ISSSTE*. They include *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, the *Secretaría de Marina (SM)*, Secretariat of the Marine, and the *Secretaría de la Defensa Nacional (SDN)*, Secretariat of National Defence.

The premium-based system covers almost half of the population. It operates one-third of the primary care facilities and 55 percent of the hospitals in the National Health Care System. It is responsible for 80 percent of the expenditures in the Health Care System.

The *IMSS* is the largest of these health care providers, caring for 78 percent of the eligible population in the premium-based system. The *ISSSTE* accounts for 18 percent and the others combined are responsible for about four percent.



## OPERATING BUDGETS FOR THE PREMIUM-BASED HEALTH CARE SYSTEM US\$ MILLIONS

	Total	IMSS	ISSSTE
Administration	665.6	321.7	343.9
Policy and planning	652.3	648.8	3.5
Preventative health care	255.7	181.6	74.1
Health care expenditures in primary, secondary and tertiary medical units	4,801.0	4,312.3	488.7
Community health programs	357.9	267.0	90.9
Research and development	15.5	13.6	1.9
Employee training programs	150.6	141.3	9.3
<b>Total operating costs</b>	<b>6,898.6</b>	<b>5,886.3</b>	<b>1,012.3</b>

Source: Recursos y Servicios - Sistema Nacional de Salud, Boletín de Información Estadística, Número 12, 1992.

**IMSS** - Instituto Mexicano del Seguro Social, the Mexican Institute for Social Security

**ISSSTE** - Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado, the Institute for Security and Social Services for Public Service Employees

## CAPITAL BUDGETS FOR THE PREMIUM-BASED HEALTH CARE SYSTEM US\$ MILLIONS

	Total	IMSS	ISSSTE
Primary care facilities	41.5	34.6	6.9
Hospitals	105.2	87.2	18.0
Infrastructure improvements	101.6	101.6	0.0
Administrative buildings	166.4	165.8	0.6
Other buildings	10.5	3.0	7.5
<b>Total capital costs</b>	<b>425.2</b>	<b>392.2</b>	<b>33.0</b>

Source: Recursos y Servicios - Sistema Nacional de Salud, Boletín de Información Estadística, Número 12, 1992.

**IMSS** - Instituto Mexicano del Seguro Social, the Mexican Institute for Social Security

**ISSSTE** - Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado, the Institute for Security and Social Services for Public Service Employees

## MEXICAN INSTITUTE FOR SOCIAL SECURITY

The *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, is financially supported by mandatory health care premiums paid by all private sector employers on behalf of their employees. Two-thirds of the premium is paid by the employer and one-third is deducted from the employee's earnings. The immediate families of employees are also covered. The *IMSS* is considered to offer some of the best facilities in the National Health Care System, with the exception of those offered by *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, and the *Secretaría de la Defensa Nacional (SDN)*, Secretariat of National Defence.



The *IMSS* manages 68 percent of the total Health Care System budget. It operates 31 percent of the hospitals in the country and nearly 40 percent of the hospital beds. It is the largest single customer in Mexico's health care sector.

In addition to providing a health care network to members, the *Instituto Mexicano del Seguro Social (IMSS)* is also responsible for the administration of social security and pension benefits. It has the responsibility for providing sports and recreation facilities, disability insurance, and funeral services for its members and their families.

*IMSS* is moving towards decentralization of administrative functions such as training, small supplies purchases, programming and maintenance. In 1993, it installed a major new telecommunications system for voice and data transfer in 150 of its medical units to facilitate the decentralization function and improve overall efficiency.

In 1992, the *IMSS* operated a total of 1,717 units in all 32 states. Included in its system are 1,457 clinics or primary care facilities along with 260 hospitals, 39 of which are specialized hospitals.

## PREMIUM-BASED HEALTH CARE SYSTEM, 1992

	IMSS	ISSSTE	PEMEX	SDN	SM
People covered	37,400,000	8,600,000	800,000	800,000	100,000
Clinics - primary care facilities	1,457	1,093	168	217	95
General hospitals	221	77	15	26	27
Specialized hospitals	39	0	8	0	0
Total number of medical units	1,717	1180	191	243	122
Hospital beds (excluding day beds)	27,603	6,542	1,586	2,866	584
Medical doctors	43,754	14,002	3,051	1,422	555
Paramedics	88,860	18,789	4,425	2,096	1,004
Nursing staff	67,482	17,287	2,734	2,096	802

Source: Recursos y Servicios - Sistema Nacional de Salud, Boletín de Información Estadística, Número 12, 1992, p. 77.

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



## **INSTITUTE OF SECURITY AND SOCIAL SERVICES FOR PUBLIC SERVICE EMPLOYEES**

*Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, the Institute for Security and Social Services for Public Service Employees, is financed by premiums paid by all federal and state employers on behalf of their employees. Employees and their immediate families are covered. The *ISSSTE* offers comparable services to those provided by the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security.

In addition to providing a health care network to members, *ISSSTE* is also responsible for the administration of social security benefits. This includes, as in the case of *IMSS*, sports and recreation facilities, summer camps, disability insurance, pension administration and funeral services, for its members and their families.

In 1993, the *ISSSTE* moved towards decentralization of administrative functions through a program called *Programa de Descentralización de Presupuesto a los Hospitales Regionales*, Program for Budget Decentralization to the Regional Hospitals. The eventual impact this will have on procurement decisions remains unclear. In 1993, the organization privatized 343 of its stores and pharmacy facilities by selling them to the private sector. During this same period, it contracted out funeral services thus freeing resources for reallocation within the system.

In 1992, the *ISSSTE* operated a total of 1,180 units in all 31 states. These units included 1,093 clinics or primary care facilities and 87 hospitals of which 10 were specialized hospitals.

In 1993, the *ISSSTE* undertook a significant infrastructure rehabilitation and expansion program. It completed construction of 18 new primary care centres and one clinic which includes hospitalization facilities. Most of the agency's budget was dedicated to improving existing facilities with improvements to 14 primary care units, one specialized clinic, six primary care hospitals and four general hospitals. The emphasis was on both renovating the premises of these units and introducing new equipment.





## OTHER PUBLIC-SECTOR EMPLOYERS

*Petróleos Mexicanos (PEMEX)*, the state-owned oil company, *Secretaría de Marina (SM)*, the Secretariat of the Marine, and the *Secretaría de la Defensa Nacional (SDN)*, Secretariat of National Defence, operate health care programs for their employees and their families. Their hospitals and clinics are well regarded as good providers of health care services. *PEMEX* hospitals are concentrated in the states where *PEMEX* has a significant number of employees.

In 1992, *PEMEX* operated a total of 191 units. These units included 168 clinics or primary care facilities and 23 hospitals of which eight were specialized hospitals. The total 1992 budget of *PEMEX* was US \$323 million.

The *Secretaría de Marina (SM)*, Secretariat of the Marine, operated a total of 122 units, throughout most of the country, including 95 clinics or primary care facilities and 27 general hospitals.

The *Secretaría de la Defensa Nacional (SDN)*, Secretariat of National Defence, operated a total of 243 units in all 31 states, including 217 clinics or primary care facilities and 26 general hospitals.

## 5. THE PRIVATE HEALTH CARE SYSTEM

### THE PRIVATE HEALTH CARE SYSTEM, 1992

Total number of medical service centres	2,250
General hospitals	135
Clinics	1,822
Sanitarium	225
Hospital beds	21,895
Medical centres	68
Medical doctors	5,317
Nursing staff and paramedics	18,522

Source: Recursos y Servicios - Sistema Nacional de Salud, Boletín de Información Estadística, Número 12, 1992.

The market served by the private health care system tends toward the higher socio-economic levels of the Mexican society. Nonetheless, private sector hospitals must set aside five percent of their beds for emergency care to any person needing assistance.



Private hospitals are generally small and focused on birthing and minor emergency work. About 85 percent of them have fewer than 36 beds. The larger private hospitals offer more services and provide specialized attention. The principal private hospitals are located in Mexico City. There are also important facilities in other major cities including Monterrey and Guadalajara (see box).

Hospitals in the private system operate independently of each other, and few have branch facilities. The two largest hospitals in Mexico City are the notable exceptions. The 180-bed *Hospital Angeles del Pedregal* has recently undertaken the construction of a sister hospital, to be called *Hospital Angeles Interlomas*. The 202-bed *Hospital American British Cowdray* is expected to follow suit with an affiliated hospital in the western part of the city.

### PRIVATE HEALTH CARE PROVIDERS, 1993

Mexico City	No. of beds	Guadalajara	No. of beds
<i>Hospital American British Cowdray (ABC)</i>	202	<i>Hospital del Carmen S.A. de C.V.</i>	100
<i>Hospital Angeles del Pedregal</i>	180	<i>Sanatorio de México S.A. de C.V.</i>	296
<i>Hospital Infantil Privado S.A. de C.V.</i>	126	<b>Monterrey</b>	<b>No. of beds</b>
<i>Hospital de México</i>	140		
<i>Hospital Mocol</i>	150	<i>Clínica y Maternidad Conchita A.C.</i>	250
<i>Beneficencia Española</i>	284	<i>Hospital José A. Muguerza S.A.</i>	134
<i>Hospital Escandón</i>	110	<i>Hospital San José de Monterrey</i>	170
<i>Hospital Metropolitano</i>	80	<i>Hospital y Clínica Oca S.A.</i>	100
<i>Clínica Londres</i>	120		
<i>Hospital Santa Fe S.A. de C.V.</i>	110		
<i>Hospital Santelena S.A. de C.V.</i>	100		
<i>Sanatorio Durango S.A.</i>	140		

Source: Embassy of Canada, México, D.F.

Many of the medical doctors within the private system are also active in the National Health Care System. The volume is greater in the public system, but the pay is higher in the private system.



## NEW CONSTRUCTION IN THE PRIVATE HEALTH CARE SECTOR

In January 1994, the Mexican construction firm *Gutsa Construcciones*, announced plans to begin construction of *Scripps Hospital de México* in the state of Aguascalientes. The goal of the project is to construct a facility that will offer the same kinds of services as Scripps Hospital in La Jolla, California. The facility will offer 80 beds and the cost is estimated at US \$25 million.

## MÉDICA SUR S.A. DE C.V.

*Médica Sur* was begun in 1980 by a group of medical doctors who wanted to develop a health complex where both doctors' offices and hospital services would be offered. Due to the difficult economic times in the 1980s, parts of the project were postponed. By 1992, twenty-four hospital beds were opened adjacent to the existing office complex. A public stock issue in 1994, was expected to raise part of the US \$75 million required to expand the existing centre. It will include a 200-bed hospital facility, 18 diagnostic and treatment clinics, 600 medical offices, a research institute and a hotel for patients' families. It is the intention of the company to focus on specialized medicine such as dermatology, dental surgery, nutrition and psychology. *Médica Sur* has established professional relationships with such prestigious institutions as the Mayo Clinic, Radiation Care Inc., and REN Corporation.

Private hospitals have recently begun to develop specialized medical services, although their depth in this regard remains more limited than those offered through the public *Institutos Especializados*, Specialized Institutes. The more significant purchases of specialized equipment have traditionally been purchased mainly by the public sector.

Growth of the private health care system was modest throughout the 1980s due to the difficult economic conditions. In the early 1990s, there was renewed growth only to be dampened by a recession which commenced in mid-1993 and continued into 1994. Some analysts place the occupancy rate within the private system at just over 50 percent.

As the Mexican economy grows, the private health care system will expand, for three main reasons:

- The government has not had the means to expand the national health care infrastructure to accommodate the larger population. As a result, public institutions are over-crowded and there are long waiting periods and administrative delays. Therefore, the private system, which offers more timely service to its patients, is very attractive to those who can afford to pay.
- There has been an influx of multinational firms, many of which offer private health care coverage to some or all of their employees. In some cases, they have been able to negotiate a reduction in their obligatory premiums to offset the cost of shifting resources to the private system.
- Private health insurance is becoming more readily available. The deregulation of the financial services sector, particularly under the NAFTA, has given Mexicans an expanded selection of health insurance plans and has reduced premiums, which are tax-deductible in any event.

When the expansion of the private health care sector begins again in earnest, market observers believe that the tendency will be towards providing more specialized health care services. The market for specialized equipment in the private health care sector will grow correspondingly.



## 6. OPPORTUNITIES IN HEALTH CARE SERVICES

Imports of medical services into Mexico are a fairly recent phenomenon. This market is significant, and growing, but since there are no official data on trade in services, it is difficult to quantify. The main sub-markets are hospital construction services, health services management, information services, equipment services, waste management, training, and emergency services.

### HOSPITAL CONSTRUCTION SERVICES

In the past, the construction of Mexican health care facilities was not always closely scrutinized. Often, hospitals were built for political reasons rather than to respond to real needs.

