

# Bogota, an opportunity for the medical devices industry

In the Latin American context, **Colombia** has the **third largest** population and **Bogota** is the **sixth biggest** city



## Medical Devices Market in Colombia

### Healthcare sector in Colombia

USD  
21,600  
Mn

Total healthcare expenditure in 2019

4<sup>th</sup>

Largest Market in Latin America

4.6%

Compound Annual Growth Rate (CAGR) 2015-2019 in USD

7.3%

Projected CAGR 2019-2023 in USD

USD  
1,163  
Mn

Market size in 2019

USD  
1,582  
Mn

Projected market size in 2023

8%

Forecasted CAGR for 2023 (USD)

3<sup>rd</sup>

Largest market for medical devices in Latin America after Brazil and Mexico

- ▶ 72.4% of the main 76 medical devices companies are based in the Bogota-Region
- ▶ 84% of the market is based on imported products

## Medical Device Market Growth Forecast in Latin America

### Total Size (USD Mn)

| Country   | CAGR 19-23 | 2019  | 2023  |
|-----------|------------|-------|-------|
| Chile     | 8.4%       | 909   | 1,256 |
| Colombia  | 8%         | 1,163 | 1,582 |
| Mexico    | 7.7%       | 5,857 | 7,887 |
| Peru      | 7.6%       | 429   | 574   |
| Argentina | 6.7%       | 767   | 994   |
| Brazil    | 5.4%       | 5,409 | 6,682 |

### Per Capita Expenditure (USD)

| Country   | CAGR 19-23 | 2019 | 2023 |
|-----------|------------|------|------|
| Colombia  | 7.3%       | 23   | 31   |
| Mexico    | 6.5%       | 44   | 57   |
| Peru      | 6.5%       | 13   | 17   |
| Chile     | 5.9%       | 53   | 67   |
| Argentina | 5.8%       | 17   | 21   |
| Brazil    | 4.7%       | 26   | 31   |

## Colombia's Medical Devices Market, by Category (2019)

| Category                    | USD Mn | %   |
|-----------------------------|--------|-----|
| Consumables                 | 302    | 26% |
| Orthopedics and prosthetics | 229    | 20% |
| Diagnostic imaging          | 148    | 13% |
| Patient aids                | 126    | 11% |
| Dental products             | 70     | 6%  |
| Others                      | 289    | 25% |

## Opportunities



High potential for substitution of imports with local production at favorable costs.



Production of raw materials and finished products of different technological levels.



Establishment of a logistic hub and regional training centers in Bogota for the Americas.

### Companies that have chosen Bogota as headquarters of their operations

Johnson & Jhonson + Siemens  
 + 3M + Medtronic + General Electric  
 + B Braun + Boston Scientific  
 + Fresenius + Cochlear + Stryker  
 + Becton Dickinson + Dräger + GAES  
 + Glidewell Laboratories + Nipro + Philips  
 + Starkey + Livanova + Mindray

## Tax Incentives for Investment in Colombia



### Free Trade Zones

- Preferential income tax of 20% (This is 10% below the general rate)
- Duty-free import of equipment
- Purchase of raw materials, capital goods or services without payment of VAT
- Possibility of selling to the local market
- 6 free trade zones in Bogota-Region
- Possibility of creating a single-company free trade zones subject to certain requirements



### Income Tax Benefits

- Innovation projects: 100% deduction and 25% discount on income tax of the investments in R&D+i projects
- 200% deduction of the wages of disabled employees



### VAT and ICA Exemption

- Goods and services exported from Bogota are exempt from VAT (19%) and ICA (1,14% of gross sales) in the outskirts of Bogota-, offer partial exemption of ICA, subject to meeting certain requirements

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