

MEDTECH IN PERU

A growing and dynamic market (Part 1)



Official Program Partner

Medtech in Peru
A growing and dynamic market.

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List of Abbreviations

ACP	Association of Private Clinics of Peru
AFOCAT	Association of Regional or Provincial Funds against Traffic Accidents
ADEX	“Asociación De Exportadores”. Leading Peruvian foreign trade business association
B2B	Business to Business
CCSP	Swiss Chamber of Commerce in Peru
CE	European Community
COMEXPERU	Foreign Trade Society of Peru
COMSALUD	Health Association of the Lima Chamber of Commerce
DIGEMID	General Directorate of Medicines, Inputs and Drugs
EFTA	European Free Trade Association
EMA	European Medicines Agency
EPS	Health Provider Companies
ESSALUD	Peruvian Social Health Insurance
FAP	Peruvian Air Force
FDA	U.S. Food and Drug Administration
FFAA	Armed Forces
GDP	Gross Domestic Product
HS	Harmonized System
IAFA	Health Insurance Funds Administration Institution
IAFAS-EP	Peruvian Army Health Insurance Fund Administration Institution
IAFAS-FOSFAP	Health Insurance Fund Administration Institution of the Peruvian Air Force
IAFAS-FOSMAR	Health risk coverage service, insurance plans and respective benefits for Military, Cadets and Students
IMDRF	International Medical Device Regulation Forum
INPE	National Penitentiary Institute
IPEN	Peruvian Institute of Nuclear Energy
IPRESS	Institutions Providing Health Services
ISO	International Organization for Standardization
ITSE	Technical Building Safety Inspection
MINSA	Ministry of Health of Peru
MRE	Ministry of Foreign Affairs
ORL	Otorhinolaryngology
PEAS	EsSalud's Essential Health Insurance Plan
PNP	National Police of Peru
Prepagas	Prepaid Health Services Provider Entity
R&D	Research and Development
RPMV	Public Stock Exchange Registry
RUC	Single Taxpayer Registry
S.A.	Public Limited Company
S.A.A.	Open Joint Stock Company
S.A.C.	Closed Joint Stock Company

S.R.L.	Limited Liability Company
SALUDPOL	Health Insurance Fund of the Peruvian National Police
SIS	Integral Health Insurance
SME	Small and medium-sized enterprise
SMV	Peruvian Securities and Exchange Superintendence
SUNARP	National Superintendence of Public Registries
SUNAT	National Superintendence of Customs and Tax Administration
SUSALUD	National Superintendence of Health
S-GE	Switzerland Global Enterprise
VAT	Value added tax
VUCE	Single Window for Foreign Trade
WHO	World Health Organization
WTO	World Trade Organization

1. FOREWORD

The Swiss Chamber of Commerce in Peru has elaborated this report on Medtech in Peru with the support of Switzerland Global Enterprise (S-GE). The Chamber thereby fosters and promotes the free market system, and encourages trade and investment within a framework of social responsibility, strong values and business ethics.

Aware of the significant needs of Peru for Medtech products, this report seeks to identify business opportunities for Swiss firms addressing the following questions:

- What are the Medtech product categories mostly exported by Switzerland around the world?
- Which Medtech products does the Peruvian industry produce and export?
- What is the importance of Switzerland in Peru's Medtech imports?
- What are the legal regulatory requirements for market authorization?
- How to deal with logistics and distribution?
- What is the potential of the Peruvian market for Swiss Medtech exports and what are the key challenges to succeed?

Swiss and Peruvian trade statistics have been used to analyse the data. Several firms and institutions active in the Peruvian Medtech sector are to be thanked for valuable contributions through a questionnaire, interviews and videos. We are also grateful to Mrs. Andrea Baldeon and Mr. Diego Guevara for undertaking the research, data analysis, elaborating the figures and tables and writing the various chapters.

Special gratitude is expressed to Dr. Philippe G. Nell for designing the project, selecting the main categories of Swiss Medtech exports, writing various parts of the report as well as assuming the overall direction and detailed review of the report.

The Swiss Chamber of Commerce in Peru is confident that this report will increase the awareness of Swiss firms for the Medtech sector in Peru confirming our mission of being the main reference for trade and investment relations between Peru and Switzerland.

We wish you an instructive and pleasant read.

Lima, February 2022

Corinne Schirmer

General Manager

Swiss Chamber of Commerce in Peru

2. EXECUTIVE SUMMARY

The Peruvian health market is highly dynamic and rapidly growing. Needs for a 34 million population are very significant and additional resources constantly allocated to health. The objective of this report is to identify business opportunities for Swiss SMEs in Peru focusing on eight areas accounting for most Swiss exports to the world: i) Dental medicine; ii) Orthopedics; iii) Ophthalmology; iv) In-vitro diagnostics; v) Radiology imaging; vi) Surgical instruments and techniques; vii) Disinfectants and sterilization, and viii) Hearing aids, throat.

Market Overview: Swiss Medtech exports amounted to US\$13.1 billion in 2019 and were mainly directed to Europe (80%); exports to Peru (US\$14.4 million) increased, between 2017 and 2019, by 9.5%, more than overall Swiss exports to the world (+ 6.2%). Peru has only a small number of manufacturers specialized in products with little added value. Most of the medical devices are therefore imported.

In 2019, Medtech imports amounted to US\$589 million mainly from China, the United States and Germany. Between 2015 and 2019, Peruvian imports of Medtech products registered a growth rate of 22%.

In 2019, Switzerland had the largest market share in hearing aids and throat (26%) and orthopedics (19%). Its share was very low for ophthalmology (2%), surgical instruments (1.7%), disinfectants (1.3%), in-vitro-diagnostics (1.1%) and radiology imaging (0.9%).

Regulatory Overview: Requirements referring to registration, market authorization and supervision of medical devices are one of the most difficult aspects to manage and can be very time consuming. The main agency in charge is the General Directorate of Medicines, Inputs and Drugs (DIGEMID).

To seek a sanitary registration with DIGEMID, a Swiss firm can either set up in Peru a company called "Droguería" or request the services of a local company.

Opportunities and challenges: In product groups with strong growth in imports to Peru, Swiss firms are present for reagents, furniture for medical and surgical use, dental fittings, and articles to compensate for a defect. Nine other Swiss products are also among the fastest growing ones. Opportunities are seized by firms. However, positions could be further strengthened over the coming years as the volume of Swiss exports remains modest.

For some products, despite strong growth in imports to Peru, Swiss growth performance has been weak or negative, namely for apparatus based on the use of X-rays, therapeutic respiration apparatus, pacemakers and adhesive dressings. Market opportunities exist for these products as Peru's demand has been increasing robustly.

Swiss firms also register a strong growth for electro-diagnostic apparatus, instruments used in dental sciences and X-ray generators despite the fact that Peru's demand has been growing slowly. This implies that Swiss products are gaining market shares and seizing business opportunities.

Despite strong growth, the Peruvian market raises significant challenges. According to the 2020 World Bank's "Doing Business" report, Peru ranked 133rd for starting a business. Taxes obligations are very time-consuming (rank 121st). Cross-border trade is slow and costly (rank 102nd). According to a company, important hurdles in the Medtech

sector are related to lack of flexibility in procedures and absence of agreements with other regulatory agencies such as those of the United States and the European Union.

The business climate is also strongly affected by the country's unstable political climate, lack of legal security, weak protection of intellectual property, informality and corruption.

Important Market Players: In 2019, more than 3000 companies imported Medtech products in Peru. The three largest importers accounted for US\$54 million. The major competitors of Swiss firms were China, the United States and Germany (US\$305 million). On a product basis, Switzerland ranked in the top 3 for seven Medtech devices imported by Peru and in the top 5 for 14.

Private clinics and hospitals managed by regional governments represent 94% of the infrastructure in the health sector, the former purchasing medical devices through importing companies and the latter, including the Peruvian state and its institutions, with a public bidding process. They are all important partners for Swiss exporters.

Logistics and distribution: In Peru, in order to transport, deliver and ensure the quality and integrity of medical devices, establishments engaged in the manufacture, import, distribution, storage and dispensing of such products must comply with basic sanitary conditions, and also with the DIGEMID sectorial regulations, which are set out in the Manual of Good Distribution and Transport Practices. This manual establishes the minimum mandatory standards for the distribution and transport of pharmaceutical products and medical devices nationwide.

Case Studies: Testimonials from important firms -Roche, PANADEx- and medical groups -Association of Private Clinics of Peru, Health Association- illustrate key points of the report. Some issues and regulatory requirements are highlighted. The adoption of international standards and differences between the private and public sectors are also addressed. Opportunities are identified with health insurance programs which may represent the most promising market for exporting companies.

Conclusion: The report clearly shows that except for hearing aids and orthopedics, the Swiss presence on the Peruvian market is very small. Several Swiss products have nevertheless displayed a strong growth over the past years in some product categories while in other areas they are not represented. This points to significant business opportunities in a rapidly growing market. Bureaucratic and regulatory challenges, purchasing procedures by major users and access to public hospitals and clinics may be best addressed with a strong local representation.

3. MARKET OVERVIEW

Medical technology in Switzerland is highly competitive, due to its clusters of firms, scientific research and innovation. Peru has only a small number of manufacturers specialized in products with little added value. Most of the medical devices are therefore imported. In 2019, Switzerland had the largest market share in hearing aids and throat (26%) and orthopedics (19%). Its share was very low for ophthalmology (2%), surgical instruments (1.7%), disinfectants (1.3%), in-vitro-diagnostics (1.1%) and radiology imaging (0.9%).

What is Medtech?