During the administration of President Salinas, from 1988 to 1994, the *Secretaría de Salud (SS)*, Secretariat of Health, undertook a major review of existing facilities and needs for the future. The outcome was the *Plan Maestro de Infraestructura*, Infrastructure Master Plan, in 1989. The *SS* subsequently began planning new health care facilities to more effectively meet the needs of the population. Initially, emphasis was placed on completing existing projects and refurbishing existing hospitals. The focus was on small hospitals in the 30-bed range. Experts now suggest that between 20 and 30 new 100-bed hospitals are needed, as well as another 30 in the 30 to 90 bed range.

All hospital construction projects must be approved by the *Secretaría de Salud* and by the state or the *Departamento del Distrito Federal (DDF)*, Department of the Federal District, health authorities. Project proposals are assessed according to both health care and architectural standards.

According to *SS* officials, there are fewer than 50 companies in Mexico involved in hospital planning and construction. No more than 20 are considered to have the capability of meeting *SS* standards. Although Mexican architects and engineers regularly apply imported techniques in their designs, few have foreign partners. This represents an interesting opportunity for Canadian firms. Services with good potential include the following:

- innovative structural design programs for small projects;
- prefabricated steel structures and buildings;
- building-monitoring and maintenance systems;
- new design concepts for "intelligent" hospitals;
- bio-climactic control and ventilation systems;
- materials for wall, floor and ceiling finishes, especially for sterile rooms;



## SCRIPPS AGUASCALIENTES

Aguascalientes is a city of 800,000 people with a regional population of 3.5 million. The city has two small private hospitals and a low bed-per-capita ratio. The *Fundación Médica de Aguascalientes* was incorporated in 1990 to construct a new community-owned, not-for-profit hospital. ScrippsHealth was contracted to provide assistance in the construction of this 80-bed US\$ 25 million project. When it opens in 1996, the hospital will be managed by ScrippsHealth but governance will be in the hands of hospital committees.

- protective materials for use in radiology;
- computer systems related to structural design;
- quality-control systems;
- water-treatment plants;
- bio-medical waste treatment and facilities management;
- infrastructure design (water, gas, electricity, etc.);
- equipment planning;
- procurement management, cost and quality control systems, project management; and
- fire protection and security systems.

Another rapidly developing market in Mexico is the provision of services to affluent Mexicans who currently travel abroad for medical treatment. A number of private Mexican groups are collaborating with foreign hospital operators to take advantage of these opportunities, particularly in northern Mexico.

### PRIVATE HOSPITAL PROJECTS IN MEXICO (UNDER CONSTRUCTION OR IN PLANNING STAGES)

Project	No. of beds	City	State	Company
Centro de la Mujer	30	Torreón	Coahuila	Baylor U.M.C. (U.S.)
Hermosillo	75	Hermosillo	Sonora	Baylor U.M.C. (U.S.)
Chihuahua	55	Chihuahua	Chihuahua	Baylor U.M.C. (U.S.)
Centro Médico Excel	—	Tijuana	Baja California	Alvarado Hospital (U.S.)
H. San Juan Bautista	70	Villahermosa	Tabasco	unknown
Centro Médico de Colima	80	Colima	Colima	HEALTHSERV (Canada)
Hospital Culiacán	75	Culiacán	Sinaloa	unknown
Hospital ABC	150	Mexico City	Distrito Federal	unknown
Scripps Aguascalientes	80	Aguascalientes	Aguascalientes	ScrippsHealth (U.S.)
Sharp Hospital Mazatlán	110	Mazatlán	Sinaloa	SharpHealth (U.S.)
Hospital Providencia	60	Guadalajara	Jalisco	HEALTHSERV (Canada)
Hospital Angel Leano	150	Guadalajara	Jalisco	unknown
Angeles del Pedregal	200	Mexico City	Distrito Federal	unknown

Source: International Medical Associates. *Opportunities for U.S. Participation in the Expansion of the Mexican Health Care System*. Washington, D.C., U.S. Trade and Development Agency. July 1994, p.23.





## HEALTH SERVICES MANAGEMENT

### HEALTHSERV INTERNATIONAL INC.

HEALTHSERV of Calgary, Alberta, has taken advantage of the growing market in Mexico. The company offers total turnkey health care services to hospitals and clinics. Their package includes the preparation of the feasibility study, planning, design, management services, and training. It has focused on selling its expertise to private-sector hospitals and clinics. HEALTHSERV is involved in joint ventures with two Mexican partners to construct hospitals in the cities of Colima and Guadalajara.

Salim Hasham, Chief Executive Officer of HEALTHSERV International Inc., believes that there is a lot of opportunity for Canadian companies in Mexico. As he puts it: "it is a matter of becoming knowledgeable about the market, then aggressively and strategically pursuing your niche." The firm spent two years developing a presence in Mexico before it took on a project, and Mr. Hasham adds that "it is important to have the financial means to stick with the market, even when the going is tough during the initial stages."

The company attributes its success in the market to its depth in international business skills, the technological advantages it offers its clients, its versatility in adapting to the clients' culture and needs, and its ability to bring new opportunities to its clients.

A number of studies of the Mexican health care sector have pointed to the need for more efficient administrative services to support health care delivery. Specific needs have been identified, including accounting, computer and information systems, staff planning, quality standards implementation, records management, equipment planning, and the development of philanthropy. Virtually every aspect of the health care system will be re-considered. This will require specialists, and each of these areas represents opportunities for Canadian companies.

Although most Mexican universities offer basic courses in hospital administration, hospital administration is not regarded as an area of specialized expertise. Except for some private institutions, hospitals are usually managed by doctors rather than professional hospital managers. Even in the private sector, most hospitals are very small, and only the largest of them are managed by management specialists.

Although deficiencies in formal management training have been recognized, the provision of management services for hospitals has generally proven difficult to market. Several companies have abandoned this field altogether. Nonetheless, opportunities are likely to improve in the near future, for two reasons:

- increased pressure for better service from existing budgets will force a re-deployment of resources within institutions; and
- if the proposed re-organization of the overall Health Care System moves forward, better management skills will be a high priority.

## INFORMATION SERVICES

There is a large untapped market for computers and software in the National Health Care System in Mexico. This has been a difficult niche to develop, primarily because of the lack of computer experience among hospital administrators and the medical teams. Budget constraints have also limited this market.

Interviews with hospital personnel have highlighted the need for computerization and systems integration:

- within the *Secretaría de Salud (SS)*, Secretariat of Health, only 40 percent of purchases are computerized;
- few administrative offices within the National Health Care Systems have computers available for their professional staff;
- the *Institutos Especializados*, Specialized Institutes, have introduced computer equipment but it is satisfying only 40 percent of their administrative and client record needs;

### EXAMPLES OF MANAGEMENT SERVICES BEING PROVIDED BY FOREIGN FIRMS

- Columbia Health Care of America has signed a contract with a private hospital in Querétaro to provide hospital administration services, educational programs and group practices across the Mexico-U.S. border.
- The Methodist Hospital of Houston has provided administrative assistance and educational programs to five Mexican hospitals. It also manages a two-week professional development program for doctors specializing in surgical procedures and specialized medicinal developments.



- a number of public sector doctors and researchers mentioned that they brought their own equipment to the hospital for personal use;
- in almost all cases clinical records are kept manually;
- small hospitals generally use their computer equipment for laboratory and radiological use but rarely for accounting;
- some hospitals have purchased hotel management programs which they have adapted to hospital administration; and data-base access for the purposes of diagnostic assistance is virtually non-existent.

Areas of priority will be the computerization of medical records, inventory control, personnel data, admissions, scheduling, pharmaceutical records, laboratory and test results, diagnostic support systems, and more comprehensive accounting systems. Training programs in the use of computer technologies will be needed to introduce these new systems into hospitals.

There are additional opportunities for companies offering communications services and equipment such as telephone networks, teleconference and video installations, and closed-network video services for hospital rooms.

## EQUIPMENT SERVICES

Mexican health care organizations are making increasing use of private companies to plan and manage equipment purchases and to maintain and repair equipment. They are also attempting to avoid the purchase of expensive equipment by contracting out specialized services.

### EQUIPMENT PLANNING SERVICES

Each medical unit makes its own equipment procurement decisions in accordance with its budget. Traditionally, buyers make purchasing decisions by consulting with equipment suppliers or their distributors, reviewing equipment catalogues and by using a U.S. publication entitled ECRI.

The concept of retaining professional advisors to plan equipment purchases is new to the Mexican market. Imaginative packaging will therefore be necessary to sell this approach particularly where the *Secretaría de Salud (SS)*, Secretariat of Health, is concerned. Nonetheless, as Mexico's health care reforms proceed, equipment planning, including purchasing, financing, installation and usage scheduling will become a larger priority.

### MAINTENANCE AND REPAIR

Within the *Secretaría de Salud (SS)*, Secretariat of Health, each department is responsible for managing its own equipment repair needs. The *SS* has a special department for the manufacture of parts called *Centro de Desarrollo y Aplicaciones Tecnológicas (CEDAT)*, Centre for the Development and Applied Technologies. This centre also provides low-cost repair services for hospital equipment.



Public institutions such as the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, the *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute of Security and Social Services for Public Sector Employees, as well as the large private hospitals, have in-house engineering departments which are responsible for preventive maintenance and equipment repair. In most hospitals, however, there is little to no preventive maintenance provided for medical equipment. The larger hospitals within the National Health Care System allocate an estimated one percent of their budgets to the installation, maintenance and repair of equipment.

When highly technical and sophisticated equipment is involved, most institutions purchase a service policy to extend the warranty from the original equipment manufacturer. *IMSS* usually requests a minimum warranty of 18 months. In many instances, it purchases a set of spare parts and consumables with the equipment. *IMSS* has a department dedicated to equipment maintenance, but the more technical problems will be handled by the original equipment manufacturer, or its Mexican representative.

### **SPECIALIZED SERVICES**

The problems of financing major equipment purchases continues to discourage acquisitions. This is likely to lead to an increased reliance on subcontracting certain specialized services that depend on expensive equipment. For example, private magnetic resonance centres have recently opened. Private laboratories are also being used by the hospitals for specific services. Equipment-calibration services are often contracted out by the private hospitals. The market for these specialized services is expected to grow, as hospitals and other health care entities adapt to increasingly constrained budgets.

### **TRAINING**

When health care organizations purchase new equipment, they often face a technological gap because their staff are not qualified to use it. The traditional solution has been to require the seller to provide a comprehensive training. As hospitals attempt to manage existing equipment more effectively, training will become a bigger issue.

Original equipment manufacturers may not be the best suited to provide this training. There is a potential market for training that focuses on the effective use of the overall equipment infrastructure, and is not limited to the use of any particular device.



## WASTE MANAGEMENT

Nearly all hospital solid wastes in Mexico end up in municipal landfill sites. According to an official report, only 15 of the 300 hospitals in Mexico City apply any degree of waste management. The hazards associated with improper waste disposal have been recognized by the relevant government authorities, but the development of proper waste management systems will require the imposition of standards combined with the development of an appropriate infrastructure.

A first attempt to deal with this problem came in an official standard, or *norma oficial* published on October 22, 1993. This *norma* classified dangerous residues, and stipulated that they must be handled according to the General Law of Ecological Balance and Environmental Protection. In spite of this, there are still no official standards to guide the specific disposal procedures for bio-medical wastes. Some industry observers anticipate a non-official standard to be published in late 1994 or early 1995.

A recent study by the *Movimiento Ecológico de México*, the Mexican Ecological Movement, estimates that hospitals generate an average 10 kilograms of waste per bed every day. Changing the current practices will not be easy. The government will face two major obstacles:

- people will protest if waste-treatment facilities, such as incinerators, are installed in their communities; and
- enforcement of any new standards will require additional resources.

A few Mexican companies are capable of supplying new and technologically-advanced incinerators, but costs are an obstacle, particularly since regulations are lacking. Air pollution standards may also interfere with the ability of hospitals to use incineration equipment.

One solution is the cooperation of groups of hospitals to use a common incinerator. Moreover, the *Departamento del Distrito Federal (DDF)*, Department of the Federal District, now requires that a waste-management plan be included in all new hospital projects, and the issue has attracted increasing attention. Sterilizers and grinders also offer a partial solution.

Special containers for needles and other sharp instruments have been installed in many hospitals, particularly within the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, facilities but these continue to be disposed of in municipal waste systems with no further treatment. Some hospitals are reluctant to use these containers because there have been examples of *pepenadores*, garbage pickers, hauling them away.

