



 **PROCOMSA**

I N T R O

As we continue our growth, we constantly welcome new products to our portfolio, and if your company is looking to expand into the Mexican market, you should work with a specialist in the Mexican healthcare industry.

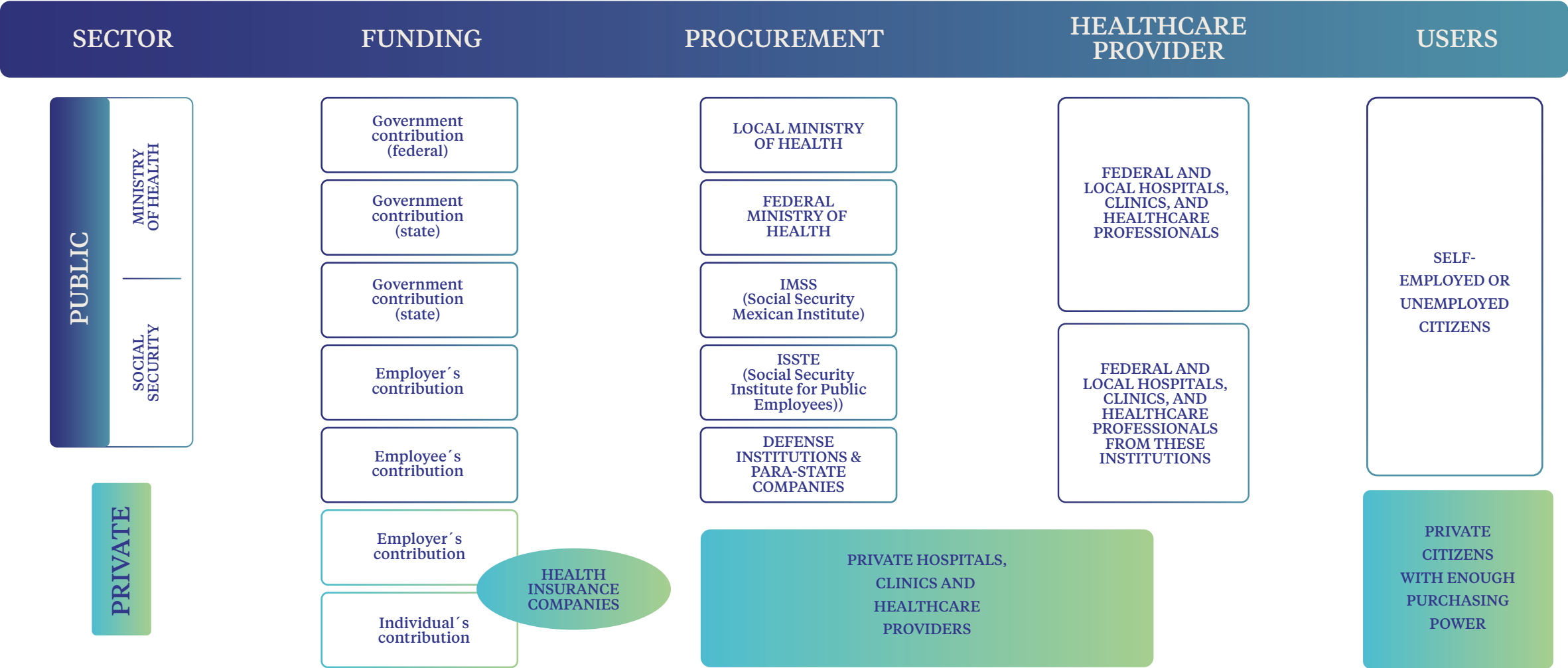
This article will let you know how Procomsa can help your product/company thrive in Mexico.

Considering expanding to Mexico? Do it the right way.