The World Health Organization (WHO) defines Medtech as “the application of organized knowledge and skills in the form of medicines, medical devices, vaccines, procedures and systems developed to solve a health problem and improve quality of life¹”.

For Medtech Europe, this sector encompasses “products, services or solutions used to save and improve people's lives²”. Unlike the WHO, Medtech Europe does not include pharmaceuticals in its definition and focuses on: prevention (supporting in disease prevention, injury or other conditions); diagnosis (in-vitro diagnostics test results, which help to identify a specific condition, its development and subsequent treatment selection); monitoring (supporting patients in checking the status of a disease or chronic condition); treatment (helping patients overcome injuries and diseases or treating chronic illnesses) and, care (across the whole care pathway, accelerating recovery and keeping people healthy)³.

Statista⁴ includes in the Medtech industry most of all, medical devices which simplify the prevention, diagnosis and treatment of diseases and illnesses⁵. Likewise, it also does not include pharmaceuticals.

How important is Medtech?

Statista estimates medical technology revenues in 2019 close to US\$457.4 billion, to grow at 5 percent in 2022 and to reach US\$594.5 billion by 2024. The industry is dynamic with substantial investments on R&D (2017: US\$28.6 billion) and is led presently by the United States and Western Europe. However, according to industry trends, Asia and first of all China, are about to play a more prominent role in the years to come.

¹ Available on line: www.who.int/health-topics/medical-devices#tab=tab_1 (Accessed on 12/10/21)

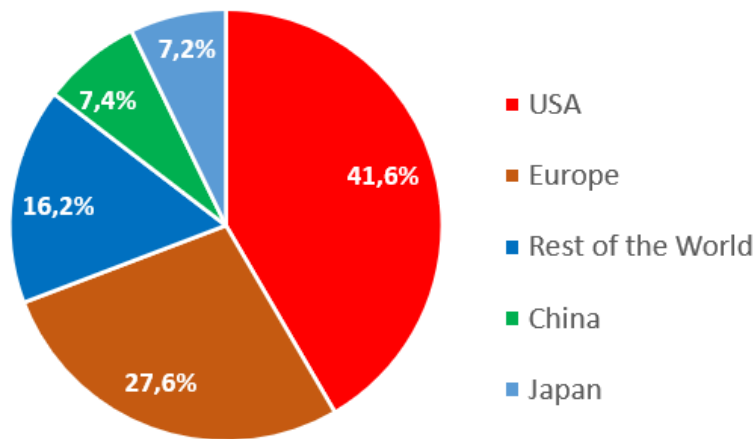
² Available on line: www.medtecheurope.org/about-the-industry/what-is-medical-technology/ (Accessed on 12/10/21)

³ Available on line: www.medtecheurope.org/about-the-industry/what-is-medical-technology/ (Accessed on 12/10/21)

⁴ Statista is a German online portal offering statistics from institute data, market and opinion research as well as data from the economic sector.

⁵ Available on line: www.statista.com/topics/1702/medical-technology-industry/ (Accessed on 12/10/21)

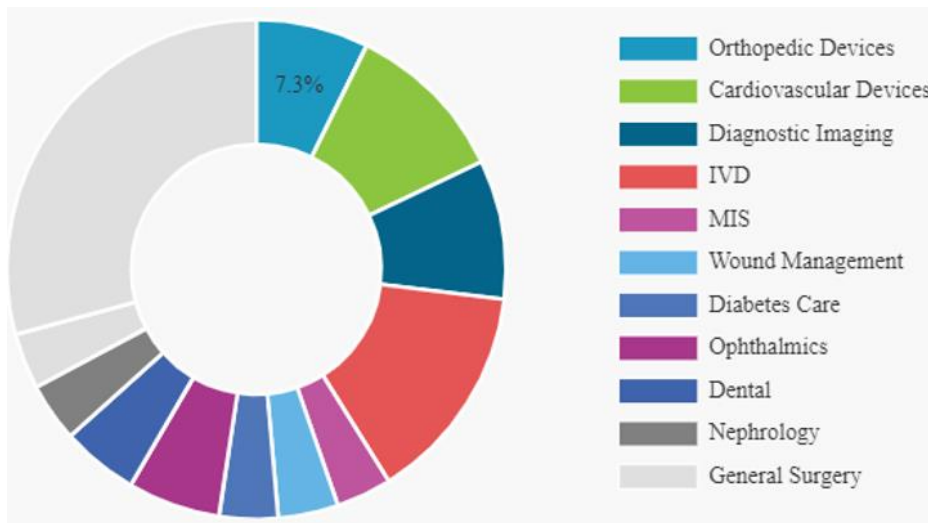
Figure 1. World medical devices market by region, 2020



Source: Medtech Europe
 Elaboration: Swiss Chamber of Commerce in Peru (CCSP)

Figure 1 shows the distribution of the manufacturers' income regarding medical devices in 2020. The United States represents 41.6% of the global sales, followed by Europe (27.6%), China (7.4%), Japan (7.2%) and the rest of the world (16.2%).

Figure 2. Medical devices market share by field, 2020



Source: Fortune Business Insight, Market Research Report, September 2021
 Note: MIS means minimal invasive surgery
 Available on line: [Medical Devices Market Size, Share, Trends | Analysis, 2028 \(fortunebusinessinsights.com\)](https://www.fortunebusinessinsights.com/medical-devices-market-size-share-trends-analysis-2028)

Figure 2 is particularly interesting as it showcases the relative importance of the various medical devices' categories.

Except for general surgery, which encompasses a large number of devices, in-vitro diagnostics has the biggest market share followed by cardiovascular devices, diagnostic imaging and orthopedic devices. Ophthalmic and dental medicine are also well positioned. The Swiss industry is active in all these fields and prone to benefit from a growing world market.

3.1. Switzerland

The Swiss Medtech industry is a success story based on Swiss expertise in the mechanical, electronic, health and digital fields. It relies on a rich tradition enshrined in such industries as watches, machines and machine tools. The high level of specialization and the small size of the domestic market imply a high degree of internationalization. Foreign markets are absolutely necessary to reach economies of scale. Latin America offers a great potential for Swiss firms, technological leaders in their areas.



3.1.1. Swiss Medtech industry in a nutshell

The Swiss Medtech industry has been growing very rapidly in the past few years benefitting from local skills and a very favorable environment for research, development and innovation⁶.

- Medical technology is one of the most innovative industries in the country: boasting high rates of research & development, the largest proportion of scientific publications, and the most patent applications per capita worldwide.
- The industry has recognized the importance of digitization, Industry 4.0, innovative materials and is investing in future technologies.
- The main technology trends addressed are materials innovation, smart devices, manufacturing processes, and intelligent data acquisition.
- At the same time, digitization and new substitution technologies are perceived as the greatest threats – due to the potential entry of new companies into the market.

Table 1. Swiss Medtech industry: key figures

Swiss Medtech Industry key figures	Swiss Medtech exports
<ul style="list-style-type: none"> • The approx. 1,400 companies (manufacturers, suppliers, service providers, and trade & distribution) generated sales of SFR 17.9 billion in 2019. This represents 2.6% of Switzerland's total GDP. • The industry has increased its sales by SFR 2.1 billion over the last two years. • Annual sales grew in 2018 and 2019 at 6.5%, which is significantly higher than Swiss GDP growth. • In 2019, the Swiss Medtech industry employed around 63,000 people. This corresponds to 1.2% of the total workforce in Switzerland. • In the last two years, employee numbers have increased by 4,500 and the Medtech sector has once again shown above-average employment growth compared to other sectors. 	<ul style="list-style-type: none"> • A total volume of SFR 12 billion was exported in 2019 with the USA and Germany as the most important destinations. With a 5% share of total Swiss exports, the Medtech industry is an important sector of the Swiss economy. • Exports have grown by an average of 3.2% per year, or a total of SFR 0.7 billion over the last two years. • The Medtech trade surplus amounted to SFR 6.1 billion; representing 16.4% of the overall trade surplus for Switzerland. • The Medtech trade surplus has grown by 2.3% per year since 2015, compared to 0.5% per year for the Swiss economy as a whole.

Source: The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020.

3.1.2. Top 10 Swiss Medtech firms

The Swiss Medtech sector is characterized not only by Swiss firms but also by a strong presence of foreign firms. A few important Swiss firms such as Biomet were purchased

⁶ The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020. Available on line: [Medtech Sector Study 2020 | Swiss Medtech \(swiss-medtech.ch\)](https://www.swiss-medtech.ch) (Accessed on 18/01/22)

by foreign companies. The latter are attracted by Swiss clusters, Swiss technology and know-how as well as a dense network of universities and research centers.

Table 2. Major Medtech firms in Switzerland (2019 data)

No.	Company	Core activities in Switzerland	Headquarters	# of employees in Switzerland	Global growth in sales (in %)	Global R&D / sales (in %)
1	Roche Diagnostics	In vitro diagnostics	CH	2,800	2.9%	11.3%
2	Jabil ¹⁾	Orthopaedics	USA	2,780	n/a	n/a
3	J&J Medical ¹⁾	Cardiology, orthopaedics, ophthalmology, wound treatment, ears/nose/throat, hospital equipment and consumables, e/m-health and software	USA	1,624	-3.8%	7.8%
4	Sonova	Hearing system technology and hearing rehabilitation	CH	1,290	5.6%	5.6%
5	Biotronik ²⁾	Cardiology	D	1,231	n/a	n/a
6	Straumann	Dental care	CH	1,214	17.0%	6.0%
7	Medtronic	Diabetes therapy, cardiology, ears/nose/throat, hospital equipment and consumables	IRL	1,200	2.0%	7.6%
8	Ypsomed	Drug delivery systems and diabetes therapy	CH	1,195	11.6%	11.6%
9	Zimmer Biomet	Orthopaedics	USA	1,100	2.0%	5.6%
10	Dentsply Sirona	Dental care	USA	750	1.1%	3.3%
				Σ 15,184	Ø 4.4%	Ø 8.1%

Source: The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020.