Notwithstanding these difficulties, the management of medical waste will gradually become an important priority. Firms with experience in this area will benefit from the development of progressive policies. The most successful products and services will be those that meet the price, quality, installation and after-sales service requirements of Mexican customers. Training packages should be designed to offset the lack of experience that Mexico has in this area.



## MEDICAL SCHOOLS

There are 59 medical schools in Mexico which graduate approximately 8,000 students per year. The most renowned medical schools are the *Universidad Autónoma de México (UNAM)*, whose main campus is in Mexico City, *Escuela Mexicana de Medicina* located in San Luis Potosí, *Instituto Tecnológico y de Estudios Superiores de Monterrey* located in Monterrey, and the *Universidad la Salle* and the *Universidad Anahuac* which are in Mexico City. There are several state universities which offer medical training such as the *Universidad del Estado de México*, *Universidad Autónoma de Puebla* and *Universidad Autónoma de Guadalajara*.

# TRAINING SERVICES FOR HEALTH CARE PROFESSIONALS

## MEDICAL DOCTORS

There is a large pool of general physicians in Mexico and the system is not able to absorb all new graduates. Many physicians in the National Health Care System also maintain a private practice or other employment.

Hospitals within the National Health Care System provide on-going training for their medical doctors. Most physicians also attend national and international congresses and conferences to keep abreast of developments in their fields. The private hospitals do not generally offer skills up-grading seminars, courses or training.

The increasing availability of computers in Mexico is creating a market opportunity for training doctors to use this technology to access information and to support their medical practices. Teleconferencing and other interactive programs for training through electronic systems provide good opportunities for international medical training.

## NURSES

Mexico is one of the few countries where physicians outnumber trained nurses. Nurses' pay is very low; it is, therefore, difficult to attract qualified people. As a result, there is a shortage of nurses throughout the health care system.

The usual training for nurses is secondary school combined with specialized training from government institutions, the *Cruz Roja*, Red Cross, the *Colegio Nacional de Enfermeras*, National School of Nurses, and the *Escuela Nacional de Enfermería y Obstetricia*, National School of Nursing and Obstetrics. Most large hospitals finance the training of their own nursing staff. Opportunities exist for enhanced training packages for the nursing profession, to be delivered through local institutions.

## PARAMEDICS

Paramedical personnel are scarce and are generally considered to be inadequately trained. Paramedical training is provided by the *Cruz Roja*, Red Cross, *Emergencia SOS*, Emergencies SOS, the *Universidad Autónoma de México (UNAM)*, and a few private hospitals; but there are no career programs for paramedics. Canadian firms interested in cooperative training programs will find opportunities in this field.



## RED CROSS PROGRAM IN INDUSTRIAL SAFETY

The *Cruz Roja*, Red Cross, has a large training facility called the *Centro Nacional de Capacitación y Adiestramiento (GENCAP)*, the National Training Centre, considered the largest in Latin America. It offers training for Red Cross staff and general company personnel in areas such as professional training, industrial safety, first aid, and emergency services.

## INDUSTRIAL SAFETY AND FIRST AID

The Mexican Constitution makes employers responsible for the health of their employees, and all companies with more than 100 employees must have a medical doctor on staff. The doctor provides annual check-ups as well as training in accident prevention, hygiene and workplace health.

Some health care institutions hire foreign companies to provide staff or instructor training. The *Cruz Roja*, Red Cross, for example, sent a group of doctors to the U.S. to be trained in the Advanced Trauma Life Support program. A number of private sector firms are also well established in this field.

## DISTANCE LEARNING OPPORTUNITIES

Teleconferencing, videoconferencing and other interactive training programs or professional exchanges provide good opportunities for international medical training and cooperation. Links between Mexican and Canadian medical schools could have mutually beneficial results. Teleconferencing hook-ups for remote regions offer obvious opportunities.

Home-based medical support services through modem and computer connection to an information centre deliver immediate response to questions asked by patient and relieve some of the pressures on health care infrastructure. These services are beginning to appear in the market via private emergency care operations.

## INDIGENOUS HEALTH PILOT PROJECT

In an effort to provide health care services in remote regions, the *Secretaría de Salud (SS)*, Secretariat of Health, in conjunction with the *Instituto Nacional Indigenista (INI)*, National Indigenous Institute, created a new hospital to serve the indigenous population. The indigenous population is, for cultural reasons, reluctant or unwilling to use modern health care facilities. This trial project between *SS* and *INI* combines both allopathic and traditional medicine. Prototype projects were created in Cuetzalán, Puebla and a larger hospital is close to completion in Jesús María, Nayarit. Another project is underway in the state of Oaxaca.

## HEALTH CARE SERVICES TO REMOTE REGIONS

Health services to remote regions are provided by the *Secretaría de Salud (SS)*, Secretariat of Health and *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security. In its effort to cover the open population, *SS* has built a large number of primary care facilities in small rural communities called health centres, which offer the services of one doctor, one nurse and, where possible, a health promoter. The doctors located in remote regions are usually young medical graduates who are completing their mandatory year of service following graduation from a public school.

The prevalence of these remote medical units creates a need for low-cost, efficient diagnostic technologies. Examples of potentially important new technologies include visual methods of screening for cervical cancer, rapid plasma finger-stick diagnostic tools for sexually transmitted diseases and new diagnostic tests for malaria. Rapid diagnostic tests avoid reliance on other levels of the health system because the health centre or clinic can treat the problem on the spot. New diagnostic technologies that are inexpensive, simple and convenient to use are needed to provide rapid, stable and accurate results. Canadian experience in providing health care in remote regions may find a niche market in this area.



## HOME CARE SERVICES AND RETIREMENT HOMES

The traditional and most common method of home care in Mexico is through families directly caring for their own sick and elderly, but the social conditions which supported this infrastructure are beginning to change. The population is gradually aging and families are smaller. Women, who are the traditional caregivers, are increasingly employed outside the home. More frequently, trained nurses are being hired to take care of sick or elderly relatives.

The increasing demand for home care is creating private sector opportunities. For example, the *Hospital Angeles del Pedregal* subcontracts this type service to a private company that specializes in home care services. Opportunities exist for Canadian companies to work with a Mexican partner in this area.

## AMBULANCE AND EMERGENCY SERVICES

The institutions in the National Health Care System offer emergency services and manage fleets of ambulances. The level of service offered by these institutions is limited in many parts of the country. Few ambulances are equipped as mobile intensive care units and, because there are only limited standards for emergency services, the quality varies widely. The *Cruz Roja*, Red Cross, is another major provider of ambulance and emergency services.

Emergency services are also provided by the private sector. Two companies, *Médica Móvil* and *Emergencia Médica* offer 24-hour emergency services in Mexico City. These companies, and similar firms in other major centres, provide emergency services on a fee-for-service basis coupled with an annual premium. Smaller companies, some using vehicles adapted to serve as ambulances, provide more limited service at a lower price.

There is an opportunity for joint ventures to purchase and equip ambulances for the Mexican market, and to train ambulance personnel in emergency work. For such services to succeed, there will have to be an increased public perception that they are worth paying for.



## 7. OPPORTUNITIES FOR MEDICAL DEVICES AND EQUIPMENT

To identify market opportunities for medical devices and equipment, Canadian companies should ask themselves two important questions. The first, is whether there is a local manufacturer in Mexico producing a similar product? It will be difficult to compete with local manufacturers on the basis of price, delivery and service, especially if the local product is of comparable quality.

The second, is whether the technology is appropriate for the Mexican market? With restrained budgets and a growing population to serve, medical equipment buyers have to evaluate the return on more expensive purchases. They will favour equipment that benefits the largest number of users, at the lowest cost per user.

Assuming that the product meets these two tests, the first step towards developing a market in Mexico is to focus on the three major clients:

- the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, which is the largest single buyer of medical equipment;
- the *Institutos Especializados*, Specialized Institutes, which use the most sophisticated types of equipment; and
- private hospitals.

The characteristics of the product will determine the specific strategy to be used within this general approach.

### IMPORTS OF MEDICAL EQUIPMENT TO MEXICO, 1990 AND 1993 (U.S.\$ THOUSANDS)

	1990	1993	Percentage of Change
precious metal compounds, amalgams	29	247	752
dressings and other articles having an adhesive layer	1,401	5,102	264
dressings and similar articles impregnated, coated or packaged	579	209	-64
suture materials (sterile); laminaria (sterile); haemostatics	1,523	937	-38
blood grouping reagents	538	389	-28
opacifying prep. (x-ray); diagnostic reagents	768	1,903	148
dental cements and other dental fillings, bone reconstruction cements	1,637	3,228	97
first aid boxes and kits	42	309	636
photographic film and plates in flat, sensitized, unexposed for x-ray	1,834	2,791	52
composite diagnostic or lab reagents	14,711	34,293	133
hygienic or pharmaceutical articles of rubber	952	2,090	120
gloves (surgical, of rubber)	818	1,185	45
sanitary ware and parts thereof (aluminum)	130	289	122
medical, surgical or lab sterilizers	1,209	2,194	81





	1990	1993	Percentage of Change
new or used ambulances	111,250	253,137	126
wheelchairs, not mechanically propelled	206	724	251
wheelchairs, mechanically propelled	94	200	113
contact lenses	1,276	6,150	382
spectacle lenses of glass	2,040	1,622	-20
electro-cardiographs	2,162	6,026	179
electro-diagnostic equipment	28,185	58,963	109
ultraviolet or infra-red ray apparatus	162	142	-12
syringes with or without needles	4,268	7,538	77
tubular metal needles and needles for syringes	1,704	4,053	138
needles, catheters, cannulae and the like	9,857	20,677	110
dental drill engines	550	86	-84
instruments used in dental sciences	5,345	8,311	55
ophthalmic instruments and appliances	3,530	7,911	124
instruments and appliances used in veterinary or medical sciences	16,385	37,354	128
mechano-therapy appliances, massage apparatus, psychological testing apparatus	637	1,706	168
oxygen therapy, artificial respiration or other therapeutic respiratory apparatus	6,749	17,210	155
breathing appliances and gas masks, excluding protective masks having no parts	3,370	4,107	22
artificial joints	960	1,722	79
orthopaedic or fracture appliances	8,132	9,560	18
artificial teeth	372	689	85
dental fittings	590	1,028	74
artificial parts of the body	91	151	66
hearing aids, excluding parts and accessories	1,221	2,234	83
pacemakers for stimulating heart muscles, excluding parts and accessories	937	2,908	210
orthopaedic and other appliances worn, carried or implanted in the body	970	1,873	93
apparatus based on the use of x-rays	16,466	64,019	289
apparatus based on the use of alpha, beta or gamma radiation	35	680	1843
x-ray tubes	2,068	4,031	95
parts and accessories based on the use of x-rays and other radiation	3,701	7,621	106
part of apparatus for measuring and checking variables of liquid or gases	5,125	8,317	62
dentists', barbers' or similar chairs and parts thereof	578	1,268	119
medical, surgical, dental or veterinary furniture and parts	2,401	10,435	335
<b>Totals</b>	<b>267,581</b>	<b>607,619</b>	<b>133</b>

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



## PRINCIPAL MEDICAL EQUIPMENT SUPPLIERS IN MEXICO

Company	Main Location	Products Category
Abbott Labs	Mexico City	Surgical equipment
America Médica y Asociados	Naucalpan	Medical supplies
Ascher	Mexico City	Hospital furniture
Baxter	Mexico City	Medical equipment and blood collection equipment
Casa Lux	Mexico City	Hospital and laboratory furniture
Casa Mario Padilla	Mexico City	Distributor of laboratory equipment
Casa Plarre	Mexico City	Equipment and apparatus for anesthesia
Derivados de Gasa	Mexico City	Medical supplies
De Todo para Hospitales	Mexico City	Medical and dental supplies and instruments
Fehlmed	Mexico City	Medical equipment
Electrónica y Medicina	Mexico City	Diagnostic equipment
Drenovac	Puebla	Rehabilitation equipment
Everest & Jennings de México	Guadalajara	Hospital furniture
GADPA	Mexico City	Hospital furniture
Grupa Adex	Mexico City	Medical equipment
Hemost	Mexico City	Orthopaedic and surgical equipment
Industrias Leygar	Mexico City	Orthopaedic and surgical instruments
Instrumed de México	Mexico City	Cardiovascular surgical equipment
Johnson & Johnson	Mexico City	Surgery supplies, instruments and equipment
Kendall de México	Mexico City	Medical supplies and orthopaedic support equipment
Kodak Mexicana	Mexico City	Equipment and supplies for x-rays
Laboratorios Le Roy	Mexico City	Medical supplies and orthopaedic support equipment
Manufacturas Solco	Naucalpan	Implants
Médica Industrial	Naucalpan	Medical equipment
Medizer	Naucalpan	Services for medical equipment
Pisa	Guadalajara	Surgical materials
Quiport	Puebla	Orthopaedic supplies and distributor of orthopaedic equipment
Samy Ambulancias	Mexico City	Ambulance parts and fleet rental services
Smith's de México	Mexico City	Medical gases and related equipment
3M de México	Mexico City	Medical supplies and trauma equipment
Termex	Mexico City	Medical thermometers



## PRODUCTS IN DEMAND

There have been large increases in Mexico's imports of most categories of medical equipment over the past few years. There are a number of market areas with particularly good prospects.

