

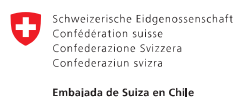


MEDTECH IN CHILE

OFFICIAL PROGRAM



IN COOPERATION WITH



Bilateral Relations

>200
SWISS COMPANIES
IN CHILE

Novartis, Roche
 Endress&Hauser,
 Sulzer, etc.

Ranking
 Competitiveness WEF:

Switzerland

1ST PLACE
 in the world

Chile

1ST PLACE
 in Latin America and
 Caribbean region

(Source: The Global
 Competitiveness Report 2017-2018,
 World Economic Forum)

Chile, for its political and economic stability and the clarity of its business environment, is attractive for companies investing for the first time in Latin America, not only to gain experience in the region, but also as a base from which to supply other markets.

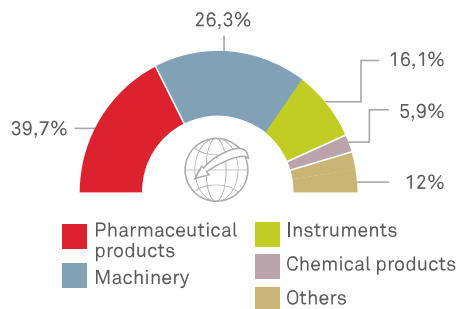
Bilateral relations between Switzerland and Chile are close. In the commercial field, Swiss exports amounted to CHF 288 millions in 2016, which consist mainly of pharmaceutical products, machinery and precision instruments. Products of Swiss origin are recognized for their high quality standards among the Chilean population.

The population in Chile demands increasing access to state-of-the-art products and services available in developed countries and the health care market is not unaware of this trend.

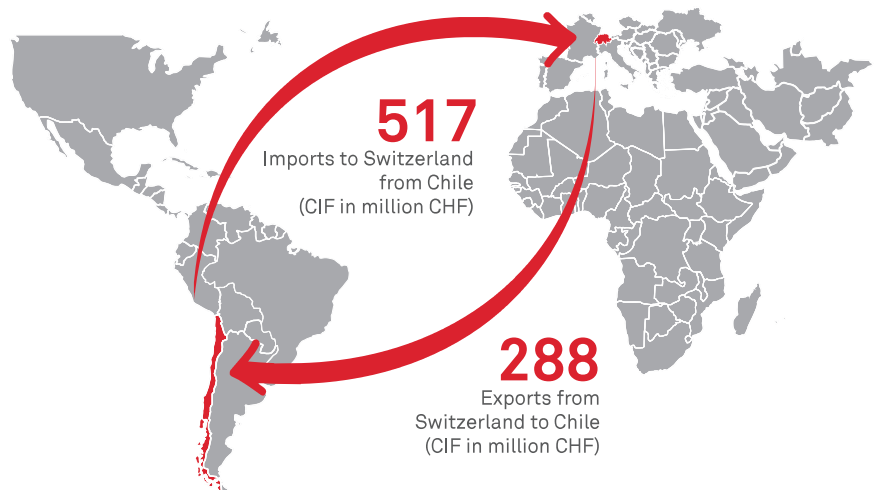
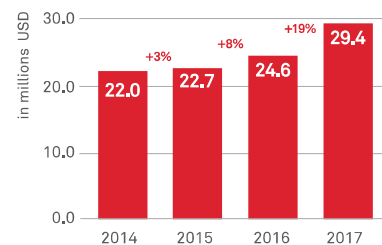
The medical technology industry in Switzerland is characterized by its high level of innovation, specialization and competitiveness at a global level. However, in Chile, market participation figures still show great potential for growth.

Having a Free Trade Agreement (EFTA-CHILE) in force and the local support by Switzerland Global Enterprise for a successful introduction of medical technology to the Chilean market, we see in the strengthening of the commercial exchange in this industry an opportunity for mutual benefit between the two countries.