3.1.3. Key Swiss Medtech products

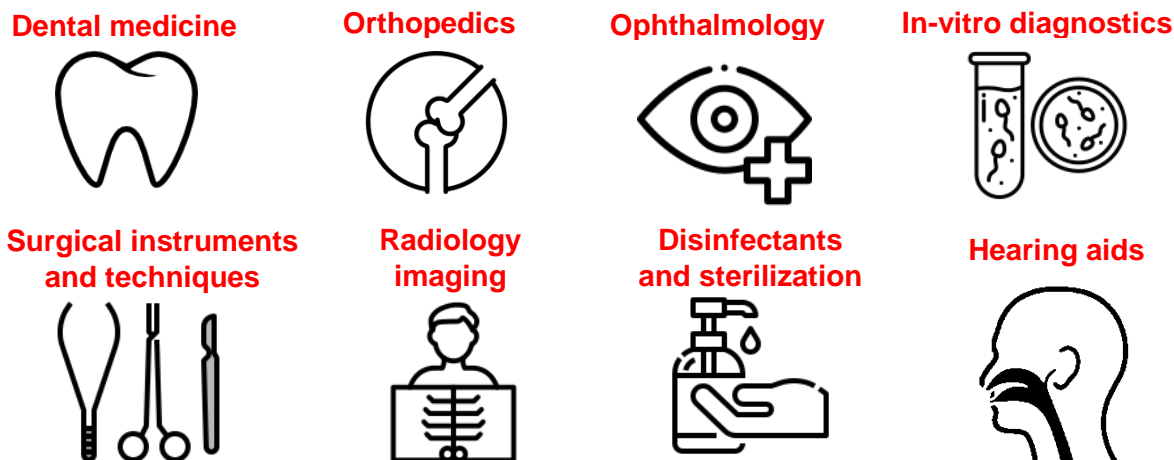
The Swiss Medtech industry provides devices, products and services in the following areas⁷:

- Anesthesia and intensive care
- Angiology
- Cardiology
- Dental medicine
- Dermatology
- Disinfection and Sterilization
- Drug delivery and Diabetes treatment
- e/m-Health and Software
- Ears/Nose/Throat
- Gastroenterologie
- General disposable items
- Gynecology
- Hematology
- Hepatology
- Hospital and Healthcare facilities
- In-vitro diagnostics and laboratory supplies
- Neonatology and Pediatrics
- Nephrology
- Neurology
- Oncology
- Ophthalmology
- Orthopedics and Traumatology
- Pneumology
- Radiology, Imaging procedures and Radiotherapy
- Rehabilitation, prosthetics, orthotics and daily aids
- Surgical instruments and technology
- Urology
- Wound care

⁷ Source: Swiss Medtech. Available on line:

www.swiss-medtech.ch/en/member-list?f%5B0%5D=member_special_field%3A37&f%5B1%5D=member_special_field_simple%3A58 (Accessed on 14/10/21)

For this study, the following eight areas have been chosen because they account for most Swiss exports to the world and to Latin America.



The products of some companies have been selected as a reference to illustrate each category, namely:

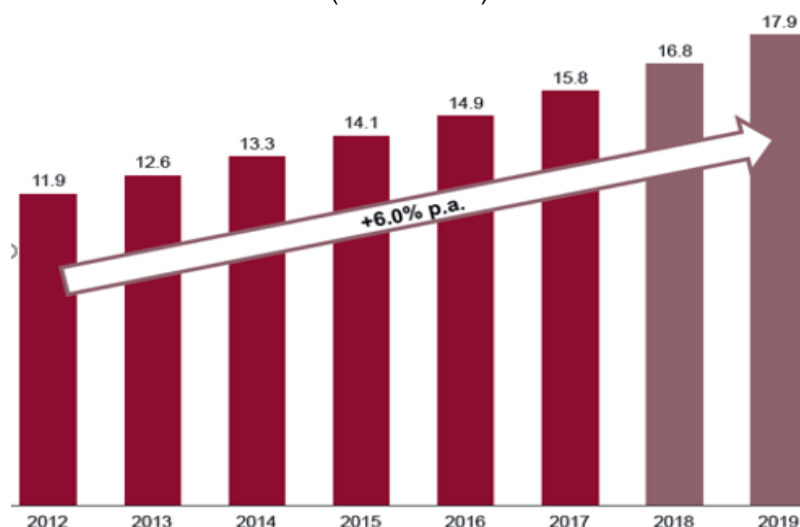
- **Dental medicine:** Geistlich Pharma AG, NOVODENT Ets., Straumann Holding AG, Thommen Medical AG, Ivoclar Vivadent Schweiz AG, TRI Dental Implants Int. AG.
- **Orthopedics:** Geistlich Pharma AG, Medacta, Medartis AG, Zimmer Biomet.
- **Ophthalmology:** Meridian AG, Oertli Instrumente AG, Ziemer Ophthalmic Systems AG, Haag-Streit AG.
- **In-vitro diagnostics:** DSM Nutritional Products Ltd Branch Pentapharm, Tecan Group Ltd., Roche Diagnostics International Ltd, Kugelmeiers Ltd.
- **Radiology imaging:** MDTs medtechsolution AG, Pearl Technology AG, SCANCO Medical AG.
- **Surgical instruments and techniques:** CAScination AG, Distalmotion SA, Naviswiss AG, Accuratus AG.
- **Disinfectants and sterilization:** Borer Chemie AG, Lysoform Schweizerische Gesellschaft für Antisepsie AG.
- **Hearing aids, throat:** Sonova Group, Bioelesonic.

Of the 60 products identified as Medtech products by the Swiss Medtech Association, products not belonging to any category or to more than one were discarded to avoid double counting. The 48 remaining products, classified at the 4- and 6-digit level of the Harmonized System (HS) are distributed in the eight categories (See Annex 1). Swiss products with the highest volumes exported to Peru in 2017-19 are shown in Annex 3.

3.1.4. Growth of the Swiss Medtech industry: 2012-2019

Since 2012, the Swiss Medtech industry has achieved strong growth averaging 6% per year and total revenues of SFR 17.9 billion (2019) which include manufacturers, suppliers, trade and distribution, and service providers. In 2018 and 2019, sales growth continued to increase at a 6.5% yearly rate. This was stronger than Swiss GDP (2018: 2.7%; 2019: 1.0%) as well as the pharmaceutical (2019: 2.8%) and watch industries (2019: 2.4%).

Figure 3. Medtech sales growth, 2012-2019
(SFR billions)



Source: The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020.

3.1.5. Swiss Medtech trade: 2012-2019

Since 2012, Swiss exports of Medtech products have been steadily increasing at a 2.6% average rate. The world market is competitive and constantly growing as medical needs increase with ageing population in industrial countries and higher income levels in developing countries with improvements in public health coverage.

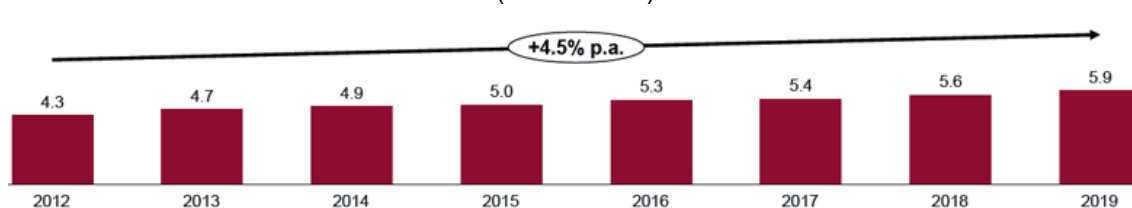
Figure 4. Swiss Medtech exports, 2012-2019
(SFR billions)



Source: The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020.

On the import side, purchases have increased even faster than exports at an average rate of 4.5% per year between 2012 and 2019.