- Cobalt treatments are in demand as the rate of diagnosed cancers increases. There are no national manufacturers of cobalt equipment. Similarly, alpha and beta radiation technology is not produced nationally.
- Hydrotherapy, electrotherapy and ultrasound equipment are in greater demand because of the emphasis being placed on physiotherapy for injuries and post-trauma care.
- The demand for sterilization equipment is expanding. At this time, the market is dominated by locally-manufactured devices.
- Growing respiratory problems, particularly in the large urban centres, are creating new demands for appropriate treatments. Artificial respiration equipment is in particular demand. There are no national producers and the Mexican market is dominated by the United States and Japan.
- The market for X-ray equipment is dominated by basic to medium-technology equipment, which accounts for 80 percent of sales. The remaining 20 percent is high-technology equipment which is supplied by one domestic manufacturer and Japanese companies. The Koreans and Brazilians are actively pursuing this market niche.
- Japanese and German manufacturers dominate the market for ophthalmology equipment, which is increasingly price-competitive.
- The treatment of heart diseases and related complications is expanding, and there is a corresponding growth in the market for cardiology equipment.

These products provide the most promising opportunities in the short run. In the longer term, any product that provides a more cost-effective way of providing effective medical care is likely to be in demand in Mexico.



## 8. THE PROCUREMENT PROCESS

Each entity within the *Sistema Nacional de Salud*, National Health Care System, operates its own purchasing department. Requirements for the upcoming year are determined within the system. The needs are then analyzed and appropriate budgets are assigned. Finally, specifications are drawn up in preparation for the tendering process.

The *Ley de Adquisiciones Públicas*, the Public Procurement Act, governs all purchases within the National Health Care System. Each entity has a small discretionary budget and small procurement contracts do not have to go to public tender. Exceptions are the *Institutos Especializados*, Specialized Institutes, which have unusual discretion over equipment purchases.

Some health care providers channel their purchases through the *Secretaría de Salud (SS)*, Secretariat of Health, or the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, in order to take advantage of volume discounts. This applies particularly to less sophisticated equipment purchased in quantity. The *Departamento del Distrito Federal (DDF)*, Department of the Federal District, and the *Sistema Nacional para el Desarrollo Integral de la Familia (DIF)*, National System for the Development of the Family, for example, coordinate much of their purchasing through the *Secretaría de Salud (SS)*.

It is estimated that the private medical care system accounts for between 10 and 20 percent of medical equipment purchases. Most private hospitals have purchasing departments which manage the acquisition budget, but needs are identified by the medical staff in different units. For large purchases, the hospital's board of directors may make purchasing decisions. The private system includes a large number of very small facilities, and most foreign suppliers concentrate on the large private hospitals in the major urban centres.

### THE BUYING CYCLE

Public health care providers in Mexico must update their basic formularies annually. They must submit their budgets to the *Secretaría de Hacienda y Crédito Público (SHCP)*, Secretariat of Finance and Public Credit, more commonly referred to as *Hacienda*. The budgets received may be smaller than those requested which may lead to changing priorities later in the year. This leads to an annual buying cycle. Companies that sell medical equipment in Mexico should coordinate their marketing activities with the cycle:

<b>May and June:</b>	Health care priorities are established for the following year.
<b>August:</b>	Budget submissions to <i>Hacienda</i> .
<b>Late Summer:</b>	Basic purchasing lists are updated.
<b>November:</b>	Budgets are finalized and returned to the purchasing entities to be allocated internally.
<b>January/February:</b>	Purchasing tenders are announced.



At one time, efforts were made to concentrate all buying within the months of January and February. In recent years, however there has been a shift toward year-round purchasing.

## THE CUADRO BÁSICO

A *Cuadro Básico*, or basic formulary, is published by each health care organization in the fall of every year. This is the list from which all purchases must be selected. They are public documents and they are available through the purchasing entities themselves or the business and commercial chambers known as the *Cámaras*, which focus on medical interests. The names of key chambers are provided at the end of this profile. Each *Cuadro Básico* is up-dated on an annual basis. It can list more than 2,000 products, their reference numbers, and the technical criteria to which each product must adhere. All purchases in the coming year are governed by the criteria set out in the *Cuadro Básico*. Ensuring that a product corresponds to the exact product specifications as they appear in the *Cuadro Básico* is critical to success in the market.

If product specifications do not appear in the *Cuadro Básico*, appropriate steps must be taken to introduce changes in the following year's publication. In order to achieve a new registration, or a change of specifications, a company will need to approach physicians within the purchasing entity. They will have to be convinced about the merits of incorporating a product. A group of physicians then works internally to have the product or new specifications included in the following year. If a product is not in the *Cuadro Básico*, it cannot be ordered.

## PUBLIC TENDERS

### TENDER NOTIFICATION

The first step in the public tender process is the issuance of *avisos*, or tender notifications. Calls for tender are published in the *Diario Oficial*, the National Gazette, and they must be published in at least two national daily newspapers. The *Excelsior* and *El Universal* are commonly used. The notification will provide the bid reference number, the goods being purchased, the cost of the bid documents, and where and when they can be obtained.

A Canadian company, interested in competing for public contracts, will need a procedure for scanning the appropriate publications on a daily basis. Starting January 1, 1995, there will be a new publication for the release of public tender notices.

Public tenders are not used for small purchases. The thresholds for these discretionary purchases are set annually and vary among purchasing entities.



## RESUMEN DE CONVOCATORIAS

A new private Spanish-weekly publication, *Resumen de Convocatorias*, is now available. It lists all Mexican government tenders by bid number, government entity and by product or service. Annual subscriptions cost approximately US \$800. For further details refer to Key Contacts in Mexico at the end of this report.

## OPEN BIDDING SERVICE

The Canadian Open Bidding Service (OBS) was established by Supply and Services Canada. It is part of a national initiative to provide open, fair and cost-effective access to all federal procurement opportunities.

This Canadian service now lists federal government procurement opportunities in Mexico, on an experimental basis. Documents are available through the Canada Business Centre in Mexico City, at cost plus a nominal administrative fee.

For more information contact 1-800-361-4637.

## WORLD BANK PROJECT

In 1991, the World Bank extended a US \$180 million loan to the *Secretaria de Salud (SS)*, Secretariat of Health, in support of basic health care. The project is in the process of being implemented and is to be completed by June 1996. The project will strengthen and extend basic health care services and nutrition assistance to about 13 million people in 47 health jurisdictions. The project will bring about the decentralization of budgetary, management and operational responsibilities from the federal level to the state level. State-wide censuses of primary health care networks, equipment and personnel have been completed in Chiapas, Oaxaca and Hidalgo. The results have been used to plan the 1994 work-plans and budgets. The loan was approximately 50 percent disbursed at the beginning of 1994.

If a company wishes to pursue a bid opportunity, it must obtain a copy of the bid documents, called *bases*, bid terms. These must be purchased. Prices vary from as little as US \$100 to as high as US \$5,000 for highly-specialized projects. There is no prescribed minimum or maximum. Most *bases* for medical supplies and equipment are priced in the area of US \$150.

Mexican law requires a minimum of 10 working days between the tender date and the bid closing date. For customized products, a minimum of 20 days is required. When tenders are extended internationally, a period of 40 days is allowed.

Bids must be submitted in Spanish.

## ACCESSIBILITY TO FOREIGN BIDDERS

When tenders are announced, the contracts are specified as one of three types: national, international or NAFTA. Canadian companies can bid on the two latter types where they will be given equal consideration in competition with Mexican and other bidders. National tenders are restricted to Mexican companies.

The source of financing also has an impact on the eligibility of foreign bidders. For example, the World Bank generally includes a 15 percent preference for local suppliers. International Development Bank financing can carry a similar five percent preference. The Banks' publications are good sources of information on up-coming projects in the health care sector in Mexico.

## BID BONDS

Public tenders include a requirement that the bidder post a *fianza*, bond, to ensure that the bidder completes the bidding process. By law, this is set at five percent of the bid amount. It must take the form of a certified cheque drawn on a Mexican bank or a bond from a Mexican *afianzadora*, bond company, that is acceptable to the government. The bond is fully reimbursable if the bid is unsuccessful provided that the bidder has complied with the tender requirements. A *fianza* can be "called" if a bidder leaves the bid proceedings without being disqualified, or if the winner does not comply to post-award, order-signing requirements.



## THE BID TEAM

Companies interested in bidding should prepare in advance by having the right players in place to respond to a bid when it comes up through the system. This will make it easier to respond effectively within the time allowances in the bid.

A typical bid team might include the following people:

- a local representative, familiar with the *Cuadro Básico* and the eligibility of the product, who scans the bid notices for opportunities;
- a technical and marketing person who will put the elements of the bid together;
- a translator who can translate the specifications and the bid;
- an *afianzadora*, bond company, known to the purchasing entities involved;
- a notary who can certify documentation in the proposal; and
- contacts at the Mexican Embassy or closest Mexican Consulate in Canada, to certify parts of the proposal documentation.

## CONTRACT AWARDS

Bids are opened in a public session at a time and a date set out in the bid documents. Generally two representatives from each competing company are present at the opening. All other conditions being equal, the contract will go to the lowest bidder. Contracts must be awarded within 40 working days of the bid opening. A contract must be signed within 20 working days of the date the contractor was notified of the award. There may be a further extension of 10 days should the purchasing entity consider that it is necessary. Notification of a bid-award is sent to the relevant business chambers, or *Cámaras*.

Once a contract is awarded, it can be increased by 15 percent within six months without having to go back out to public tender.

## PERFORMANCE BONDS

The contractee is required to provide a performance guarantee in the form of a bond. The amount is set at the discretion of the purchasing entity, and is usually 10 percent of the contract value. This can be in the form of a *fianza*, bond, from an accredited Mexican *afianzadora*, bond company.

If advance payments are included in the terms of the agreement, a guarantee in the form of a bond, for the amount of the advance, is required. The bond is cancelled when the corresponding advance payment is fully amortized.



## **PAYMENTS**

Generally speaking, under the *Ley de Adquisiciones Públicas*, Public Purchasing Act, payment must be made by the purchasing entity within 20 calendar days after the payment becomes due, unless otherwise agreed upon.

It is essential that invoices conform precisely to the documentation requirements of the client. Even small oversights can cause serious delays. No invoice will be paid until all documentation is absolutely in order.

The cost of working capital has been high in Mexico, and this has a direct impact on prompt payment of accounts. During 1993, delays in government contract payments were common.

A Canadian company should allow for payment delays and should be prepared to go to Mexico to visit with the payment authority to iron out any documentation problems. The overall experience of Canadian exporters is positive in terms of eventual full settlement of accounts.

## **CONTRACT DISPUTES**

Contract disputes that arise from perceived non-conformities in the tendering process, the award, or the administration of the contract can be appealed. The responsible government agency is the *Secretaría de la Contraloría General de la Federación (SECOGEF)*, Secretariat of the Comptroller General. Market experts claim that as many as 30 percent of all government procurement bids are protested annually. Companies which have gone this route have generally found that their cases have been fairly dealt with.

# **9. THE REGULATORY ENVIRONMENT**

## **PRODUCT REGISTRATION**

### **NATIONAL HEALTH CARE SYSTEM**

All medical products must be registered with the *Secretaría de Salud (SS)*, Secretariat of Health. Canadian exporters will generally have their authorized agents or distributors register the equipment with the *SS* and fill out an application. The following documents must accompany the filing:

- a statement regarding the materials used in the fabrication of the product;
- product specifications and validation of the manufacturing process;
- a full description of the parts of the equipment and their use;
- certification of sterility and documentation on sterilization techniques used;





- proof of tests performed on the equipment;
- proof that the product is not toxic;
- four copies of the instruction manual in Spanish;
- clinical information and case back-up showing the efficacy and non-deleterious effects of the equipment; and
- proof of approval by the normative body in the country of origin.

Once the equipment is approved, the *Secretaría de Salud* will provide a registration number. This registration number should appear on the import documentation.