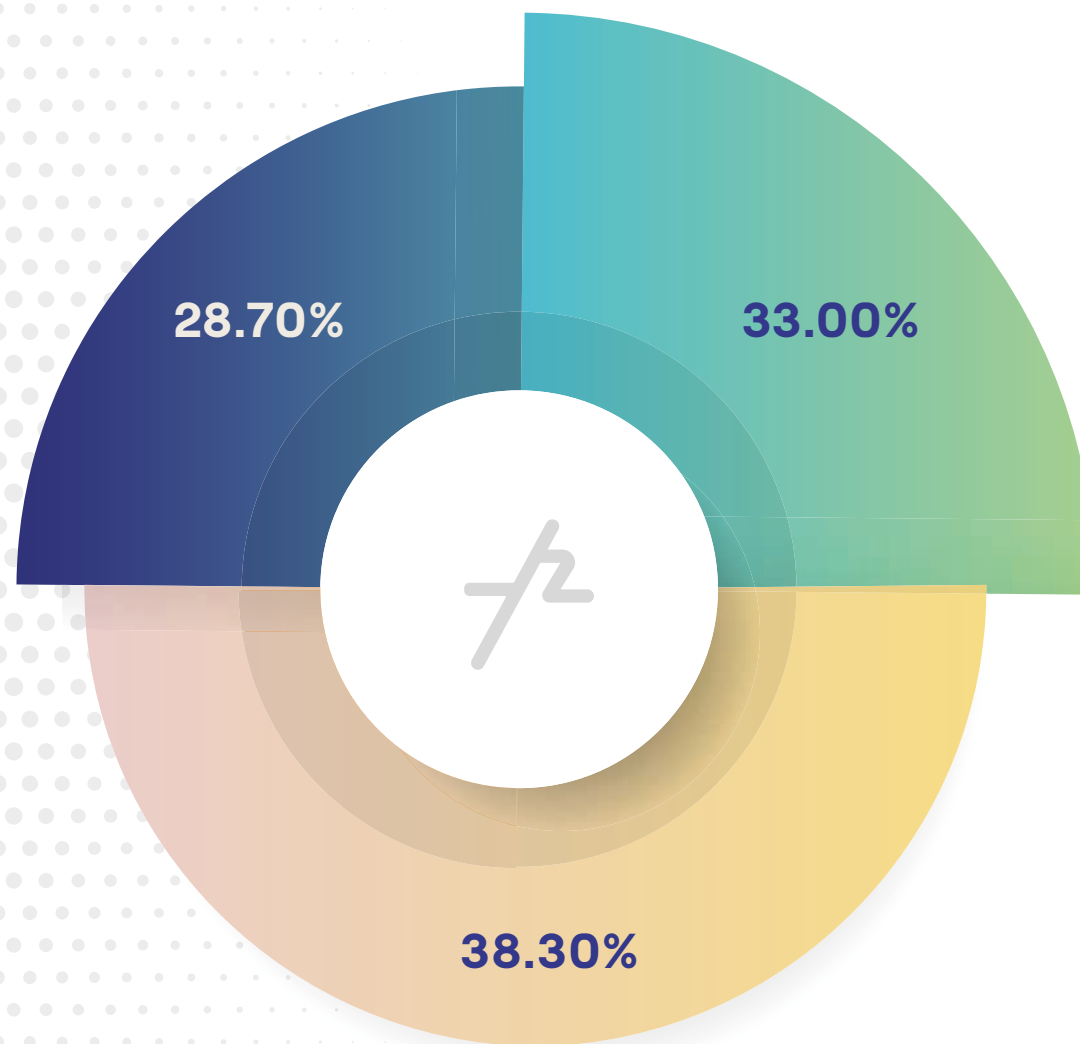
Mexican Healthcare System is divided in two major sectors: Public and Private.
The institutions providing healthcare within the system are ranked in three levels:

- Level 1 – Entry level medical assistance, such as local clinics and small hospitals with diagnosis labs and possibly imagery studies. Considered as the first point of contact with the patient, it is an essential level, given that efforts of preemptive medicine, healthcare conscientization, and early-detection of illnesses happen at this level. Almost 80% of the ailments in any given community are tended to in this level, such as diabetes, hypertension and/or obesity.
- Level 2 – In this level we will find healthcare centers that tend to different ailments from E.R., hospitalization areas, mild-complexity surgical procedures and those patients referred from Level 1 centers. Some medical specialties commonly found at this level are: Internal Medicine, Pediatrics, General Surgery, and OB-Gyn.
- Level 3 – High medical specialty and high-complexity ailments healthcare centers. In this level, doctors tend to patients that require a higher knowledge and experience. These hospitals have latest technology equipment, research and development, and medical training.