Figure 5. Swiss Medtech imports, 2012-2019
(SFR billions)

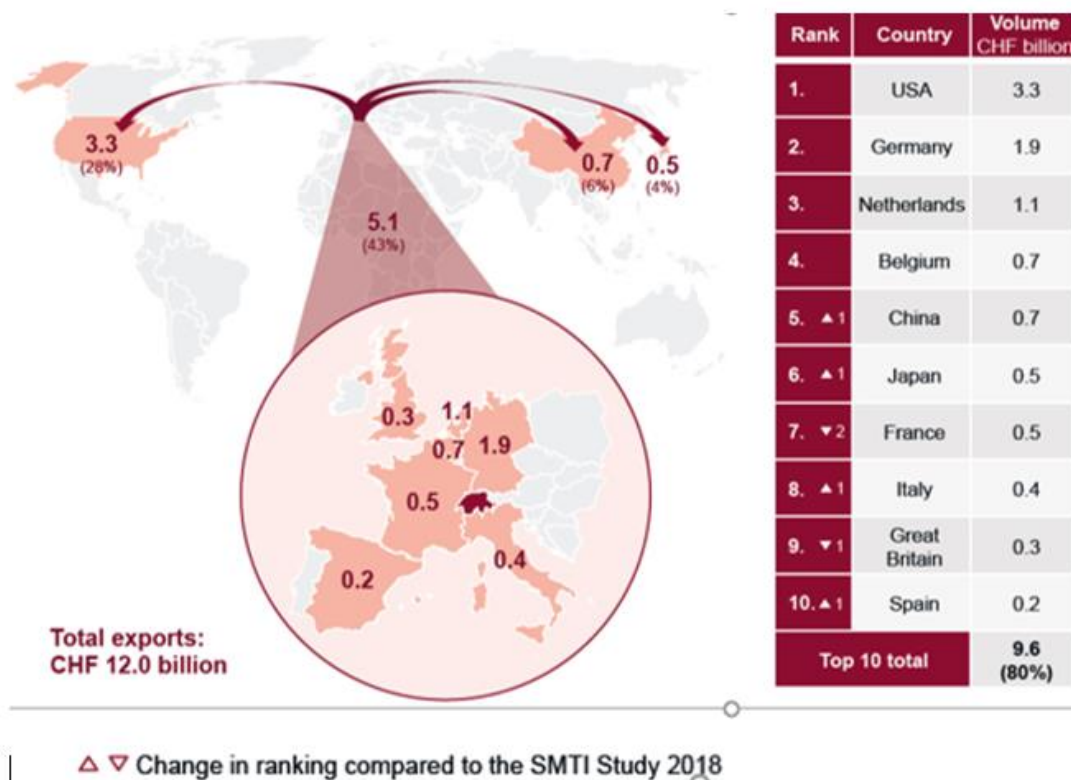


Source: The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020

Note: trade figures for exports and imports reflect finished products only; trade/sales of semi-finished products are not included (see Annex 1 for HS numbers).

Swiss exports of Medtech products are concentrated in a few markets. Apart from the United States, China and Japan, all the top markets are in Europe. In 2019, Germany (16%) was the largest destination in Europe; the ten major markets made up 80% of Swiss exports. Latin America absorbed only a very small share and represents a large untapped potential for the Swiss Medtech industry.

Figure 6. Top ten export markets, 2019
(SFR billions)



Source: The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020

3.1.6. Swiss Medtech exports to Peru

Swiss exports of Medtech products to Peru increased from SFR 12.05 million in 2017 to SFR 13.2 million in 2019. They decreased to SFR 9.11 million in 2020 due to the Covid crisis.

They were larger than SFR 1 million for orthopedics (SFR 3.8 million), surgical instruments and techniques (SFR 3.7 million), dental medicine (SFR 1.6 million) and ophthalmology (SFR 1.1 million).

In other product categories, Swiss exports remained very small. As an effect of the Covid crisis, they increased very significantly in 2020 for disinfectants and sterilization from SFR 0.2 million to SFR 0.9 million.

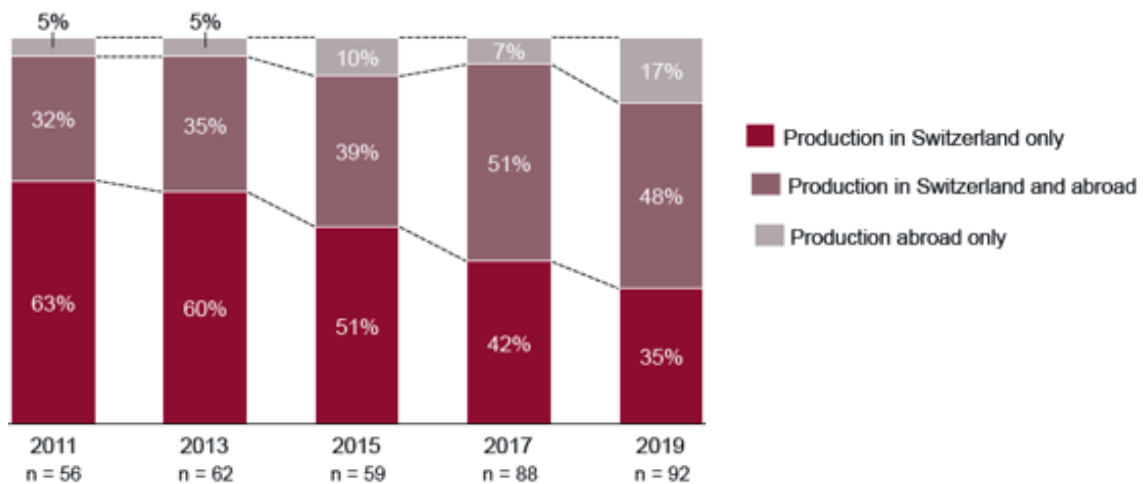
Between 2017 and 2019, Swiss Medtech exports to Peru increased (9.5%) more than Swiss Medtech exports to the world (6.2%, see figure 4), although from a small basis. Overall, the Peruvian market is gaining relevance for Swiss Medtech exports.

Swiss Medtech exports to Peru are further analyzed by category under 3.2.3.

3.1.7. Production facilities abroad

Since 2011, Swiss manufacturers have increasingly established production facilities abroad. The proportion of manufacturers with exclusive production facilities in Switzerland has decreased from 63% to 35%. Companies are encouraged to produce abroad to benefit from lower production costs, less complex export formalities, and proximity to customers. The share of manufacturers with production facilities abroad only has risen from 5% (2011) to 17% (2019). In a few sectors, Swiss firms manufacture some of their products in Latin America in particular in the dental medicine and hearing aids areas. No production has been established thus far in Peru.

Figure 7. Production sites of manufacturers



Source: The Swiss Medical Technology Industry 2020, Sector Study, Swiss Medtech, Helbling, September 2020

3.2.3. Peruvian Medtech imports from the world and from Switzerland

Peruvian Medtech imports increased from US\$417.7 million in 2017 to US\$511 million in 2019. They were larger than US\$10 million for every category except for hearing aids (US\$3.4 million in 2019). In terms of growth rates Peruvian imports increased by 22.3% (2017-2019).

The following figures present Peru’s imports in the eight categories selected for this report from the world and Swiss exports to Peru. The categories are presented by order of importance for Peru.

Peru’s imports from Switzerland and Swiss exports to Peru were divided in large-size, medium-size and small-size imports corresponding to \$1million and more, \$0.1 to \$0.9 million and less than \$0.1 million respectively. Minor classification differences of products between the Swiss and the Peruvian customs authorities are noted.

Figure 8. Peru's imports from the world of surgical instruments and techniques, 2017-2019 (US\$ millions)

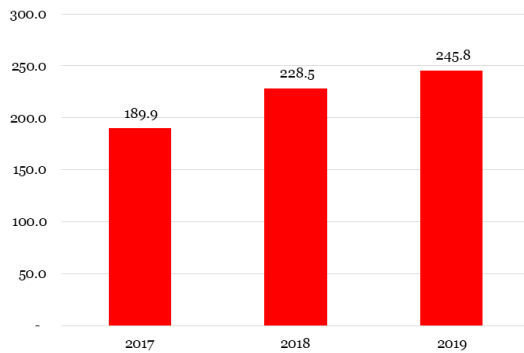
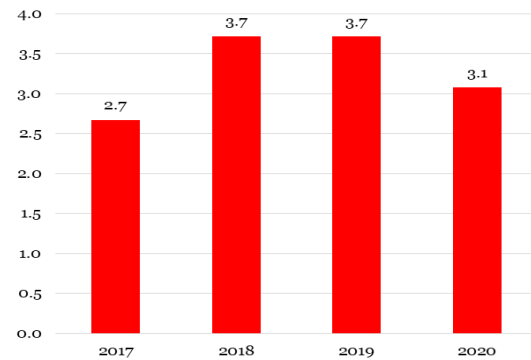


Figure 9. Switzerland exports to Peru of surgical instruments and techniques, 2017-2020 (US\$ millions)



Source: Comtrade and Swissimpex. The same source applies to figures 8-23
Elaboration: Swiss Chamber of Commerce in Peru (CCSP) for figures 8-23.



Peru's imports of surgical instruments and techniques registered a strong growth rate (29.4%) between 2017 and 2019 reaching US\$245.8 million. With \$3.7 million, Switzerland had a very small share of the market (1.7% of imports)⁸.

Large-size imports from Switzerland include medical, surgical or dental instruments (HS 9018.90) and ozone, oxygen or aerosol therapy (HS 9019.2). Catheters, cannulae and the like (HS 9018.39) belongs also to that category, but only in Peru's statistics. Peru's medium-size imports from Switzerland match Switzerland only for syringes (HS 9018.31) and tubular metal needles (HS 9018.32), all the remaining products (adhesive dressings (HS 3005.10), wadding, gauze, bandages (HS 3005.90) being in the small-size category in Swiss data.

It is also useful to point to the products not imported from Switzerland: rubber, surgical gloves (HS 4015.11), ultrasonic scanning apparatus (HS 9018.12) and, pacemakers for stimulating heart muscles (HS 9021.50).

Figure 10. Peru's imports from the world of radiology imaging products, 2017-2019 (US\$ millions)

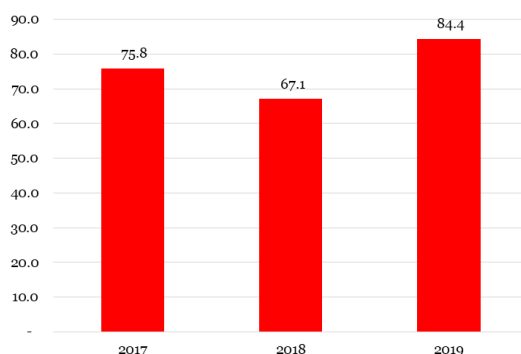
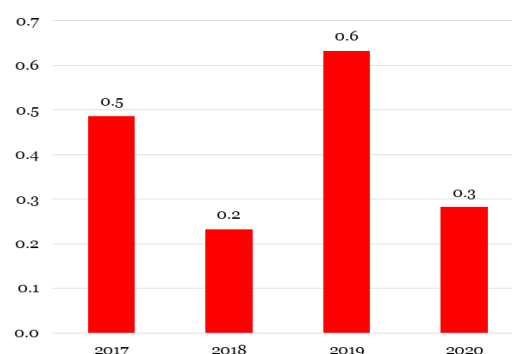


Figure 11. Switzerland's exports to Peru of radiology imaging products, 2017-2020 (US\$ millions)



⁸ Exchange rate of 1 US\$ = 0.9159 SFR as of October 31, 2021. Available on line: www.xe.com/es (Accessed on 31/10/21). The same exchange rate applies for figures 13, 15, 17, 19, 21, 23 and 25.