## PRIVATE HEALTH CARE SYSTEM

The Private Health Care System accepts the equipment registration and approval of the *Secretaría de Salud (SS)*, Secretariat of Health. A manufacturing company or the agent must then work with the individual hospital medical teams to convince them of the merits of the equipment. The medical teams subsequently request the specific equipment through the purchasing department. Establishing a presence with targeted hospitals is essential to entering this market. End-users will be inclined to select a piece of equipment with which they are familiar, even if the price is a little higher.

### SPECIALIZED INSTITUTES

The *Institutos Especializados*, Specialized Institutes, operate very independently from the *Secretaría de Salud (SS)*, Secretariat of Health, with respect to designating and purchasing equipment. In order to convince the medical teams within the *Institutos*, companies need to make formal presentations to the appropriate team members. Depending on the complexity of the technology involved, a company should be prepared to pay the *Institutos* to conduct testing of the equipment and to carry out a clinical investigation. New equipment will be approved on this basis and once approved, it is eligible to be ordered.

## STANDARDS

Product standards, *Normas Oficiales Mexicanas (NOMs)*, are an important consideration for companies exporting medical equipment to Mexico. Standards are established by the *Dirección General de Normas (DGN)*, Bureau of Standards, which falls within the purview of the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development. The *DGN* is the department, within *SECOFI*, which establishes the weight and measurement standards for the country. The metric system is used in Mexico and measurements are based on the International System of Units.



If a standard has been accorded to a product, the exporter must ensure that its equipment meets the standard. The Mexican buyer or agent will know if the product requires a certificate, stating that it meets an established *NOM*. Inquiries should be addressed to the address for the *DGN* provided in the section on Key Contacts in Mexico.

If a standard has not been set for a product, it may be advantageous for an exporter to apply to have one established. This can be a very effective marketing tool because it can limit the participation of competing products that do not meet the proposed new standard. Establishing a standard, however, will require considerable administrative time and paperwork.

## **PATENT PROTECTION**

New intellectual property legislation, which went into force in June 1991, significantly increases protection for companies considering the licensing or transfer of their manufacturing technology to Mexico. The Law for the Promotion and Protection of Industrial Property makes the following provisions:

- the initial term of trademark is extended up to 10 years;
- the terms for patents is extended up to 20 years;
- industrial designs, which encompass industrial models and drawings, now receive 15 years protection;
- protection from copyright piracy is increased significantly and extended to computer software;
- Mexico now recognizes internationally accepted markings for trademarks and copyrights; and
- stiff penalties are imposed for infractions of these laws.

These laws are relatively new and the regulations have not yet been fully implemented. Therefore, it is recommended that Canadian firms seek legal advice on intellectual property protection.



# SHIPPING MEDICAL DEVICES AND EQUIPMENT INTO MEXICO

## COUNTRY OF ORIGIN

The country of origin of a good must be marked on the product and be clearly legible. It must be placed in a conspicuous location on the good so that it can be easily seen during normal handling.

Imports do not have to be marked with the country of origin under the following circumstances:

- the cost of marking would discourage the importation of the product;
- marking would materially impair the function of the good;
- marking would substantially detract from its appearance;
- the good is a crude substance; or
- the importer will substantially transform the good.

## LABELLING

Medical equipment and supplies must have a Spanish label. The label should include the following information and must be affixed to the product packaging prior to importation into Mexico:

- what the equipment is;
- where it is made and the address of the manufacturer;
- who the importer is (most often the agent or distributor, including the address);
- the *Secretaría de Salud (SS)*, Secretariat of Health, registration number; and
- indicate if the sterility of the product is guaranteed.

## CUSTOMS CLEARANCE

All goods should be sold net of Mexican duties, taxes and customs charges. Duties will generally range from 5 to 20 percent and be applied to the total commercial invoice value. In Mexico, there is the *Impuesto al Valor Agregado (IVA)*, Value-added Tax, of 10 percent. There is a Mexican customs user fee of 0.8 percent which applies to all imported goods. In some cases, there is an additional fee for shipments clearing customs at unscheduled hours.



## **CUSTOMS BROKERAGE FEES**

Customs brokerage fees range from 0.5 to 1 percent of the value of the shipment. Customs and brokerage fees, which apply to goods once they are in Mexico, are generally paid for by the Mexican buyer. Transportation costs and loading fees are also generally the Mexican buyer's responsibility. If you must deliver goods to a destination in Mexico and assume the shipping costs, make sure that the freight forwarder or broker provides detailed documentation for the charges. Exporters should be aware that the 10 percent *Impuesto al Valor Agregado (IVA)*, Value-added Tax, also applies to total freight charges within Mexico.

## **INTERNATIONAL FINANCING CHARGES**

Export credit insurance is available in Canada from the Export Development Corporation (EDC) and private insurers. Premiums vary depending on the term of coverage, the deductible, and the risks involved. Rates are currently in the neighborhood of one percent on shipments sold on an open account basis.

Most shipments to Mexican clients will be valued in US dollars. Therefore currency risks will affect the ultimate return to the Canadian seller. A company should consult money market specialists on means of minimizing currency risks, particularly if the transaction value is significant and if payment is guaranteed for a specific date. In other circumstances, a margin to allow for currency fluctuations should be calculated into the overall cost of the sale.

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## **TAXATION**

Companies that create a permanent establishment in Mexico, or employ a sales agent who has the power to execute contracts, will be subject to Mexican taxes. The corporate income tax rate is 35 percent of income earned in Mexico, a reduction from 42 percent in 1991. Employees' salaries are subject to a 35 percent withholding tax. The minimum tax payable by a corporation is two percent of the company's total fixed assets.

In 1992, Canada became the first country to sign a bilateral tax convention with Mexico. This eliminates double taxation and may reduce taxes for firms resident in Canada and doing business in Mexico. The treaty supersedes Mexico's tax laws in several areas - notably the taxation of royalty and fee remittances. There is a uniform withholding rate of 15 percent on remittances from Mexico to Canada. This differs from the general Mexican law which provides for up to 35 percent withholding tax on royalty remittances. In addition, the treaty includes limits on rates of withholding tax applicable to dividend remittances.



## REMISSION OF FUNDS

As a part of Mexico's efforts to increase foreign investment there has been an easing of restrictions on the repatriation of funds by foreign investors. The important facts for Canadian investors are:

- the free market rate is used for all foreign transactions;
- transfer of profits and dividends is unrestricted provided the investor meets profit-sharing and tax obligations;
- transfer of interest and repayment of principal are unrestricted;
- transfers of royalties and fees are unrestricted;
- repatriation of capital is not explicitly prohibited; and
- repayment of principal is unrestricted for new loans.

## WORK PERMITS FOR CANADIANS

The NAFTA has enhanced the ability of Canadian-based companies to provide after-sales service to their clients in Mexico. Installers, repair and maintenance personnel performing work pursuant to a warranty or other contract, which is part of the sales agreement with the client, are eligible for temporary entry.

Mexican immigration authorities have issued a new migratory form for North American business persons going to Mexico for less than 30 days. This form is referred to as the *Forma Migratoria de Negocios (FMN)*, Business Visitors Form. It is designed for people travelling to Mexico for business discussions, conferences, trade fairs, commercial purposes or professional services. The *FMN* is free of charge and can be obtained at Mexican consular offices in Canada, as well as points of immigration at all points of entry into the country.

*Forma Migratoria 3 (FM3)* is required for temporary stays of up to a year and a *FM2* is required for longer stays or immigration. The Mexican Embassy in Ottawa or Consulates in Toronto, Montreal or Vancouver will receive applications for a *FM3*. Applications for a *FM2* must be submitted in Mexico, by the individual's employer, directly to the *Secretaría de Gobernación (SG)*, the Secretariat of the Interior.



## IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

Under the North American Free Trade Agreement (NAFTA), tariffs on health care products, equipment and devices will be eliminated.

Tariffs on a number of products were eliminated when the NAFTA went into effect on January 1, 1994. Products in this category include furniture, blood grouping reagents, dental fittings and artificial teeth, catgut, plaster, wheelchairs, contact lenses, spectacle frames, electro-diagnostic equipment, dental and ophthalmic instruments, mechano-therapy apparatus, oxygen therapy and breathing apparatus, orthopaedic appliances, artificial body parts, and radiation equipment.

By January 1, 1998, tariffs will be eliminated on another group of products including catheters and all other medical and veterinary appliances and instruments. Tariffs on all remaining health care products, equipment and devices will be eliminated by January 1, 2003.

There is a provision in the NAFTA for accelerated duty elimination, provided that the three countries can reach an agreement. This usually happens in cases where industry petitions government to reduce tariffs more quickly.

The Rules of Origin under the NAFTA are somewhat more flexible in their general application than those in the former Canada-U.S. Free Trade Agreement. There have also been a number of product-specific changes. For example, the value content requirement for a number of medical devices such as patient monitoring systems, electro-cardiographs and defibrillators has been eliminated.

A *de minimus* rule has been introduced which will simplify transactions for goods that are almost wholly made of NAFTA-origin materials. Goods may qualify as NAFTA-origin as long as the value of the non-NAFTA materials used in their production is not more than seven percent of their value.

## 10. MARKET ENTRY STRATEGIES

Unless a company is contemplating the manufacture of a product in Mexico, the best way to get into the market is usually to engage the services of an agent or distributor. The procurement process used by health care entities is very complex. Suppliers must register with purchasers and ensure inclusion of their product in the *Cuadro Básico*. They must track tender announcements, purchase *bases* and comply with very specific bidding procedures, all of which is conducted in Spanish. These tasks can be very difficult without local assistance.

An agent or representative must have the knowledge of the local market to coordinate the promotion of your product in Mexico and will also play a key role in invoicing the client and ensuring that all documents are in order. This person will be essential should there be difficulties in satisfying the paperwork requirements locally.



## **GUIA DE PROVEEDORES Y SERVICIOS EN EL AREA DE LA SALUD**

The Guía de Proveedores y Servicios en el Área de la Salud, a Guide for Health Services Providers, is published in Mexico. It is a catalogue of products and the agents or manufacturers who are promoting the products in the Mexican market place. It provides information by product sector, for example: for the treatment of alcoholism, ambulances, ophthalmology, etc. It is an important tool for those Canadian companies who may be looking for market information on products available in Mexico or details about agents and distributors.

## **MAINTENANCE AND SERVICE ARE CRITICAL TO EVENTUAL SUCCESS IN THE MARKET**

Maintenance services are a critical part of any bid on equipment for the medical sector. It is important to detail what guarantees are provided, how maintenance will be provided and what training may be considered as part of the bid submission.

Local agents or distributors may be qualified to provide maintenance services. In the case of equipment which offers a new technology and is particularly sophisticated, the purchasing agency may want to deal directly with the manufacturer. The training element should be highlighted and included as part of the package. The availability and price of spare parts will be an important consideration in the award of a contract.

## **AGENTS**

An agent represents the interests of the supplier, and arranges contracts with end-users, but does not take title to the goods. The sales contract is between the Canadian exporting company and the purchasing entity. This way, the supplier retains control over the price, promotion and market strategies and also bears the risks of the deal. The agent receives a commission or a salary. To represent the supplier in bid proceedings, the agent must be given formal powers to commit the company.

A person who acts as an agent is protected by the federal labour law, which includes the right to severance pay in the event of wrongful dismissal.

## **DISTRIBUTORS**

A distributor differs from an agent in that the distributor normally takes title to the goods. A distributor buys from a variety of suppliers, and maintains at least a limited stock of equipment and spare parts. The distributor contracts directly with the buyer and therefore bears the risks and is responsible for all promotion and sales strategies in Mexico. The disadvantage of this arrangement is that the exporter cannot control the distributor's mark-up or the price charged to the end user.

## **SELECTING AN AGENT OR DISTRIBUTOR**

The selection of an agent, representative or distributor can be one of the most important decisions a firm will make in entering the market. One of the most difficult tasks is screening and assessing potential local agents. It is common to take six months to a year to choose the ideal candidate. The main steps in the process are the following:

- contact the Canadian Embassy to inquire about established agents, representatives or distributors promoting or carrying medical equipment;
- contact the local *Cámaras* in this sector and ask for the same information;
- meet with the people recommended to you;
- screen them in accordance with pre-established criteria;
- ensure that you check into their financial position and their moral reputation in the market;
- look for their dedication to the market;
- visit their place of work and arrange to interview key members of the staff;
- obtain references from customers and colleagues; and
- assess the capability of each potential partner to meet your sales objectives in Mexico.



Agents, representatives and distributors must be registered with each purchasing entity as a commercial supplier. The registration process involves obtaining the approval of the quality control department within each institute.

Even if a company retains a prime agent in Mexico City, it may be advantageous to engage the services of other agents in other parts of the country. This approach can help to provide better service to decentralized customers.

