

Chilean imports of medical equipment and services in 2002 amounted to US\$208 million. U.S. suppliers account for 46 % of the market.

Market Overview

- ▶ Chile spends 7% of its GDP, or US\$5.1 billion, on healthcare.
- ▶ In 2002, public spending on healthcare in Chile reached US\$1.97 billion, of which US\$888 million came directly from government procurement, with the majority of the remainder from the public health insurance program, Fonasa. In 2003 the public healthcare budget increased to US\$2.05 billion, with US\$959 million in government procurement, making healthcare one of the largest Government of Chile expenditures.
- ▶ In the Chilean healthcare field there are two insurance systems: one public (FONASA) and the other private (ISAPRES). The latter is a system of private healthcare companies with standards comparable to those of developed countries. Thirty percent of Chile's population participates in the private healthcare system.
- ▶ The Ministry of Health, private hospitals, and clinic operators show great interest in contacting U.S. manufacturers of medical equipment.

Medical Equipment and Services

Statistical Data (US\$ Millions)	2001	2002	2003 (E) *
Import Market	220	208	150
Local Production**	9	15	18
Exports	3.5	3	3
Total Market	233	226	171
Imports from U.S.	110	95	70

Sources: U.S. Department of Commerce.

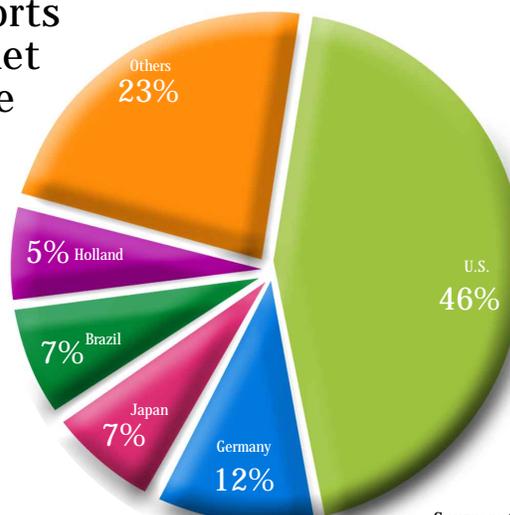
* 2003 numbers are estimated.

** Local production is composed primarily of hospital furniture.

U.S. Position

- ▶ U.S. products in this sector lead the Chilean market. Most major international brands are represented. In fact, local distributors generally represent and market more than one brand.
- ▶ The great receptivity to U.S. medical equipment, and in general to medical products, is due to the good reputation that U.S.-made products have traditionally enjoyed for high quality and after-sales service. In addition, many Chilean physicians have received some form of medical training in the U.S., giving U.S. products good exposure, especially in the X-ray and cardiology areas.

Imports Market Share



Sources: Chilean Customs Service.

Competitors

- ▶ The U.S. has been for years, and continues to be, Chile's most important supplier of medical equipment and services, with approximately 46% of the import market, followed by Germany, 12%; Japan, 7%; Brazil, 7% and Holland with 5%.

Principal Players

■ Public Sector

▶ The Ministry of Health oversees the entire sector. Reporting to the Ministry of Health are: the National Health Service (Sistema Nacional de Servicios de Salud, or SNSS), the Institute of Public Health (Instituto de Salud Publica), the National Health Fund (Fondo Nacional de Salud, or FONASA), the Central Supply Agency (Central de Abastecimiento) and the Superintendence of ISAPREs (Institutos Previsionales de Salud, privately owned health-insurance entities). The public system provides healthcare to approximately 70% of Chile's population (Chile's total population is 15.1 million).

■ Private Sector

▶ 30% of the Chilean population participates in the private healthcare system.
▶ For-profit medical centers, clinics, hospitals, laboratories and pharmacies.
▶ Non-profit organizations including Employers' Occupational Health Insurance Funds (Mutuales) which meet part of the work-related health needs of approximately two million workers, and a variety of philanthropic institutions.

Commercial Opportunities

■ Best Project Prospects:

▶ The Explicit Guarantees for Universal Access (Auge): The Chilean Government's health sector reform. The plan lists 56 health problems, ranging from cancer to respiratory disease and mental illness, which the Government identifies as Chile's most pressing health priorities. Once the Auge plan is in place, the Government hopes all Chileans will have access to treatment at little or no out-of-pocket expense, by a set period of time, and guaranteed by law. The plan is being implemented gradually, and requires a US\$215 million investment by the Government.

▶ Construction of the new Military Hospital in Santiago, scheduled to be completed and operational by 2005. US\$110 million investment by the Army.

▶ Salvador Hospital Project: Design and construction of three new clinics and the upgrading of the existing one. US\$70 million investment financed by the partial sale of the site.

▶ Tabancura Clinic: This project currently underway, considers transforming the clinic from a health clinic dedicated mainly to women into an all public clinic. Private investment of US\$25 million.

▶ For more information check our industry market insides at: <http://www.export.gov/marketresearch.html>

■ Best Services Prospects:

▶ Consulting in hospital administration, quality control and certification standards

▶ Training

▶ Hospital software for hospital administration and laboratory test results

▶ Laboratory test services

■ Best Product Prospects:

▶ Given the hospital redesign projects and private clinics investments, the following equipment offers excellent sales prospects:

• HS 8419200000 Medical, Surgical and Laboratory Sterilizers

• HS 9018908000 Medical and Surgical Instruments and Appliances

• HS 9018110000 Cardiac Monitors

• HS 9018907080 Electro-medical Instruments and Appliances

• HS 9018903000 Anesthetic Instruments and Appliances

• HS 9018907040 Ultrasonic Therapeutic Instruments and Appliances

• HS 9022110000 X-Ray Equipment

Other Resources

▶ U.S. Department of Commerce, Healthcare Technologies Team: Dorothy Tomaszewski: Dorothy.Tomaszewski@mail.doc.gov

▶ U.S. Department of Commerce Trade Development, Jeffrey Gren: Jeffrey_Gren@ita.doc.gov

▶ The Chilean Ministry of Health: www.minsal.cl

▶ ISAPRE's Association: www.isapre.cl

▶ Medical Professional Association: www.colegiomedico.cl



CONTACT US

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