This 3-level ranking is applicable for both public and private sectors.
In the following figure we roughly explain the coverage of the
healthcare system and its funding:



HEALTHCARE - SHARE OF GDP



**MEXICO'S HEALTH
GDP 2020
\$75.86 busd**

• PRIVATE • PUBLIC • OTHER

GOVERNMENT REGULATIONS & GUIDELINES

The Mexican Ministry of Health (“Secretaría de Salud”) is forever vigilant in terms of the medical devices and medicines that are commercialized within Mexico to guarantee that the citizens’ health won’t be compromised, and it has appointed a special commission to oversee this: Federal Commission for the Protection Against Sanitary Risks (COFEPRIS, after its Spanish acronym)

COFEPRIS stipulates different requirements for a medical device or drug so they may be imported/commercialized within Mexican territory. Here are some of the documents a company must submit for evaluation prior to obtaining the authorization from COFEPRIS to engage in commercial activities with healthcare products:

- Sanitary registry
- Imports permit
- Sanitary officer
- Manufacturer’s representation letter
- Laboratory tests results
- Manufacturing process description
- Structure, materials, and parts description
- Manufacturer’s best practices certificate
- Manufacturer’s analysis certificate
- Scientific & Technical information
- Draft label project
- Instructions manual
- Bibliographic references
- Operational notification

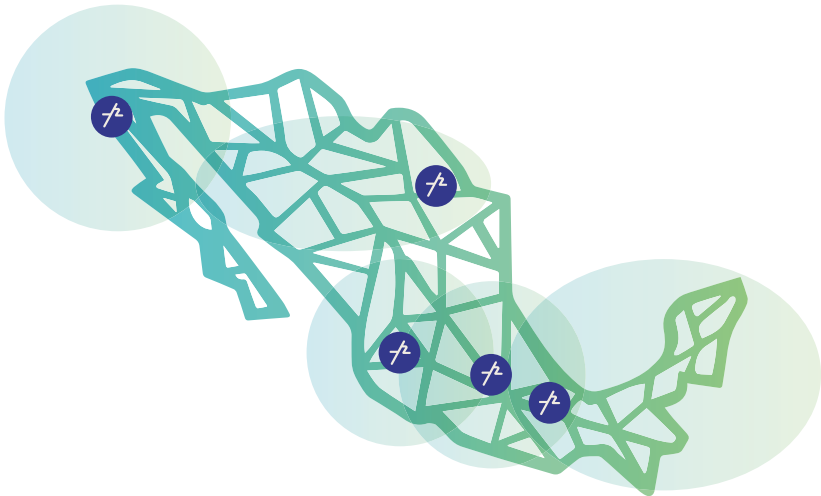
Fulfilling all these requirements and documentation may take from 18 to 24 months.

DISTRIBUTION CHALLENGES FOR THE MEXICAN TERRITORY

Mexico is a big country with different territorial challenges. However, there are urban and economic nodes perfectly identified that allows a more efficient distribution. Procomsa’s network enables a prompt delivery in all 32 states, so we can always guarantee products’ availability to help our customers take better care of the patients.

STATE	HOSPITALS	BEDS
AGS	39	1,666
BC	236	4,528
BCS	51	1,416
CAM	40	1,318
CHIS	183	4,292
CHIH	142	5,360
CDMX	672	27,933
COAH	105	4,087
COL	33	1,222
DGO	90	2,490
GTO	381	5,742
GRO	67	2,923
HGO	217	3,768
JAL	271	10,740
MEX	299	14,684
MICH	317	6,106

STATE	HOSPITALS	BEDS
MOR	138	1,940
NAY	90	1,913
NL	149	7,816
OAX	197	3,300
PUE	464	9,011
QRO	101	3,087
Qroo	58	2,061
SLP	83	3,515
SIN	161	4,152
SON	114	4,765
TAB	101	2,978
TAMPS	168	5,849
TLAX	82	1,648
VER	220	8,148
YUC	68	3,720
ZAC	81	1,437



32 STATES
5,418 HOSPITALS
163,615 BEDS

IMPORTS PROCESS

Similar to the COFEPRIS' due diligence, the Customs General Administration (AGA after its Spanish acronym) has other obligations to take into consideration additional to the COFEPRIS' requirements.