## PARTNERSHIPS AND STRATEGIC ALLIANCES

Some companies enter the Mexican market by forming a partnership or strategic alliance with a Mexican manufacturer who is familiar with the market and wants to expand. Typically the Canadian company contributes advanced technology to the joint venture in exchange for the Mexican company's market access. The alliance may allow both companies to expand their product lines. The ideal partner is one who has a sound financial history, good contacts throughout the industry and compatible corporate goals.

## CONGRESSES AND TRADE SHOWS

Conferences, congresses and trade shows are held throughout the year in Mexico. Companies should select events relevant to the type of medical device or equipment they wish to sell. Company representatives might choose to attend first as a visitor and later as an exhibitor. The *Agenda de Eventos Médicos*, Medical Events Agenda, provides a list of upcoming events in the medical field for the next six months. It is published in January and July of each year in the medical magazine, *Atención Médica*.

### THE MORE IMPORTANT MEDICAL ASSOCIATIONS ARE:

- *Academia Nacional de Medicina*, National Academy of Medicine
- *Sociedad Mexicana de Medicina General*, Mexican Society of General Medicine
- *Asociación Mexicana de Cirugía General*, Mexican Association of General Surgery
- *Asociación Mexicana de Bioquímica Clínica*, Mexican Association of Clinical Biochemistry
- *Federación Mexicana de Radiología e Imagen*, Mexican Federation of Radiology
- *Asociación Mexicana de Gastroenterología*, Mexican Association of Gastroenterology
- *Sociedad Mexicana de Cardiología*, Mexican Society of Cardiology
- *Sociedad Mexicana de Urología*, Mexican Society of Urology
- *Sociedad Mexicana de Otorrinolaringología y Cirugía de Cabeza y Cuello*, Mexican Society of Otolaryngology Head and Neck Surgery.
- *Federación Mexicana de Ginecología y Obstetricia*, Mexican Federation of Gynecology and Obstetrics
- *Sociedad Mexicana de Geriatria y Gerontología*, Mexican Society of Geriatrics and Gerontology
- *Sociedad Mexicana de Pediatría*, Mexican Society of Pediatrics





Trade shows are becoming a less important tool for promoting medical equipment and supplies in the Mexican market. The most significant trade show for medical products, *Expo-Hospital* has been cancelled for 1995.

Canadian suppliers may still consider attending medical trade shows in the southern U.S. These events are well attended by Mexican purchasing entities, especially those who have established relationships with medical equipment manufacturers in that country.

## BEING COMPETITIVE

Canadian companies that have successfully developed a market for their products and services in the Mexican market have reached common conclusions about the factors that lead to success:

- **Time.** Personal relationships are an essential part of doing business in Mexico. Potential exporters must be prepared to invest a great deal of time to building personal trust with potential customers and representatives. Obtaining approval for health care products is also a time-consuming and expensive procedure.
- **Price, Product Potential and Availability.** The *Sistema Nacional de Salud*, National Health Care System, is particularly price sensitive and it will often prefer to buy simpler, less sophisticated goods in comparison to more technologically-advanced and more expensive equipment. The supplier must understand the product's market potential and price it appropriately. It must also demonstrate its ability to deliver the product on schedule.
- **Language and Culture.** Canadian companies must be able to communicate in Spanish with representatives, distributors and clients. Companies should have a Spanish-speaking employee dedicated to the company's Mexican efforts, but some hire consultants for this purpose.
- **Service.** Purchasers are increasingly requiring that successful bidders provide high levels of service. It is not unusual for the client to require that all repairs be made within hours of receiving notice of an equipment failure. A domestic presence, at least through an agent or distributor, is an important competitive advantage.
- **Financing.** Canadian health care service companies should be prepared to offer an attractive financing package. The costs of domestic financing in Mexico are high and innovative financing techniques are very attractive to buyers.
- **Niche Marketing.** Look for the products and services where the Mexican health care system is under pressure to provide better quality, lower cost and increased efficiency. Progressive thinking about the best means of delivering health care in the future will be key to a successful bid.
- **Adapt to Mexican Needs.** A successful introduction of Canadian health care services will take the best of Canadian management techniques and adapt them to the Mexican environment, with full recognition of Mexican ways of doing things.



## 11. KEY CONTACTS

### CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

#### DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Department of Foreign Affairs and International Trade (DFAIT) is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** is the first contact point for advice on how to start exporting; it provides information on export-related programs and services; helps find fast answers to export problems; acts as the entry point to DFAIT's trade information network; and can provide interested companies with copies of specialized export publications.

##### InfoCentre

Tel.: 1-800-267-8376 or

(613) 944-4000

Fax: (613) 996-9709

FaxLink: (613) 944-4500

The Latin America and Caribbean Trade Division promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, and there is a satellite office in Monterrey. Trade Commissioners can provide a range of services including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping identify suitable Mexican firms to act as agents, and compiling credit and business information on potential foreign customers.

Latin America and Caribbean Trade Division (LGT)  
Department of Foreign Affairs and International Trade  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, ON K1A 0G2  
Tel.: (613) 996-5547  
Fax: (613) 943-8806

#### INTERNATIONAL TRADE CENTRES

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. Co-located with the regional offices of Industry Canada (IC), the centres operate under the guidance of DFAIT and all have resident Trade Commissioners. They help companies determine whether or not they are ready to export; assist firms with marketing research and market planning; provide access to government programs designed to

promote exports; and arrange for assistance from the Trade Development Division in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

**British Columbia:** Scotia Tower  
900-650 West Georgia Street  
P.O. Box 11610  
Vancouver, BC V6B 5H8  
Tel.: (604) 666-0434  
Fax: (604) 666-8330

**Yukon:** 300 Main Street  
Room 210  
Whitehorse, YT Y1A 2B5  
Tel.: (403) 667-3925  
Fax: (403) 668-5003

**Alberta and Northwest Territories:** Canada Place  
9700 Jasper Avenue  
Suite 540  
Edmonton, AB T5J 4C3  
Tel.: (403) 495-2944  
Fax: (403) 495-4507

510-5th Street S.W.  
Eleventh Floor  
Calgary, AB T5P 3S2  
Tel.: (403) 292-6660  
Fax: (403) 292-4578

**Saskatchewan:** 119-4th Avenue South  
Suite 401  
Saskatoon, SK S7K 5X2  
Tel.: (306) 975-5315  
Fax: (306) 975-5334

1919 Saskatchewan Drive  
Sixth Floor  
Regina, SK S4P 3V7  
Tel.: (306) 780-6325  
Fax: (306) 780-6679

**Manitoba:** 330 Portage Avenue  
Seventh Floor  
P.O. Box 981  
Winnipeg, MB R3C 2V2  
Tel.: (204) 983-8036  
Fax: (204) 983-2187



**Ontario:** Dominion Public Building  
1 Front Street West  
Fourth Floor  
Toronto, ON M5J 1A4  
Tel.: (416) 973-5053  
Fax: (416) 973-8161

**Quebec:** Stock Exchange Tower  
800 Victoria Square  
Suite 3800  
P.O. Box 247  
Montreal, PQ H4Z 1E8  
Tel.: (514) 283-8185  
Fax: (514) 283-8794

**New Brunswick:** Assumption Place  
770 Main Street  
P.O. Box 1210  
Moncton, NB E1C 8P9  
Tel.: (506) 851-6452  
Fax: (506) 851-6429

**Prince Edward Island:** Confederation Court Mall  
134 Kent Street  
Suite 400  
P.O. Box 1115  
Charlottetown, PE C1A 7M8  
Tel.: (902) 566-7400  
Fax: (902) 566-7450

**Nova Scotia:** Central Guaranty Trust Tower  
1801 Hollis Street  
Fifth Floor  
P.O. Box 940, Stn M  
Halifax, NS B3J 2V9  
Tel.: (902) 426-7540  
Fax: (902) 426-2624

**Newfoundland:** Atlantic Place  
215 Water Street  
Suite 504  
P.O. Box 8950  
St. John's, NF A1B 3R9  
Tel.: (709) 772-5511  
Fax: (709) 772-5093/2373

## WORLD INFORMATION NETWORK

### FOR EXPORTS

The World Information Network for Exports (WIN Exports) is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 30,000 Canadian exporters. To register on WIN Exports, call: (613) 996-5701.

## PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

This program seeks to increase export sales by sharing the costs of industry-initiated activities aimed at developing export markets. PEMD is administered by IC regional offices and funded by DFAIT. Activities eligible for PEMD financial support (up to 50 percent of the costs) include:

- participation in recognized foreign trade fairs outside of Canada;
- trips to identify export markets and visits by foreign buyers to Canada;
- project bidding or proposal preparation at the pre-contractual stage for projects outside Canada;
- the establishment of permanent sales offices abroad in order to undertake sustained marketing efforts;
- special activities for non-profit, non-sales food, agriculture and fish organizations, marketing boards and agencies, trade fairs, technical trials, and product demonstrations (for example); and
- new eligible costs include: product testing for market certification, legal fees for marketing agreements abroad, transportation costs for offshore company trainees, product demonstration costs and other costs necessary to execute the marketing plan.

Support is also provided for certain types of government-planned activities, such as outgoing trade missions of Canadian business representatives and incoming missions to Canada of foreign business and government officials who can influence export sales. For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance, call the International Trade Centre nearest you.



## INTERNATIONAL FINANCING

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFI). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing. For further information contact:

International Finance Division  
Department of Foreign Affairs and International Trade  
Tel.: (613) 995-7251  
Fax: (613) 943-1100

## TECHNOLOGY INFLOW PROGRAM

Managed by DFAIT and delivered domestically by the National Research Council, this program is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. IC also helps in program promotion. The program officers respond to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The program will also help Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies as well as to negotiate to acquire them. For information, call: (613) 993-3996.

## INVESTMENT DEVELOPMENT PROGRAM

This program helps Canadian companies find the investment they need. It actively promotes investments that take the form of new plant and equipment, joint ventures or strategic partnerships. It is especially interested in attracting investment that introduces new technology into Canada, a key to creating new jobs and economic opportunities. Investment officers make contact with foreign investors and bring them together with Canadian companies. For information, call: (613) 995-8400.

## INDUSTRY CANADA

Industry Canada (IC) was created with a broad mandate to improve the competitiveness of Canadian industry. In the area of small business, it has been given specific responsibility to:

- develop, implement and promote national policies to foster the international competitiveness of industry; the enhancement of industrial, scientific and technological development; and the improvement in the productivity and efficiency of industry;
- promote the mobility of goods, services, and factors of production within Canada;

- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the government of Canada; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

Health Care Products Directorate  
Industry Canada  
235 Queen Street  
Ninth Floor, East Tower  
Ottawa, ON K1A 0H5  
Tel.: (613) 954-3077  
Fax: (613) 952-4209

Business Service Centre  
Industry Canada  
235 Queen Street  
First Floor, East Tower  
Ottawa, ON K1A 0H5  
Tel.: (613) 952-4782  
Fax: (613) 957-7942

NAFTA Information Desk  
Industry Canada  
235 Queen Street, 5th Floor, East Tower  
Ottawa ON K1A 0H5  
Fax: (613) 952-0540

## IC REGIONAL OFFICES

The regional offices work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information, technology and industrial development, and trade and market development. They also promote and manage a portfolio of programs and services.

The following are areas in which IC regional offices have special competence:

- access to trade and technology intelligence and expertise;
- entry points to national networks;
- industry sector knowledge base;
- co-location with International Trade Centres connected to DFAIT and Canadian posts abroad;
- client focus on emerging and threshold firms; and
- IC Business Intelligence.



## THE BUSINESS OPPORTUNITIES SOURCING SYSTEM (BOSS)

BOSS is a computerized databank that profiles over 26,000 Canadian companies. It lists basic information on products, services and operations that is useful to potential customers. The system was established in 1980 by IC in cooperation with participating provincial governments. BOSS was originally established so that Trade Commissioners, posted around the world by DFAIT, could find Canadian companies that might be able to take advantage of foreign market opportunities. Today, more than 11,000 domestic and international subscribers use the system, not only to locate Canadian suppliers, but also to obtain market intelligence and identify market opportunities. The majority of subscribers are Canadian companies. For information call: (613) 954-5031.

## MARKET INTELLIGENCE SERVICE

This service provides Canadian business with detailed market information on a product specific basis. The service assists Canadian companies in the exploitation of domestic, export, technology transfer, and new manufacturing investment opportunities. The intelligence is used by Canadian business in decisions regarding manufacturing, product development, marketing, and market expansion. The information includes values, volume and unit price of imports, characteristics of specific imports (e.g. material, grade, price range, etc.), names of importers, major countries of export, identification of foreign exporters to Canada, Canadian production, Canadian exports, and U.S. imports. Two-thirds of the clientele for this service are small businesses. For information call: (613) 954-4970.