Imports of radiology imaging products grew by 11.3% between 2017 and 2019 for total imports of US\$84.4 million. With US\$0.6 million, Switzerland had a very small share of the market (0.8% of imports).

No trade takes place in the large-size category. In the medium-size category, in addition to X ray generators (HS 9018.19) and apparatus (9022.19), Swiss data registers also exports of X-ray generators (HS 9022.90). Small imports include X-ray tubes (HS 9022.30) and electro-cardiographs (HS 9018.11). Ultraviolet or infra-red ray apparatus used in medical sciences (HS 9018.20) has only been registered as a Swiss export to Peru.

It is also useful to point that a fairly large range of products purchased by Peru in this category were not exported by Switzerland: opacifying preparations for x-ray examinations (HS 3006.30), magnetic resonance imaging apparatus (HS 9018.13), scintigraphic apparatus (HS 9018.14), apparatus based on the use of x-rays, (HS 9022.12), apparatus based on the use of x-rays, for dental uses (HS 9022.13) and for medical, not dental uses (HS 9022.14), apparatus based on the use of alpha, beta or gamma radiations (HS 9022.21) and for other than medical, surgical, dental or veterinary uses (HS 9022.29).

Figure 12. Peru's imports from the world of ophthalmology products, 2017-2019 (US\$ millions)

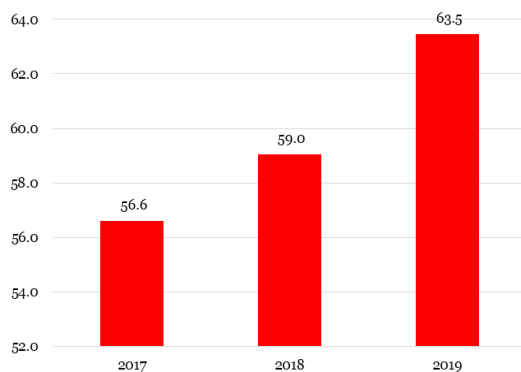
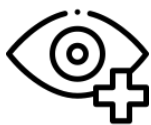
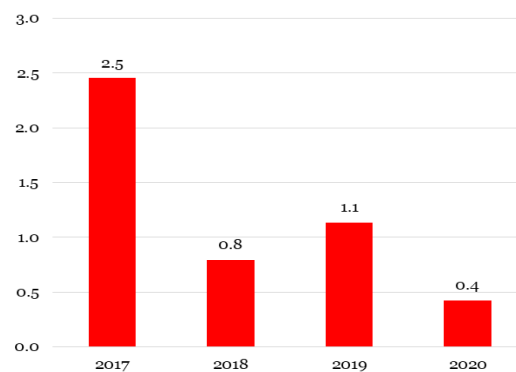


Figure 13. Switzerland's exports to Peru of ophthalmology products, 2017-2020 (US\$ millions)



Peru's imports of ophthalmology products increased by 12% between 2017 and 2019 reaching US\$63.5 million. With US\$1.1 million, Switzerland had a very small share of the market representing 2% of imports.

Large imports from Switzerland include ophthalmic instruments and appliances (HS 9018.50) and small ones, spectacles, goggles and the like, corrective, protective or other (HS 9004.90); glasses for corrective spectacles (HS 7015.10) and spectacle lenses of glass optically worked (HS 9001.40) are only registered in the Swiss data as small-size exports to Peru.

It may be noted that Peru did not import several products from Switzerland: contact lenses (HS 9001.30), lenses, spectacle; unmounted, of materials other than glass (HS 9001.50), frames and mountings; for spectacles, goggles or the like, of plastics (HS 9003.11) and of materials other than plastics (HS 9003.19) and parts or the like (HS 9003.90).

Figure 14. Peru's imports from the world of in-vitro diagnostics products, 2017-2019
(US\$ millions)

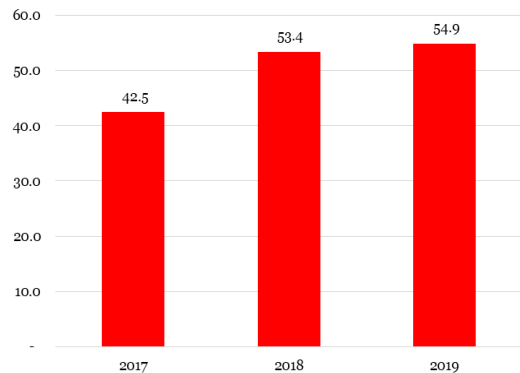
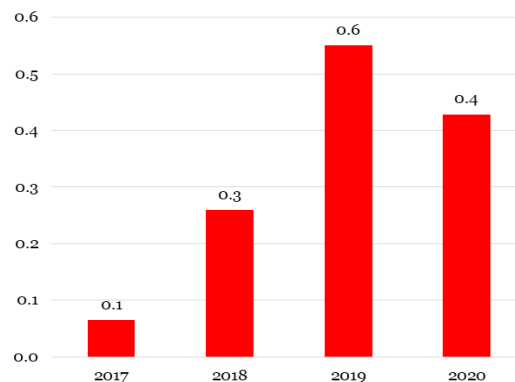


Figure 15. Switzerland's exports to Peru of in-vitro diagnostics products, 2017-2020
(US\$ millions)



Imports of in-vitro diagnostics products grew by 29.4% between 2017 and 2019 for total imports of US\$54.9 million. With US\$0.6 million, Switzerland had a very small share of the market representing 1.1% of imports. Swiss exports of reagents for determining blood groups or blood factors (HS 3006.20) grew very significantly (2017-19: +755%). Swiss firms such as Roche, Pentapharm and Spericalplate 5D are world leaders in various types of diagnostics.

Swiss and Peruvian data converge with only reagents (HS 3006.20) in the medium-size category. It is also useful to point that, according to Peru's trade statistics, Peru did not import any diagnostic or laboratory reagents (HS 3822.00) from Switzerland, while Swiss data ranged in the small-size category.

Figure 16. Peru's imports from the world of orthopedic products, 2017-2019
(US\$ millions)

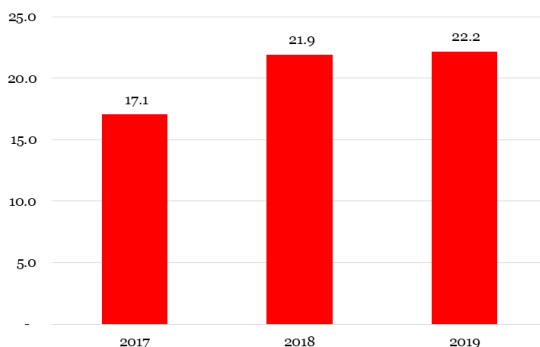
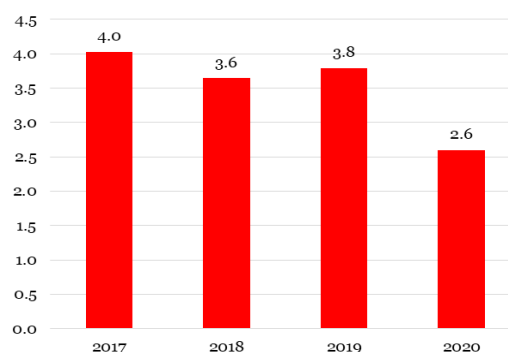


Figure 17. Switzerland's exports to Peru of orthopedic products, 2017-2020
(US\$ millions)



Peru's imports of orthopedic products grew by 30.1% between 2017 and 2019 for total imports of US\$22.2 million in that year. With US\$3.8 million, Switzerland had a fairly substantial share of the market (18.7% of imports). Switzerland has a strong position in the world for orthopedics with firms such as Zimmer Biomet, Medacta, Medartis and Geistlich.

For large-size imports Peru's data matches Switzerland with orthopedic or fracture appliances (HS 9021.10). Artificial parts of the body (HS 9021.31) fall under medium-size for Peru and small size for Switzerland.

Figure 18. Peru's imports from the world of dental products, 2017-2019
(US\$ millions)

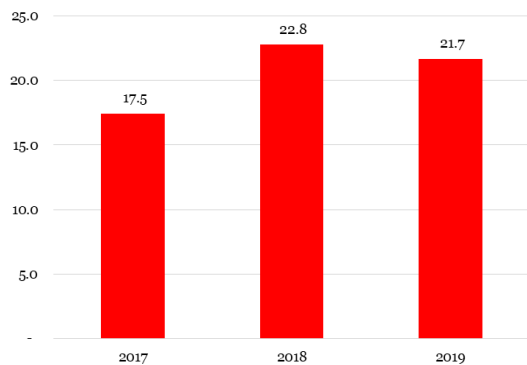
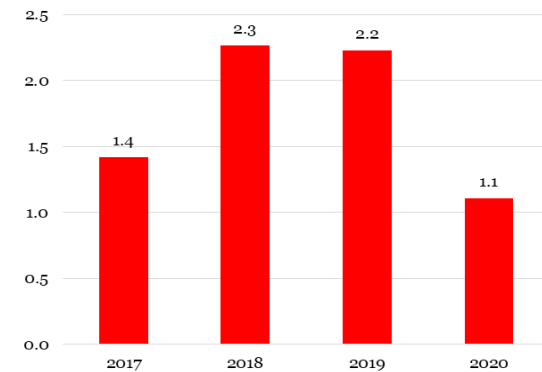


Figure 19. Switzerland's exports to Peru of dental products, 2017-2020
(US\$ millions)



Imports of dental products registered a growth rate of 24.10% between 2017 and 2019 for total imports of US\$21.7 million in that year. With US\$2.2 million and 12.2% of imports, Switzerland was well positioned in the market.