IMPORTS
 By industry



IMPORTS
 Medtech



Market Overview

In 2016, the medical device market in Chile reached USD 785 millions and was characterized by a strong import base (95.5%). In the absence of local producers, imports face a high acceptance rate and a low risk of dumping.

The main suppliers are international companies with subsidiaries in Chile and local representative firms, with the main countries supplying medical devices being the United States (33.3%), followed by Germany (14.0%) and China (10.5%). Switzerland, although known as a major exporter of medical devices, accounts for only 3.3% of Chile's imports.

Among the leading international suppliers of medical devices to Chile are 3M, Abbott, B Braun, Johnson & Johnson, GE Health, Medtronic, Fresenius Medical Care and Roche Diagnostics. On the other hand, there are local representative companies, which are specialized in importing medical devices from all over the world. To improve their negotiating power, several of them grouped together and formed the Health Industry Suppliers Association (Asociación Proveedores Industria de la Salud, APIS).

The main categories imported correspond to consumable medical devices. However, in recent years, imports of diagnostic imaging equipment, orthopedics and prosthetics, assistive devices and dental products have increased considerably.

785M

USD

Medtech market size



95%

Import rate

Regulation

The Public Health Institute of Chile (Instituto de Salud Pública de Chile, ISP) is the official institution that regulates the registration and importation of medical devices commercialized in Chile. It is a public organization and depends on the Ministry of Health.

Regulation is governed by norms with a stable legal basis. The regulation that controls the products and elements of medical use that are commercialized in Chile, is the Supreme Decree N°825/98 of the Ministry of Health, which regulates all the dispositions applicable to medical devices.

Medtech is defined locally as any device, application or material used by itself or in combination directly on humans for the purpose of diagnosis, prevention, treatment or alleviation of disease, as long as its primary intended action is not achieved by pharmacological, immunological or metabolic means.

Certain medical devices are currently subject to mandatory registration with the ISP. Obtaining the mandatory registration is a semi-presential process that costs around USD 85 per product, takes an average of 60 working days and is valid indefinitely.



**MANDATORY
REGISTRATION**

(by product)