## REVENUE CANADA

NAFTA Information Desk  
Revenue Canada - Customs, Excise and Taxation  
191 Laurier Avenue West  
Sixth Floor  
Ottawa, ON K1A 0L5  
Tel.: 1-800-661-6121  
Fax: (613) 954-4494

### NAFTA Spanish Help Desk

Revenue Canada Customs provides a NAFTA Help Desk telephone line with service available in Spanish.  
Tel.: (613) 941-0965

## CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

An important possible source of financing for Canadian ventures in Mexico is the special fund available through the Canadian International Development Agency (CIDA) under the Industrial Cooperation Program or CIDA/INC. CIDA's Industrial Cooperation Program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licencing arrangements. INC supports the development of linkages with the private sector in Mexico encouraging Canadian enterprises to share their skills and experiences with partners in Mexico, and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico.

There are five INC mechanisms which help eligible Canadian firms to conduct studies and provide professional guidance and advice to potential clients. . . . Where a project involves environmental improvement, technology transfer, developmental assistance to women, job training, or job creation, early contact with CIDA's Industrial Cooperation Division is suggested. An important CIDA criterion is that the project creates jobs in Mexico without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs.

Industrial Cooperation Division  
Canadian International Development Agency  
200, Promenade du Portage  
Hull, PQ K1A 0G4  
Tel.: (819) 997-7905/7906  
Fax: (819) 953-5024

## ATLANTIC CANADA OPPORTUNITIES AGENCY

Atlantic Canadian companies seeking to develop exports to Mexico may be eligible for assistance from the Atlantic Canada Opportunities Agency (ACOA). The Agency works in partnership with entrepreneurs from the Atlantic region to promote self-sustaining economic activity in Atlantic Canada.

The ACOA Action Program provides support to businesses as they look to expand existing markets through the development of Marketing Plans. Efforts include monitoring trade opportunities arising from global economic change; communications efforts to promote the region; trade missions and associated activities, as well as better coordination with federal and provincial bodies that influence trade and investment opportunities.

ACOA Head Office: Blue Cross Centre  
644 Main Street  
P.O. Box 6051  
Moncton, NB E1C 9J8  
Toll free: 1-800-561-7862  
Fax: (506) 851-7403



## WESTERN ECONOMIC DIVERSIFICATION

### CANADA

Western Canadian companies interested in Mexico may be able to secure assistance from Western Economic Diversification Canada (WD). This agency provides financial assistance for projects which contribute to the diversification of the western economy. It acts as a pathfinder to ensure that western businesses are aware of and receive assistance from the most appropriate source of funding, federal or other, for their projects. It acts as an advocate for the west in national economic decision-making and it coordinates federal activities that have an impact on economic growth in the west. It plays a role in promoting trade between western Canada and markets around the world. Inquiries about the Western Diversification Program and other activities of the department can be directed to the following regional office:

Manitoba:                   The Cargill Building  
                                  240 Graham Avenue  
                                  Suite 712  
                                  P.O. Box 777  
                                  Winnipeg, MB R3C 2L4  
                                  Tel.: (204) 983-4472  
                                  Fax: (204) 983-4694

## EXPORT DEVELOPMENT CORPORATION

EDC is a unique financial institution that helps Canadian business compete internationally. EDC facilitates export trade and foreign investment by providing risk management services, including insurance and financing, to Canadian companies and their global customers.

EDC's programs fall into four major categories:

- export credit insurance, covering short and medium-sized credits;
- performance-related guarantees and insurance, providing coverage for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;
- foreign investment insurance, providing political risk protection for new Canadian investments abroad; and
- export financing, providing medium and long-term export financing to foreign buyers of Canadian goods and services.

For information on the full range of EDC services, contact any of the following EDC offices:

Ottawa (Head Office): 151 O'Connor Street  
                                  Ottawa, ON K1A 1K3  
                                  Tel.: (613) 598-2500  
                                  Fax: (613) 237-2690

Vancouver:               One Bentall Centre  
                                  505 Burrard Street  
                                  Suite 1030  
                                  Vancouver, BC V7X 1M5  
                                  Tel.: (604) 666-6234  
                                  Fax: (604) 666-7550

Calgary:                   510-5th Street S.W.  
                                  Suite 1030  
                                  Calgary, AB T2P 3S2  
                                  Tel.: (403) 292-6898  
                                  Fax: (403) 292-6902

Winnipeg:               330 Portage Avenue  
                                  Eighth Floor  
                                  Winnipeg, MB R3C 0C4  
                                  Tel.: (204) 983-5114  
                                  Fax: (204) 983-2187  
                                  (serving Manitoba and  
                                  Saskatchewan)

Toronto:                 National Bank Building  
                                  150 York Street  
                                  Suite 810  
                                  P.O. Box 810  
                                  Toronto, ON M5H 3S5  
                                  Tel.: (416) 973-6211  
                                  Fax: (416) 862-1267

London:                 Talbot Centre  
                                  148 Fullarton Street  
                                  Suite 1512  
                                  London, ON N6A 5P3  
                                  Tel.: (519) 645-5828  
                                  Fax: (519) 645-5580

Montreal:               Tour de la Bourse  
                                  800 Victoria Square  
                                  Suite 4520  
                                  P.O. Box 124  
                                  Montreal, PQ H4Z 1C3  
                                  Tel.: (514) 283-3013  
                                  Fax: (514) 878-9891

Halifax:                Purdy's Wharf, Tower 2  
                                  1969 Upper Water Street  
                                  Suite 1410  
                                  Halifax, NS B3J 3R7  
                                  Tel.: (902) 429-0426  
                                  Fax: (902) 423-0881



## **NATIONAL RESEARCH COUNCIL**

Canadian companies, hoping to succeed in the Mexican marketplace, may require additional technology to improve their competitiveness. The National Research Council (NRC) works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council supervises the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network supports the process of developing, accessing, acquiring, implanting, and using technology throughout Canadian industry. IRAP has been in existence for 40 years and has acquired a reputation as one of the more flexible and effective federal programs. IRAP takes advantage of an extensive network that includes more than 120 regional and local offices, 20 provincial technology centres, the Council's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. The IRAP network also extends abroad through the technology counsellors attached to Canadian posts in some 18 foreign countries. For more information or the name of the IRAP officer nearest you, contact the following:

IRAP Office  
National Research Council  
Montreal Road  
Building M-55  
Ottawa, ON K1A 0R6  
Tel.: (613) 993-5326  
Fax: (613) 952-2524

## **MEXICAN GOVERNMENT OFFICES IN CANADA**

The Embassy of Mexico, Mexican Trade Commissioners in Canada, and Mexican Consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Mexico.

Embassy of Mexico  
45 O'Connor Street, Suite 1500  
Ottawa, ON K1P 1A4  
Tel.: (613) 233-8988  
Fax: (613) 235-9123

Mexican Consulate in Ottawa  
Tel.: (613) 235-7782

## **OTHER MEXICAN CONSULATES GENERAL IN CANADA**

Consulate General of Mexico  
2000 Mansfield Street, Suite 1015  
Montreal, PQ H3A 2Z7  
Tel.: (514) 288-2502/4916  
Fax: (514) 288-8287

Consulate General of Mexico  
199 Bay Street, Suite 4440  
P.O. Box 266, Stn. Commerce Court West  
Toronto, ON M5L 1E9  
Tel.: (416) 368-2875/8141/1847  
Fax: (416) 368-8342

Consulate General of Mexico  
810-1139 West Pender Street  
Vancouver, BC V6E 4A4  
Tel.: (604) 684-3547/1859  
Fax: (604) 684-2485

Mexican Honorary Consulate  
380, Chemin St. Louis  
Suite 1407  
Québec, PQ G1S 4M1  
Tel.: (418) 681-3192  
Fax: (418) 683-7843

Mexican Honorary Consulate  
830-540 5th Avenue S.W.  
Calgary, AB T2P 0M2  
Tel.: (403) 263-7077/7078  
Fax: (403) 263-7075

## **MEXICAN FOREIGN TRADE COMMISSIONS**

The *Banco Nacional de Comercio Exterior (Bancomext)*, Mexican Foreign Trade Commission, offers credits, export guarantees and counselling services for Mexican companies seeking to do business in Canada. *Bancomext* also sponsors trade fairs, international exhibitions and trade missions.



## **MEXICAN BANKS WITH OFFICES IN CANADA**

*Banco Nacional de México (Banamex), Banco de Comercio (Bancomer), and Banca Serfin* are private sector banks which offer specialized services through their international trade information centres. The centres participate in a computerized communications network with access to numerous economic, governmental and financial data bases throughout the world. These banks and maintain offices in Toronto and are located throughout Mexico.

### *Banco Nacional de México (Banamex)*

1 First Canadian Place  
Suite 3430  
P.O. Box 299  
Toronto, ON M5X 1C9  
Tel.: (416) 368-1399  
Fax: (416) 367-2543

### *Banco de Comercio (Bancomer)*

The Royal Bank Plaza  
South Tower, Suite 2915  
P.O. Box 96  
Toronto, ON M5J 2J2  
Tel.: (416) 956-4911  
Fax: (416) 956-4914

### *Banca Serfin*

BCE Place  
Canada Trust Tower  
161 Bay Street, Suite 4360  
P.O. Box 606  
Toronto, ON M5J 2S1  
Tel.: (416) 360-8900  
Fax: (416) 360-1760

## **KEY CONTACTS IN CANADA**

### **BUSINESS AND PROFESSIONAL ASSOCIATIONS**

The Canadian Council for the Americas (CCA) is a non-profit organization formed in 1987 to promote business interests in Latin American and Caribbean countries. The CCA promotes events and programs targeted at expanding business and building networking contacts between Canada and the countries of the region. It also publishes a bimonthly newsletter.

#### **The Canadian Council for the Americas (CCA)**

Executive Offices  
145 Richmond Street West, Third Floor  
Toronto, ON M5H 2L2  
Tel.: (416) 367-4313  
Fax: (416) 367-5460

#### **Canadian Exporters' Association (CEA)**

99 Bank Street, Suite 250  
Ottawa, ON K1P 6B9  
Tel.: (613) 238-8888  
Fax: (613) 563-9218

#### **Canadian Manufacturers' Association (CMA)**

75 International Boulevard, Fourth Floor  
Etobicoke, ON M9W 6L9  
Tel.: (416) 798-8000  
Fax: (416) 798-8050

#### **The Canadian Chamber of Commerce (CCC)**

55 Metcalfe Street, Suite 1160  
Ottawa, ON K1P 6N4  
Tel.: (613) 238-4000  
Fax: (613) 238-7643

#### **Forum for International Trade and Training (FITT)**

155 Queen Street, Suite 608  
Ottawa, ON K1P 6L1  
Tel.: (613) 230-3553  
Fax: (613) 230-6808

#### **Language Information Centre**

240 Sparks Street, RPO  
Box 55011  
Ottawa, ON K1P 1A1  
Tel.: (613) 523-3510

#### **Canadian Freight Forwarders Association (CFFA)**

Box 929  
Streetsville, ON L5M 2C5  
Tel.: (905) 567-4633  
Fax: (905) 542-2716

#### **Open Bidding Service (OBS)**

P.O. Box 22011  
Ottawa, ON K1V 0W2  
Tel.: 1-800-361-4637 or (613) 737-3374





**Canadian Life and Health Insurance Association (CLHIA)**

1 Queen Street East, Suite 1700  
Toronto, ON M5C 2X9  
Tel.: (416) 777-2221  
Fax: (416) 777-1895

**Association québécoise des fabricants de l'industrie médicale (AQFIM)**

8475 avenue Christophe Colomb  
B.P. 175, Succursale Youville  
Montréal (Québec) H2P 2V4  
Tel.: (514) 383-3268  
Fax: (514) 383-3250

**British Columbia Association (in the formation process)**

B.C. Science Council  
100-3700 Gilmore Way  
Burnaby, BC V5G 4M1  
Tel.: (604) 436-3574  
Fax: (604) 438-6564

**British Columbia Trade Development Corporation**

999 Canada Place, Suite 730  
Vancouver, BC V6C 3E1  
Tel.: (604) 844-1959  
Fax: (604) 660-2457

**Calgary Association of Medical Producers**

Wyvern Group  
1200 - 555 4th Avenue S.W.  
Calgary, AB T2P 3E7  
Tel.: (403) 860-6305  
Fax: (403) 547-3201

**Healthcare Opportunities - Metropolitan Edmonton Associated Health Care Systems**

17212 - 106th Avenue  
Edmonton, AB T5S 1H9  
Tel.: (403) 486-4854  
Fax: (403) 484-1979

**Healthcare Products Association of Manitoba (HCPAM)**

c/o Industry Canada  
330 Portage Avenue, Eighth Floor  
P.O. Box 981  
Winnipeg, MB R3C 2V2  
Tel.: (204) 983-6033  
Fax: (204) 983-2187

**Medical Devices Canada (MEDEC)**

410 The West Mall, Suite 510  
Etobicoke, ON M9C 5J5  
Tel.: (905) 620-1915  
Fax: (905) 620-1595

**Canadian Standards Association (CSA)**

178 Rexdale Blvd.  
Rexdale, ON M9W 1R3  
Tel.: (416) 747-4000  
Fax: (416) 747-4149

**Standards Council of Canada**

45 O'Connor Street, Suite 1200  
Ottawa, ON K1P 6N7  
Tel.: (613) 238-3222  
Fax: (613) 995-4564

## CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN MEXICO

### COMMERCIAL DIVISION

#### THE EMBASSY OF CANADA IN MEXICO

The Commercial Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well informed about the market and will respond in whatever measure possible to support a Canadian firm's presence in Mexico.