Rest assure that our Foreign Trade & Logistics experts will take care of your product all the way from your warehouse until the Hospital's floor:

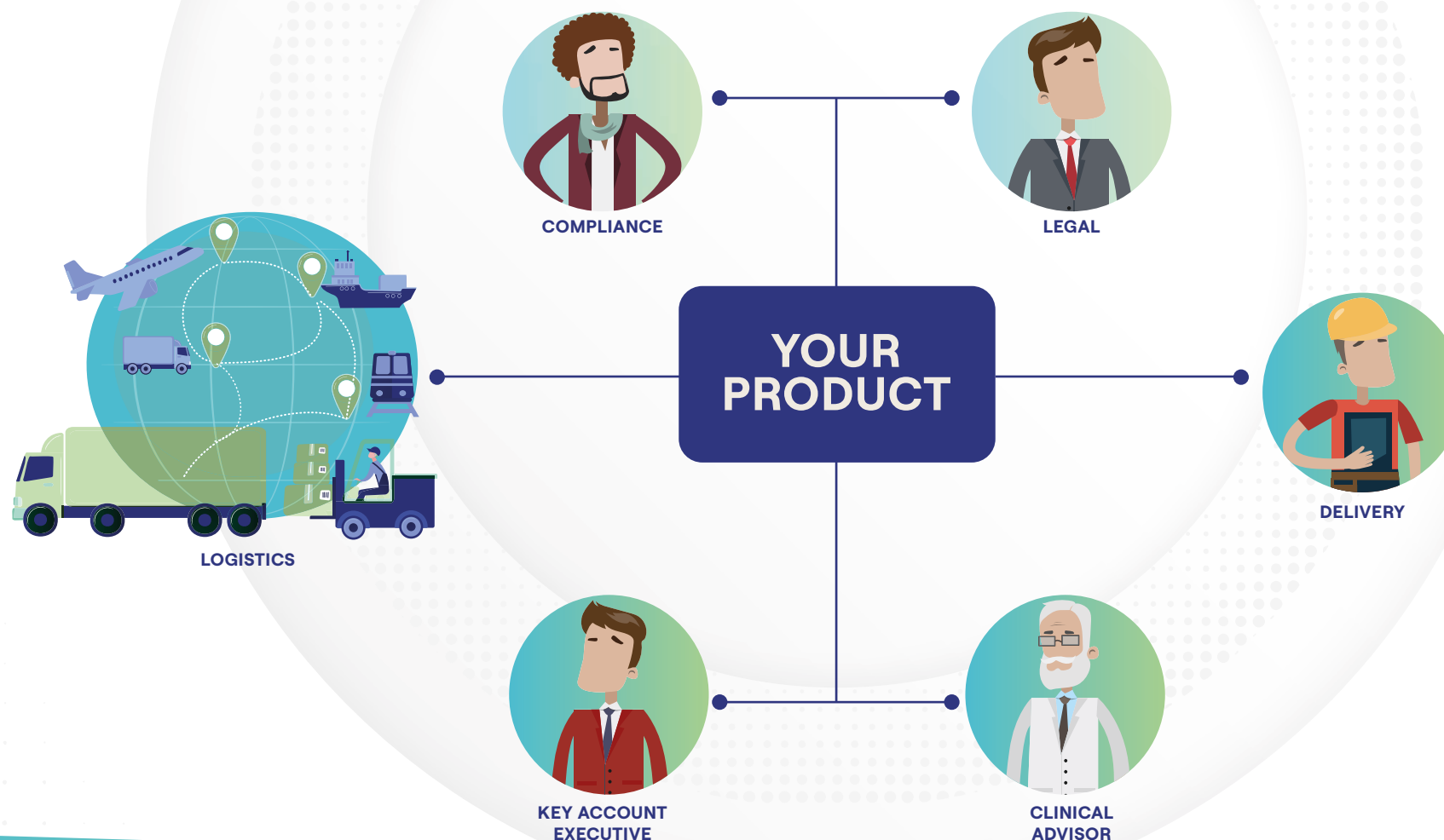
- Compliance of customs' documentation (imports declaration, invoice, AWB or B/L, Certificate of Origin, among others)
- Determine transportation method (Air, Maritime, Land), depending on your product's needs
- Define customs entry point
- Customs broker appointment
- Transportation from customs to warehouse



The imports process may take from 8 to 60 days, depending on the transportation mode and country of origin.