85USD

expense

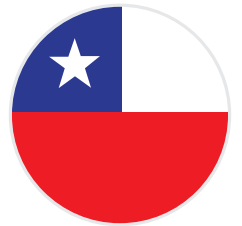
60 DAYS

processing

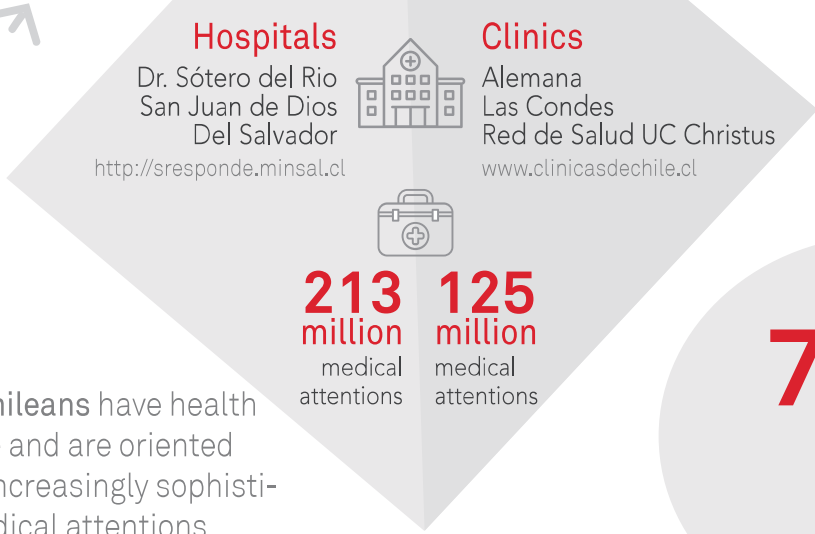
INDEFINITE

validity

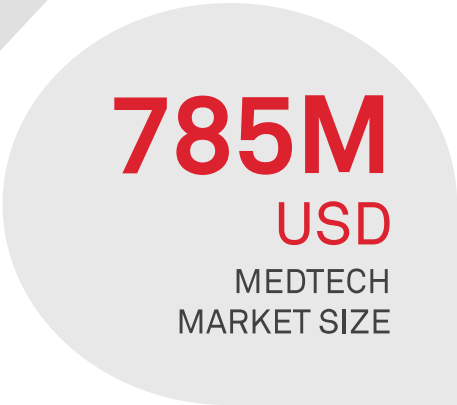
Although geographically far,



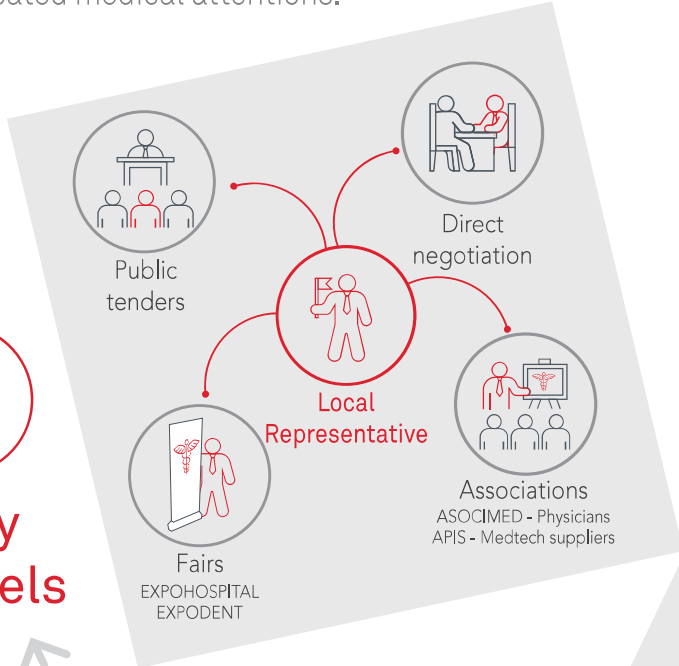
Clients



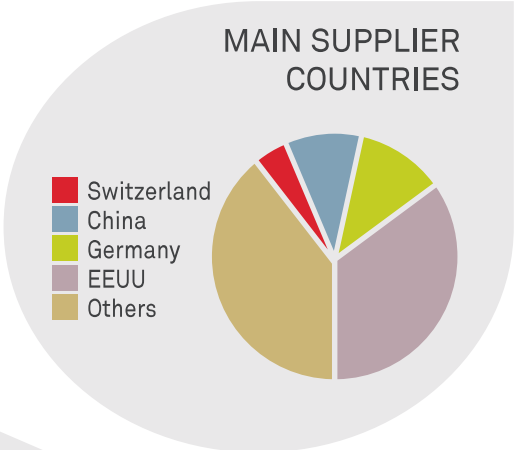
97% of Chileans have health insurance and are oriented towards increasingly sophisticated medical attentions.



Entry Channels



Local Representative: key actor for promotion and sales.



Internment



Customs Brokers:

we are well connected.



Leader

Innovation and quality



1350
Suppliers



10.6bn CHF
Exports



Medtech
Switzerland

95%

IMPORT
RATE

Chile, open market with clear rules and expeditious procedures.

MAIN MEDTECH COMPANIES IN CHILE

3M

B BRAUN



Johnson & Johnson

FRESENIUS MEDICAL CARE



The Public Health
Institute of Chile

Registration

MANDATORY
(by product)



VOLUNTARY
(by product list)

85USD



350USD

60 days



45 days

Indefinite



Indefinite

www.ispch.cl



Regulation

Chile, a country with efficient and reliable trade logistics.