Peru and Swiss data converge in the large size category for instruments and appliances used in dental sciences (HS 9018.49) to which Switzerland adds dental cements, fillings and bone reconstruction cements (HS 3006.40). Medium-size imports include dental fittings (HS 9021.29). It is useful to note that dental floss (HS 3306.20), dental drill engines (HS 9018.41) and artificial teeth (HS 9021.21) are only registered in the Swiss data under exports to Peru.

Figure 20. Peru's imports from the world of disinfectants and sterilization products, 2017-2019
(US\$ millions)

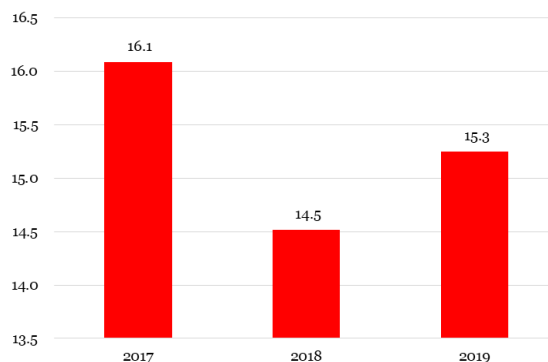
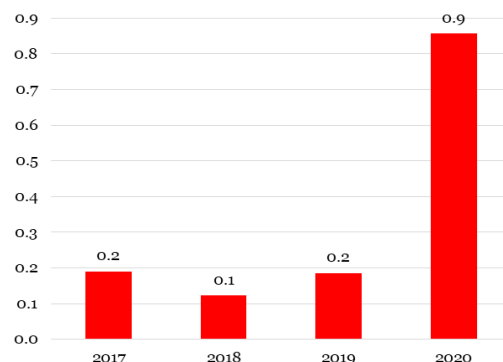


Figure 21. Switzerland's exports to Peru of disinfectants and sterilization products, 2017-2020
(US\$ millions)



Peru's imports of disinfectants and sterilization products declined by 5.20% between 2017 and 2019 for total imports of US\$15.3 million in that year. With US\$0.2 million, Switzerland had a very small share of the market representing 1.3% of imports.

Disinfectants and similar products (HS 3808.94) are in the small- (Peru) and medium-size (Switzerland) categories respectively. It is useful to note that medical, surgical and laboratory sterilizers (HS 8419.20) is only showcased as small-size in Swiss data.

Figure 22. Peru's imports from the world of hearing aids, 2017-2019
(US\$ millions)

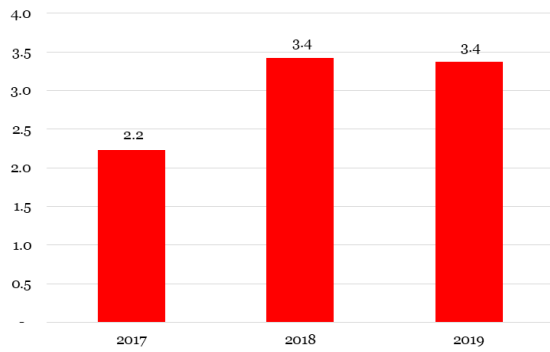
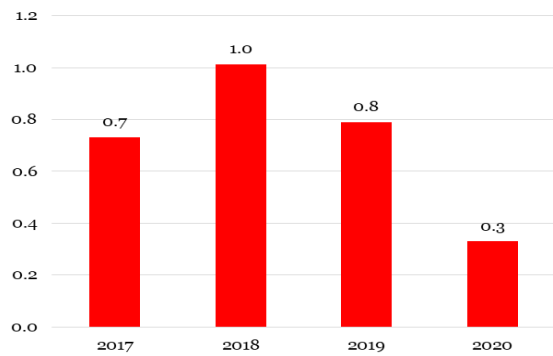


Figure 23. Switzerland's exports to Peru of hearing aids, 2017-2020
(US\$ millions)



Imports of hearing aids grew by 51.1% between 2017 and 2019 for total imports of US\$3.4 million in that year. With US\$0.8 million, Switzerland had a large share of the market representing 25.6% of imports. With the firm Sonova, Switzerland is a world leader in hearing aids.

While Switzerland classifies hearing aids (HS 9021.40) in the large-size category, Peru does so in the medium-size.

4. OPPORTUNITIES AND CHALLENGES

Swiss products are well represented in the high growth categories, although at modest levels. There is significant potential, equally in some other categories based on Swiss technology. Important hurdles are related to lack of flexibility in procedures and absence of agreements with agencies of the United States and the European Union. The business climate is also strongly affected by the country's unstable political climate, lack of legal security, weak protection of intellectual property, informality and corruption.



This chapter seeks to identify opportunities and challenges for Swiss exports of Medtech products to Peru. The analysis is based on a comparison of Peru's imports from Switzerland over a 10-year period at a 6-digit level with Peru's import from the world. The results allow to identify Swiss products that are taking advantage of the opportunities of the Peruvian market, Swiss products that could benefit more from Peru's market potential, and Swiss products facing a declining demand in Peru.

"A product, just by the fact that it is from Switzerland, is already an endorsement. Everyone thinks that Swiss products are more accurate and precise."

*Lima Chamber of Commerce
Health Association*

4.1. Medtech opportunities

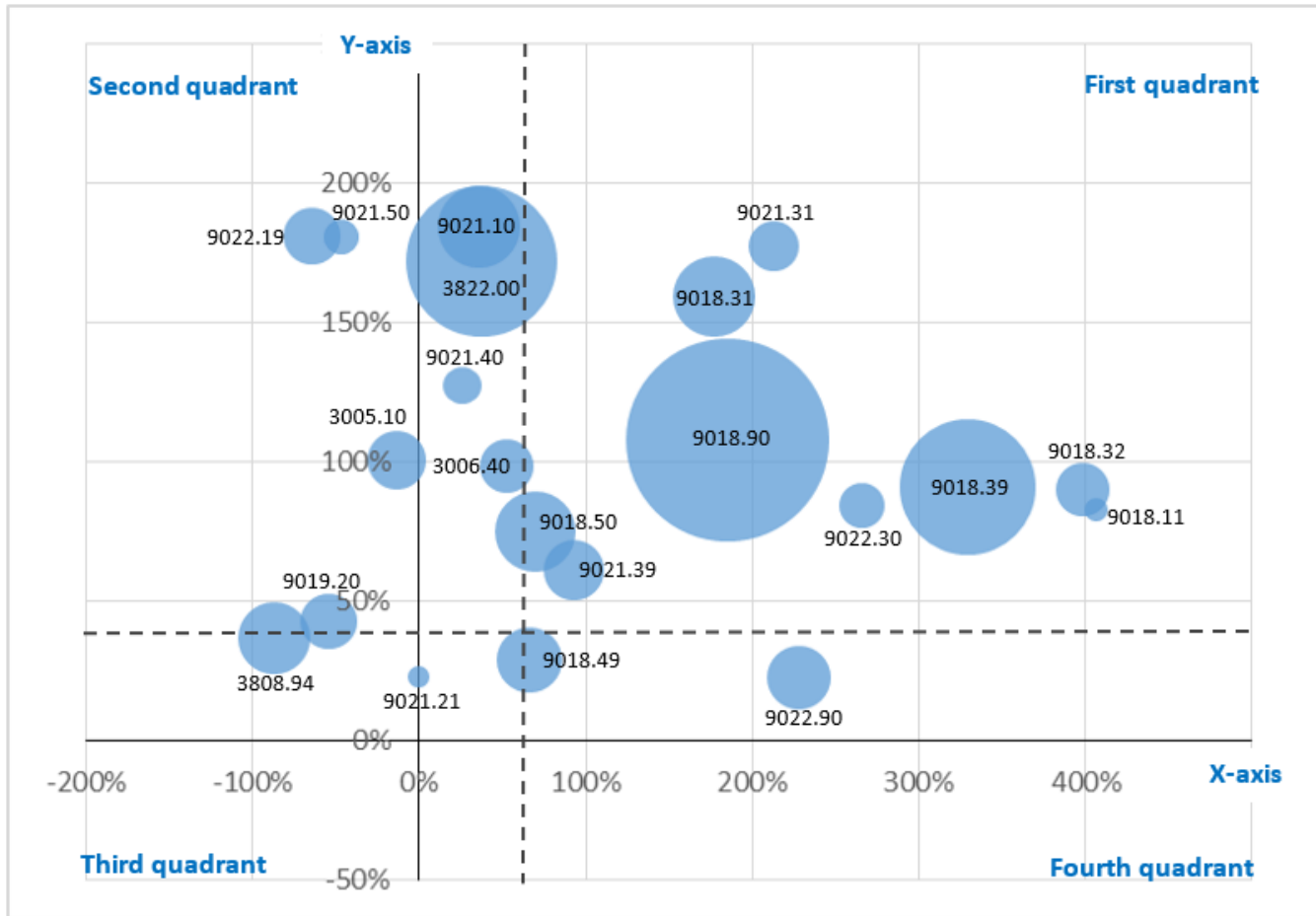
Figure 26 presents a four-quadrant graph with Peru's key Medtech imports from Switzerland at 6-digit level. The horizontal axis (X-axis) features the growth rates of Peru's imports from Switzerland and the vertical axis (Y-axis) features Peru's imports from the world. The size of Peru's import market is showcased with bubbles representing Peru's total imports from the world in 2019. The four quadrants are within dotted lines. The vertical dotted line represents the growth rate of total Swiss exports to the world during the 2010-2019 period (60.4%) and the horizontal dotted line represents the growth rate of Peru's total imports from the world during the 2010-2019 period (41.2%).