COMMERCIALIZATION IN MEXICO

As indicated before, there are several challenges in terms of regulations, logistics, and framework in general, but Procomsa has found a way to overcome these challenges, and the key is a team of experts in their field headed towards the same goal: Make sure your products are presented to the right people in order to reach the right patients.



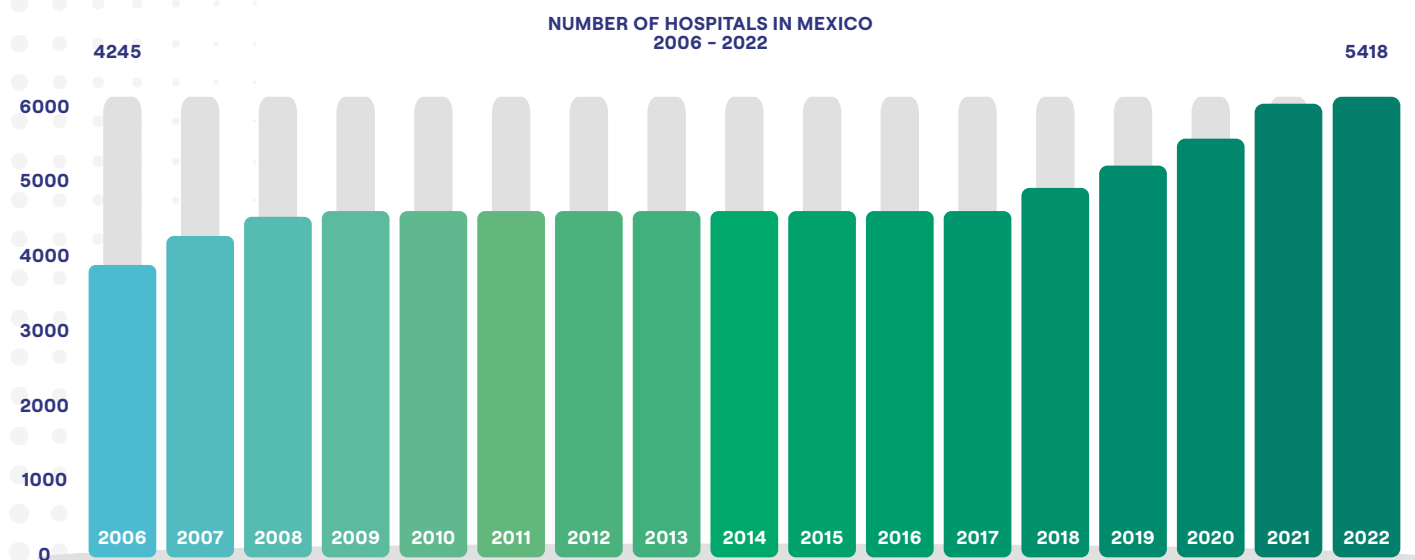
The commercial process followed by our team will be as follows:

- Target market definition: Customers & sector (public / private).
- Present quotation and/or commercial proposal for bidding processes.
- Verify stock availability and/or lead-times from manufacturers (consider times & imports process).
- Supply Chain Planning (logistics/routes), based on customers' delivery points and reception terms & conditions.
- Invoicing and accounts payable processes (considering payment terms and credit conditions).
- Collaborative Planning Forecasting and Replenishments (CPFR) to avoid out-of-stocks at customers' inventory.

The listing, channel filling, and commercial administrative processes may take up to 60 days.

SHOULD YOU CONSIDER MEXICO AS A POTENTIAL MARKET FOR YOUR BUSINESS?

You definitely should. The healthcare industry in Mexico is growing steadily year-over-year in the country's race to a 1st class health system like European countries. Here's a quick outlook:



Number of hospitals: 5,400+
 Number of beds: 160,000+
 ICU beds: 3,000
 Mexico's sanitary GDP: \$75 billion USD

The potential is big and there is room for growth, which ultimately represents a positive impact in the community.
 Contact us today and let's create healthier futures in Mexico.