

Medical Equipment Is a US\$ 6.5 Bi Industry in Brazil Exporting to 100 Countries

Contributed by Isaura Daniel
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Brazil's medical, hospital, and dental equipment industry should increase its sales to the Arab market by 35% this year. The forecast was made by the former president at the Association of the Manufacturers of Medical and Dental Products (Abimo), Djalma Luiz Rodrigues, who passed his position this Tuesday, April 10, to businessman Franco Pallamolla.

Rodrigues will remain at the vice-presidency of the organization, taking care of the exports sector. According to him, the Arab market will be the highlight of foreign sales for the sector in 2007.

Last year, the Arab countries already answered to approximately 30% of the sector's exports, which totaled US\$ 441.8 million. The countries in the region that buy the most equipment from Brazil, according to Rodrigues, are Saudi Arabia, Jordan, Lebanon and Syria.

This year, sales to the region should grow above the average rate expected for the sector's overall exports, which is of 15% to 20%.

"Our relationship with the Arabs goes back several years, our price and technology meet their needs," Rodrigues said. Early this year, Abimo organized the participation of Brazilian companies at the Arab Health, a fair for the sector in Dubai, in the United Arab Emirates.

In addition to the Arab world, Latin America and the United States should also stand out in sector exports in 2007, according to Rodrigues. The United States market, said the vice-president, usually buys Brazilian products and then distributes them to other markets. The goal of the industry, though, is to supply directly to hospitals and dentists in the United States.

The Brazilian medical, hospital and dental equipment industry exports to more than 100 different countries. The most successful Brazilian products abroad are dental products, silicone implants, orthopaedic implants, neonatology and anaesthesia devices, breathers, and ventilators.

During the next few months, the sector should increase the pace of its race for technological improvement. According to the new president at Abimo, this will be one of the main goals of his administration.

While Pallamolla assumed the presidency of Abimo, yesterday, Paulo Takaoka passed the presidency of the Union of Dental, Medical and Hospital Items and Equipments Industry of the State of São Paulo (Sinaemo) to businessman Ruy Salvati Baumer.

Late last year, Abimo established a partnership with the Brazilian Agency for Industrial Development (ABDI) to do a mapping of the technological routes for the sector over the next five years.

In practice, specialized professionals are going to survey the most imported products in this field in Brazil, then check the technology used in these products, and assess the technological level in which these products will be, five to ten years from now.

The idea is for this equipment to be developed by the Brazilian academia, and then be produced by the national industry. The ABDI, which is linked to the Brazilian federal government, and Abimo are investing 1 million reais (approximately US\$ 500,000) in the effort.

The industrial projects will be financed by the Brazilian Development Bank (BNDES), according to Pallamolla. "Our sector has been deemed strategic by the government," said the new president at Abimo.

In Brazil

Besides increasing exports, the idea is to increase domestic consumption, thus replacing some of the imports. The sector wants the government to set aside a percentage of its equipment orders for public hospitals to national industries.

This, according to Pallamolla, happens in countries like Mexico, where the products purchased by the government are 100% national. In Chile, the percentage is 30% and in Argentina, 14%.

Such a measure, according to the new president at Abimo, would also encourage foreign investment in the sector. Only 8% of the industry's capital is foreign.

According to Baumer, the sector also needs to replace the equipment in Brazilian hospitals. A project to that extent is being elaborated by the sector, along with the Federation of Industries of the State of São Paulo (Fiesp), to be presented to the Brazilian government.

Industries in the field earned approximately US\$ 6.5 billion and generated 35,000 new jobs last year. Upon assessing his administration, during a press conference, Rodrigues called attention to the fact that, in 1999, when he assumed the presidency at the organization, the sector had US\$ 2.9 billion revenues, and generated 28,000 jobs per year.

The new president at Abimo, Franco Pallamolla, is also the president of the Lifemed company group. Born in the southernmost Brazilian state of Rio Grande do Sul, he holds a degree in Business Administration from the Federal University of Rio Grande do Sul, and has already worked at the organization as advising director. He was also a member of the board of directors at Sinaemo.

The new president at Sinaemo, Ruy Baumer, was a secretary and director at the union. He is an advisor at Fiesp and the director at Baumer S/A. He holds a degree in Business Administration from the Pontifical Catholic University (PUC).

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