2-3 days



30 days

SCL
(Santiago Airport)



San Antonio Valparaíso
(Ports)

Facilitators
in Foreign
Trade



Logistics

Logistics, Internment and Entry Channels



2-3 days

>1000USD



Customs
Brokers

Chile has an excellent logistics platform, which has facilitated the exchange of goods with its global trading partners. The major logistics companies worldwide are operating in the country, being the most relevant cargo terminals, Arturo Merino Benítez Airport (Santiago) and the ports of Valparaíso and San Antonio, that are close to the capital.

To reduce processing times, customs regulations in Chile demand the hiring of a Customs Broker for all imports over 1000 USD, who carries out all the formalities, procedures and other operations to ensure an expeditious internment of the goods.

While not required by law, in practice it is advisable to have a local representative (own or third party) for the successful promotion and sale of the imported products. The main promotion channels to make new medical technologies known are national fairs like Expo-Hospital and Expodent, the medical associations of the different specialties and the Association of Health Industry Suppliers (APIS). The commercialization is traditionally done in two ways, in the public sector through tenders on the online platform “Mercado Público” and in the private sector through direct negotiation.

Main Clients

PUBLIC
Sector

213
million
Medical attentions



PRIVATE
Sector

125
million
Medical attentions

The main establishments that acquire medical devices in Chile are located in the city of Santiago. This is where 40% of the country's population and the most complex public and private medical centers are concentrated.

The public sector accounts for 66% of health expenditures at national level, which is attributed to its greater outreach. Public procurement is carried out regularly through public tenders requested by the hospitals or medical centers themselves. In the case of bulk purchases, an institution called Cenabast acts as a buyer to take advantage of economies of scale and increase negotiating power.

Among the private medical centers with international certifications and prestige in Latin America for their quality and high technology, are Clínica Alemana, Clínica Las Condes, Red Salud UC-Christus, Clínica Los Andes and Clínica Santa María, among others. For their vanguard they are recognized as a reference in the region and also as a good point of entry for high quality technologies and devices.

Both sectors are connected to health insurance, which supports patients in paying for their treatment. There is a public system called Fonasa that provides coverage to 80% of the population and private insurances called Isapres. Private health plans are usually more expensive, but higher-income people still prefer them because they offer broader coverage than the public alternative. In addition, there are also insurances against accidents and occupational diseases, as well as complementary insurances for catastrophic and high-cost treatment.



Opportunities

The Chilean market stands out in several aspects compared to its Latin American neighbors, advantages that turn into attractive opportunities:



Chile has 26 Free Trade Agreements in force and economic initiatives such as the Pacific Alliance, which allow companies to export medical devices of Swiss origin free of customs duties to Chile and then to other countries. In this way, Chile can act as a mid-point for triangular distribution to the other Latin American countries, as well as to the Asian Pacific market.



In 2015, the Ricarte Soto Law (Law No. 20.850) was passed, which currently guarantees the diagnosis and treatment of 18 high-cost diseases in Chile. It has annual resources of USD 160 millions allocated for coverage of drugs, medical devices and food for special medical conditions.



The new government's programme proposes the modernization of the health infrastructure through the creation and implementation of 30 new hospitals over a period of 6 to 8 years, strengthening the technologies and surgical wards available in the public health network. In parallel, aiming at a more connected, equitable and non-discriminatory health, a new model of Digital Health focused on the Electronic Clinical Registry, Interconsultations via Telemedicine and Telerehabilitation with IoTs is being implemented.



The Chilean medical community is constantly searching for new trends in medical treatments and technologies at a global level. This creates a strong need for specialization and training courses in developed countries. Upon their return to Chile, the doctors demand to have the latest infrastructure and technology, which they have known abroad. As a result, a high level of medical competence has been formed in the country, which has allowed Chile to position itself as a pioneer in the introduction and implementation of new medical technologies in the region.



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OFFICIAL PROGRAM



IN COOPERATION WITH

