

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

4th

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)

3rd

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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