The selection of products was subject to two conditions: i) the products imported by Peru from Switzerland, on average, have a value of more than more than US\$30.000 per year during the period 2010-2019 and ii) they must have been traded for at least five years.

These two conditions enable to select the Medtech products that are most relevant to trade between Peru and Switzerland. They are imported with some regularity and with a certain volume and may provide indications to Swiss SMEs to further develop the Peruvian market (26)⁹.

⁹ Five products have not been included in figure 4 because they would have required much larger scales, namely: Articles worn, carried, or implanted in the body, to compensate for a defect (HS 9021.90), Reagents for determining blood groups (HS 3006.20), Furniture for medical, veterinary use (HS 9402.90), Electro-diagnostic apparatus (HS 9018.19) and Dental fittings (HS 9021.29).

Figure 24. Medtech Business Opportunities, 2010-2019



Note: Horizontal axis (X-axis): Peru's imports from Switzerland.
 Vertical dotted line: average of Swiss export growth to the world 2010-19 (60.4%).
 Vertical axis (Y-axis): Peru's imports from the world.
 Horizontal dotted line: Average of Peru's imports growth from the world 2010-19 (41.4%).

Source: Comtrade, Peru trade data
 Elaboration: Swiss Chamber of Commerce in Peru (CCSP)

4.1.1. Strong market and strong Swiss response

This first quadrant comprises products recording a growth rate higher than the average Swiss growth to the world and higher than the average of Peru's imports from the world. It displays therefore products where Swiss exporters are exploiting opportunities in rapidly growing markets.

Switzerland is increasingly tapping into these Medtech products in Peru in the face of strong demand

We encounter 13 product groups out of a total of 26. In 2019, Peru's total imports of these products amounted to US\$220 million with imports from Switzerland of approximately US\$6.5 million with the data of the Swiss Customs and US\$7.3 million with COMTRADE Peru data. The discrepancy between both data sources is within an acceptable range. The size of the Peruvian imports is

illustrated with the blue bubbles (Peru's total Medtech imports from the world in 2019). It fluctuates between US\$1.2 million for reagents (HS 3006.20) and US\$95.7 million for instruments and appliances (HS 9018.90).

For four products, namely reagents (HS 3006.20), furniture for medical, surgical use (HS 9402.90), dental fittings (HS 9021.29) and articles worn or implanted in the body to compensate for a defect (HS 9021.90), Swiss products have a strong position; their performance is much higher than Peru's average imports¹⁰. Noteworthy to point that Peru's market is particularly large for instruments. Swiss products fare also well for electrocardiographs (HS 9018.11), various needles (HS 9018.39, HS 9018.32) and X-ray tubes (HS 9022.30).

Table 3. Medtech with strong Swiss response, 2010-2019

Product Code	Description	Market size 2019 (US\$ millions)	Growth rates of Peru's imports from Switzerland	Imports from Switzerland 2019 (US\$ thousands)
9018.90	Instruments and appliances used in medical, surgical or veterinary sciences	95.69	186%	2702.4
9018.39	Needles, catheters, cannula and the like, used in medical sciences	43.17	329%	705
9018.31	Syringes, with or without needles, used in medical sciences	15.72	177%	193.6
9018.50	Ophthalmic instruments and appliances, n.e.s.	15.02	70%	968.1
9021.90	Articles and appliances, which are worn or carried, or implanted in the body, to compensate for a defect or disability	10.37	1184%	1007.1
9402.90	Furniture; for medical, surgical, veterinary use and parts thereof	8.76	5942%	60.8
9021.39	Artificial parts of the body (excl. those of orthopedic or fracture, artificial teeth and dental fittings, dental fittings and artificial joints)	8.40	93%	117.4
9018.32	Tubular metal needles and needles for sutures, used in medical sciences	6.78	398%	61.6
9021.31	Artificial joints for orthopedic purposes	6.13	213%	124.6
9022.30	X-ray tubes	4.84	266%	44.7
9021.29	Dental fittings (excl. artificial teeth)	2.96	3303%	437.4
9018.11	Electro-cardiographs	1.32	406%	78.1
3006.20	Reagents for determining blood groups or blood factors	1.23	7136%	752.5
TOTAL / AVERAGE		220.4	264.3%*	7256.3

Note: (*) Weighted trade average growth of Peru's imports from Switzerland 2010-19

Source: Comtrade

Elaboration: Swiss Chamber of Commerce in Peru (CCSP)

4.1.2. Strong market with moderate Swiss response

The second quadrant comprises some products recording a lower growth rate than the Swiss average to the world and some products with a decline but where Peru's imports from the world are higher than average. This implies that Swiss exports do not fully exploit opportunities.

The second quadrant comprises some products recording a lower growth rate than the Swiss average to the world and some products with a decline but where Peru's imports

¹⁰ These products are not shown in figure 26 because their respective growth rates are so large (HS 3006.20: + 7136%; HS 9402.90: + 5942%; HS 9021.29: +3303%; HS 9021.90: +1184%) that they would not allow us to observe the results of the other products.

from the world are higher than average. This implies that Swiss exports do not fully exploit opportunities.

Switzerland is not taking full advantage of some of these products despite a growing import demand in Peru

It comprises 8 product categories. In 2019, Peru's total import market for these products amounted to US\$105 million with imports from Switzerland of approximately US\$6.3 million. The size of the Peruvian market or blue bubbles (total Medtech imports from Peru in 2019) fluctuates between US\$3 million for pacemakers (HS 9021.50) and US\$53.7 million for diagnostic or laboratory reagents (HS 3822). Noteworthy to point that the size of the Peruvian import market is particularly large for diagnostic reagents and orthopedic appliances.

Swiss products that have positive growth rates but not higher than the growth rate of Swiss exports to the world are dental cements and other dental fillings (HS 3006.40), diagnostic or laboratory reagents (HS 3822.00), orthopedic appliances (HS 9021.10) and hearing aids (HS 9021.40).

Four products, namely apparatus based on the use of X-rays (HS 9022.19), therapeutic respiration apparatus (HS 9019.20), pacemakers (HS 9021.50) and adhesive dressings (HS 3005.10) have a weak position; their performance (negative values) is much lower than Peru's average imports. Analyzing the reasons of the decline in Peru's imports from Switzerland for these products may provide clues on how to take advantage of a market in constant growth.

Results indicate that the performance of these products could be improved.

Table 4. Medtech with moderate Swiss response, 2010-2019

Product Code	Description	Market size 2019 (US\$ millions)	Growth rates of Peru's imports from Switzerland	imports** from Switzerland (US\$ thousands)
3822.00	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents, and certified reference materials	53.7	38%	354.6
9021.10	Orthopedic or fracture appliances	16.0	36%	3847.7
3005.10	Adhesive dressings and other articles having an adhesive layer for medical, surgical, dental or veterinary purposes	8.0	-13%	22.3
9022.19	Apparatus based on the use of X-rays (other than for medical, surgical, dental or veterinary uses)	7.5	-64%	191.9
9019.20	Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus	7.3	-54%	432.2
3006.40	Dental cements and other dental fillings; bone reconstruction cements	6.7	52%	549.6
9021.40	Hearing aids (excl. parts and accessories)	3.4	26%	452.4
9021.50	Pacemakers for stimulating heart muscles (excl. parts and accessories)	3.0	-47%	439.5
TOTAL / AVERAGE		105.6	2.5%*	6290.2

Note: (*) Weighted trade average growth of Peru's imports from Switzerland 2010-19

(**) Volume of Peru's imports from Switzerland in 2019

Source: Comtrade

Elaboration: Swiss Chamber of Commerce in Peru (CCSP)

4.1.3. Lower than average growth

The third quadrant comprises products recording a growth rate lower than the average Swiss growth to the world and lower than Peru's average imports from the world. This implies that Peru's import growth is not as dynamic as for other products.

This quadrant comprises only disinfectants (HS 3808.94) and artificial teeth (HS 9021.21) with total Peruvian imports (blue bubbles) of respectively US\$12.2 million and US\$1.1 million; imports from Switzerland amounted to US\$0.014 million. Imports of Swiss artificial teeth ranged between US\$81060 (2011) and US\$162914 (2013). Comtrade data provides a decline of 1% between 2010 and 2014 and then no more imports from Switzerland. On the other hand, according to Swiss trade statistics, Switzerland exported artificial teeth to Peru also in subsequent years (2018: SFR 192 864; 2019: SFR 171 594). The data difference may result from product classification divergence between Swiss and Peruvian customs. It may be pointed that the largest Swiss producer, Straumann, manufactures in Switzerland high-end products and in Brazil less expensive ones for the world market.