*Note: to telephone Mexico City, dial: 011-52-5 before the number shown; for contacts in other cities in Mexico, consult the international code listing at the front of your local telephone directory for the appropriate regional codes.*

#### Commercial Division

The Embassy of Canada in Mexico  
Schiller No. 529  
Col. Polanco  
Apartado Postal 105-05  
11560 México, D.F.  
México  
Tel.: 724-7900  
Fax: 724-7982

#### Canadian Business Centre

Centro Canadiense de Negocios  
Av. Ejército Nacional No. 926  
Col. Polanco  
11540 México, D.F.  
México  
Tel.: 580-1176  
Fax: 580-4494



Canadian Consulate  
Edificio Kalos, Piso C-1  
Local 108A  
Zaragoza y Constitución  
64000 Monterrey, Nuevo León  
México  
Tel.: 344-3200  
Fax: 344-3048

**Department of the Federal District**  
*Departamento del Distrito Federal (DDF)*  
Plaza de la Constitución  
esq. Pino Suárez, Piso 1  
Col. Centro  
06068 México, D.F.  
México  
Tel.: 518-1100/4511  
Fax: 510-2275

## **MEXICAN GOVERNMENT SECRETARIATS AND AGENCIES**

**Secretariat of Health**  
*Secretaría de Salud (SS)*  
Lleja No. 7, Piso 1  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: 553-7670  
Fax: 286-5497

**Mexican Institute for Social Security**  
*Instituto Mexicano del Seguro Social (IMSS)*  
Reforma No. 476, Piso 6  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: 211-0018  
Fax: 211-2623

**Institute of Security and Social Services for Public Service Employees**  
*Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*  
Av. de la República No. 154 antes Av. Juárez  
Col. Tabacalera  
06030 México, D.F.  
México  
Tel.: 705-2877

**Secretariat of Commerce and Industrial Development**  
**Bureau of Standards**  
*Secretaría de Comercio y Fomento Industrial (SECOFI)*  
*Dirección General de Normas (DGN)*  
Av. Puente de Tecamachalco No. 6  
Col. Lomas de Tecamachalco  
53950 Tecamachalco, Estado de México  
México  
Tel.: 729-9300  
Fax: 729-9477

**Secretariat of National Defence**  
*Secretaría de la Defensa Nacional (SDN)*  
Bulevard Manuel Avila Camacho y  
Avenida Industria Militar  
Col. Lomas de Sotelo  
11640 México, D.F.  
México  
Tel.: 395-6766  
Fax: 557-1370

**Secretariat of the Marine**  
*Secretaría de Marina (SM)*  
Eje 2 Oriente No. 861  
Tramo Heroica Escuela Militar  
Col. Cipreses  
04830 México, D.F.  
México  
Tel.: 684-4188  
Fax: 684-4188 ext. 4328

**Secretariat of the Comptroller General**  
*Secretaría de la Contraloría General de la Federación (SECOGEF)*  
Insurgentes Sur No. 1735 PB  
Ala Norte, Oficina 22  
Col. Guadalupe Inn  
01028 México, D.F.  
México  
Tel.: 662-2762/3263  
Fax: 662-0386

**Secretariat of the Interior**  
*Secretaría de Gobernación (SG)*  
Abraham González No. 48  
Col. Juárez  
06699 México, D.F.  
México  
Tel.: 705-7394, 566-8188  
Fax: 546-2631



**National System for the Development of the Family**  
*Sistema Nacional para el Desarrollo Integral de la Familia*  
(DIF)

Prolongación Xochicalco No. 960, Piso 1  
Col. Portales  
03300 México, D.F.  
México  
Tel.: 688-6658/5000 ext. 1651, 1650  
Fax: 688-6703

**National Oil Company**  
*Petróleos Mexicanos (PEMEX)*

Av. Marina Nacional 329  
Col. Huasteca  
11311 México, D.F.  
México  
Tel.: 250-2611  
Fax: 625-4385

**ASSOCIATIONS AND CHAMBERS IN MEXICO**

**National Chamber of Commerce of Mexico City**  
*Cámara Nacional de Comercio de la Ciudad de México*  
(CANACO)

Paseo de la Reforma No. 42  
Col. Centro  
06030 México, D.F.  
México  
Tel.: 592-2677/2665  
Fax: 592-3571, 705-7412

**National Chamber for Industrial Transformation**  
*Cámara Nacional de la Industria de la Transformación*  
(CANACINTRA)

Av. San Antonio No. 256  
Col. Ampliación Nápoles  
03849 México, D.F.  
México  
Tel.: 563-3400  
Fax: 598-5280

**Canadian Chamber of Commerce in Mexico**  
*Cámara de Comercio de Canadá en México*

Paseo de la Reforma No. 369 Mezzanine  
Col. Juárez  
06500 México, D.F.  
México  
Tel.: 525-0961/0541  
Fax: 525-0438

**Mexican Association of Insurance Institutions**  
*Asociación Mexicana de Instituciones de Seguros (AMIS)*

Madero No. 21  
Col. Tlacopac, San Angel  
01040 México, D.F.  
México  
Tel.: 662-0153  
Fax: 662-8036

**Association of Mexican Hospitals**  
*Asociación Mexicana de Hospitales*

Querétaro No. 210  
Col. Roma  
06760 México, D.F.  
México  
Tel.: 574-0128

**National Chamber of Hospitals**  
*Cámara Nacional de Hospitales*

Manuel Avila Camacho No. 479  
Col. Periodistas  
11220 México, D.F.  
México  
Tel.: 557-3183

**Panamerican Health Organization**  
*Organización Panamericana de la Salud*

Av. de las Palmas No. 530  
Col. Lomas de Chapultepec  
11000 México, D.F.  
México  
Tel.: 202-8200  
Fax: 520-8868

**OTHER ORGANIZATIONS**

**Mexican Investment Board**  
*Consejo Mexicano de Inversión (CMI)*

Paseo de la Reforma No. 915  
Col. Lomas de Chapultepec  
11000 México, D.F.  
México  
Tel.: 202-7804  
Fax: 202-7925

**Gutsa Construcciones S.A. de C.V.**

Av. Revolución No. 1387  
Col. Campestre San Angel  
01040 México, D.F.  
México  
Tel.: 662-7346  
Fax: 662-2471



## PRIVATE HEALTH CARE PROVIDERS

### Mexico City

#### *Hospital American British Cowdray (ABC)*

Calle Sur No. 138  
Esquina Avenida Observatorio  
Col. América  
01120 México, D.F.  
México  
Tel.: 272-8500  
Fax: 515-9119

#### *Hospital Angeles del Pedregal*

Camino a Santa Teresa No. 1055  
Col. Héroes de Padierna  
10700 México, D.F.  
México  
Tel.: 652-1188  
Fax: 652-8598

#### *Hospital Infantil Privado S.A. de C.V.*

Viaducto Río Becerra No. 95  
Col. Nápoles  
03810 México, D.F.  
México  
Tel.: 687-3055  
Fax: 669-0404

#### *Hospital de México*

Agrarismo No. 208  
Col. Escandón  
11800 México, D.F.  
México  
Tel.: 516-9900  
Fax: 516-0014

#### *Hospital Mocel*

Gelati No. 29  
Col. San Miguel Chapultepec  
11850 México, D.F.  
México  
Tel.: 277-3111  
Fas: 277-3914

#### *Beneficencia Española*

Av. Ejército Nacional No. 613  
Col. Granada  
11560 México, D.F.  
México  
Tel.: 203-3890  
Fax: 254-4694

#### *Hospital Escandón*

Gaviota No. 27  
Col. Tacubaya  
11870 México, D.F.  
México  
Tel.: 516-8510  
Fax: 272-9923

#### *Hospital Metropolitano*

Tlacotalpan No. 51  
Col. Roma Sur  
06760 México, D.F.  
México  
Tel.: 574-6233  
Fax: 264-2060

#### *Clínica Londres*

Londres No. 34  
Col. Juárez  
06600 México, D.F.  
México  
Tel: 514-3735/4242

#### *Hospital Santa Fe S.A. de C.V.*

San Luis Potosí No. 143  
Col. Roma  
06700 México, D.F.  
México  
Tel.: 574-1011  
Fax: 584-0074

#### *Hospital Santelena S.A. de C.V.*

Querétaro No. 58  
Col. Roma  
06700 México, D.F.  
México  
Tel.: 574-7711  
Fax: 574-7711 ext. 106

#### *Médica Sur*

Puente de Piedra No. 150  
Col. Toriello Guerra  
14050 México, D.F.  
México  
Tel.: 616-1777  
Fax: 606-1651



## Guadalajara

*Hospital del Carmen*  
Tarascos No. 3435  
Fraccionamiento Monraz  
Apartado Postal 1-2597  
Guadalajara, Jalisco  
México  
Tel.: 813-0042/0025  
Fax: 813-2423

*Sanatorio de México*  
Calle Laureles No. 55  
45150 Zapopan, Jalisco  
México  
Tel.: 656-0145  
Fax: 656-0676

## Monterrey

*Clínica y Maternidad Conchita*  
Degollado No. 540 Sur  
Col. María Luisa  
64040 Monterrey, Nuevo León  
México  
Tel.: 333-8305  
Fax: 333-2243

*Hospital José Muguerza S.A.*  
Hidalgo Poniente No. 2525  
Col. Obisado  
64010 Monterrey, Nuevo León  
México  
Tel.: 333-1622  
Fax: 333-1622

*Hospital y Clínica Oca S.A.*  
Pino Suárez con Treviño No. 645 Norte  
64000 Monterrey, Nuevo León  
México  
Tel.: 375-7405  
Fax: 374-1610

## SPECIALIZED INSTITUTES

**Mexican Institute of Psychiatry**  
*Instituto Mexicano de Psiquiatría*  
Calzada Xochimilco No. 101  
Col. San Lorenzo Huipulco  
14370 México, D.F.  
México  
Tel.: 655-0185  
Fax: 655-0411

**National Institute of Cancer**  
*Instituto Nacional de Cancerología*  
Av. San Fernando No. 22  
Col. Tlalpan  
14000 México, D.F.  
México  
Tel.: 655-1362  
Fax: 573-4651

**National Institute of Cardiology**  
*Instituto Nacional de Cardiología*  
Juan Badiano No. 1  
Col. Sección XVI  
14080 México, D.F.  
México  
Tel.: 573-0468  
Fax: 573-0994

**National Institute of Epidemiology**  
*Instituto Nacional de Diagnóstico y Referencia Epidemiológica (INDRE)*  
Prolongación de Carpio No. 471  
Col. Santo Tomás  
11340 México, D.F.  
México  
Tel.: 341-1101  
Fax: 341-3264

**National Institute of Respiratory Diseases**  
*Instituto Nacional de Enfermedades Respiratorias (INER)*  
Calzada de Tlalpan No. 4502  
Col. Sección XVI  
14080 México, D.F.  
México  
Tel.: 665-0232  
Fax: 665-4748

**National Institute of Medicine and Rehabilitation**  
*Instituto Nacional de Medicina y Rehabilitación*  
Mariano Escobedo No. 150  
Col. Anahuac  
11320 México, D.F.  
México  
Tel.: 545-3716  
Fax: 545-3716

**National Institute of Neurology and Neurosurgery**  
*Instituto Nacional de Neurología y Neurocirugía*  
Insurgentes Sur No. 3877 Edificio B, Planta Baja  
Col. La Fama  
14140 México, D.F.  
México  
Tel.: 606-4782  
Fax: 606-0165



**National Institute of Nutrition**  
*Instituto Nacional de Nutrición*  
Calle Vasco de Quiroga No. 15  
Col. Sección XVI  
14000 México, D.F.  
México  
Tel.: 573-1127  
Fax: 655-1076

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