Trade in Medtech products faces a situation where both supply and demand are on a lower growth path

Referring to disinfectants, Switzerland has no comparative advantage in terms of price competitiveness and technology. Nevertheless, Peru's imports from Switzerland increased very significantly in 2020 to meet domestic health needs under the Covid crisis (See figure 23).

Table 5. Medtech Products with lower than average growth, 2010-2019

Product Code	Description	Market size 2019 (US\$ millions)	Growth rates of Peru's imports from Switzerland	Imports from Switzerland 2019 (US\$ thousands)
3808.94	Disinfectants and similar products, put up for retail sale or as preparations or articles	12.2	-87%	14
9021.21	Artificial teeth	1.1	-1%	-
TOTAL / AVERAGE		13.3	-87%*	14

Note: (*) Weighted trade average growth of Peru's imports from Switzerland 2010-19

Source: Comtrade

Elaboration: Swiss Chamber of Commerce in Peru (CCSP)

4.1.4. Good Swiss performance in a low growth market

The fourth quadrant comprises products recording a growth rate higher than the average Swiss growth to the world and where Peru's average imports from the world is lower than average. This implies that Swiss exports face a local market with a lower growth rate.

This quadrant comprises three products, namely electro-diagnostic apparatus (HS 9018.19)¹¹, instruments used in dental sciences (HS 9018.49) and X-ray generators (HS 9022.90). In 2019, Peru's total import market for these products amounted to \$32.6 million with imports from Switzerland of approximately US\$1.8 million.

In the face of lower import demand than average from Peru, Swiss exports are growing strongly

Noteworthy to point that the products of this group have a high technological level and reflect Swiss specialization and comparative advantage. The progressive increase of income per capita and living standards in Peru over the coming years should contribute to strengthen market opportunities for Swiss firms.

Table 6. Medtech products with good Swiss performance in a low growth market, 2010-2019

Product Code	Description	Market size 2019 (US\$ millions)	Growth rates of Peru's imports from Switzerland	Imports from Switzerland 2019 (US\$ thousands)
9018.19	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for checking physiological parameters	13.5	32202%	493.9
9018.49	Instruments and appliances used in dental sciences, n.e.s.	9.9	66%	1314.7
9022.90	X-ray generators other than X-ray tubes, high tension generators, control panels and desks, screens, examination tables, chairs.	9.2	228%	28.9
TOTAL / AVERAGE		32.6	129%*	1837.5

Note: (*) Weighted trade average growth of Peru's imports from Switzerland 2010-19

(**) Volume of Peru's imports from Switzerland in 2019

Source: Comtrade. Elaboration: Swiss Chamber of Commerce in Peru (CCSP)

¹¹ This product is not shown in figure 26 because its growth rates is so large (32202%) and it would not allow observing the data of the other products.

4.1.5. Additional business opportunities

Table 10 groups 15 Medtech products that Peru does not import from Switzerland.

It is important to note that Switzerland exported approximately only US\$133 million dollars¹² in these products to the world in 2019, a small volume compared to Swiss total Medtech exports of US\$13.1 billion.

The main destination was Europe. In the future, Peru could also eventually be considered by some Swiss firms producing the technologically most advanced products.

Switzerland, not present on the markets for these products, is not taking advantage of them. Consequently, Switzerland could consider entering these markets and benefit from growing demand in Peru

Table 7. New Business opportunities, 2010-2019

Product Code	Description	Market size 2019 (US\$ millions)
3401.11	Soap and organic surface-active products and preparations, impregnated or covered with soap or detergent, for toilet use, incl. medicated products	36.8
9018.12	Ultrasonic scanning apparatus	19.1
9020.00	Breathing appliances and gas masks	15.3
4015.11	Surgical gloves, of vulcanized rubber	15.1
3006.30	Opacifying preparations for X-ray examinations; diagnostic reagents designed to be administered to the patient	11.3
4014.10	Sheath contraceptives of vulcanized rubber	6.2
9022.13	Apparatus based on the use of X-rays for dental uses (exc. computer tomography apparatus)	2.8
7018.20	Glass microspheres not >1mm in diameter	2.5
9001.30	Contact lenses	2.2
9001.40	Spectacle lenses of glass optically worked	2.0
9018.20	Ultraviolet or infra-red ray apparatus used in medical sciences	1.5
3306.20	Yarn used to clean between the teeth "dental floss", in individual retail packages	0.8
9022.29	Apparatus based on the use of alpha, beta or gamma radiations (other than for medical, surgical, dental or veterinary uses)	0.6
9022.21	Apparatus based on the use of alpha, beta or gamma radiations, for medical, surgical, dental or veterinary uses	0.6
9018.14	Scintigraphic apparatus	0.5
TOTAL		117.3

Source: Comtrade
Elaboration: Swiss Chamber of Commerce in Peru (CCSP)

¹² Swissimpex data

4.2. Challenges to do business in Peru



Peru offers a framework for trade and investment characterized by administrative procedures often somewhat complex. According to the World Bank's 2020 "Doing Business" report¹³ Peru is ranked 76th overall. Economic actors face significant challenges in doing business in Peru.

- Starting a business is a bureaucratic process (133th rank). It takes around 24 days and eight procedures to set up a business. The heaviest procedures are the deed of incorporation before a notary public and file it online with the Public Registry (SUNARP), which takes 8 days, and obtaining a technical inspection of building safety (ITSE) and the operating license (15 days). If the shareholders are from abroad, the incorporation process usually takes much more time.
- Doing Business report ranks Peru 121st for paying taxes. It involves eight payments per year and 260 hours. Profit (22.7%) and labour (11%) taxes are the main ones, with corporate tax at 29.5%. VAT (Value added tax) is added to most goods for sale, particularly imported items. The rate is 18%; imported goods may then turn out to be quite expensive.
- Trading across borders is a slow and expensive process (102th rank). The time required for border compliance is 72 hours with a cost of US\$700 and 48 hours with a cost of 80 dollars for documentary compliance.

“Having a sanitary registration for a product does not yet mean that you are going to sell. There is a specific registration process if you want to sell to the State, there is a process for EsSalud and MINSA, and there is another one for the Armed Forces. There are several barriers to overcome. The whole process is not quick, it may take 3, hopefully 2 and a half or 2 years”
Lima Chamber of Commerce Health Association

Macroeconomic soundness is one of Peru's strength with a rigorous monetary and fiscal policy over many years. This has contributed to achieving one of the highest growth rates in Latin America during the past decade. However, the current political situation, characterized, among other things, by constant changes of ministers, has generated uncertainty for business. This political landscape embodies risks that may discourage investment and business, slowing down the growth of the economy.

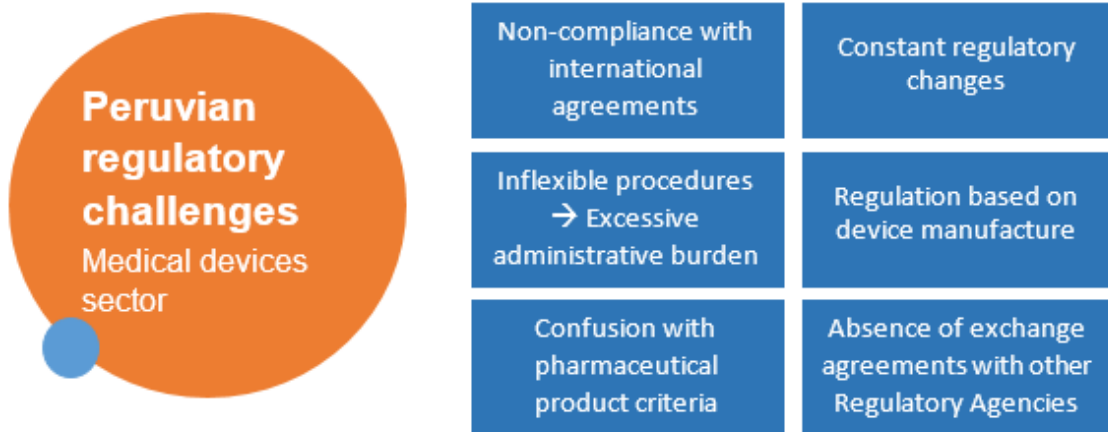
In Peru, corruption is a very big issue. The most famous case involves a large Brazilian construction company, which admitted paying bribes in various countries in Latin America, including Peru. Peruvian legislation recognizes the corporate criminal liability applicable to bribes, so companies need to maintain open, honest and compliant business practices which are fully transparent with the law.

¹³ Doing Business 2020 is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 190 economies. Available on line: <https://espanol.doingbusiness.org/content/dam/doingBusiness/country/p/peru/PER.pdf>

Foreign firms are being forced to forego important business opportunities because they refuse to make illicit payments to officials of public institutions

Regulation also raises significant issues for exporters of medical devices as illustrated in Figure 27. According to Mrs Cindy Vásquez Vargas from South LATAM- Medtronic¹⁴, the challenges faced by Peruvian regulation in the medical device sector have to do with non-compliance with international agreements; the inflexibility of procedures is also a limitation, as well as a high administrative burden, which can lead to delays in the import process. The constant regulatory changes generate an unpredictable market; for example, supreme decree No. 016-2011-SA- Regulation was modified at least 11 times between 2012 and 2020. Finally, the absence of agreements with other regulatory agencies limits the exchange of information and collaboration, especially with the United States and the European Union.

Figure 25. Challenges of Peruvian regulation



* Resources, training and institutional framework
 Source: Regulatory Quality in Peru, Progress and Future Agenda (2021)

¹⁴ Available on line: www.interamericancoalition-medtech.org/regulatory-convergence/wp-content/uploads/sites/4/2021/09/Desafios-y-oportunidades-de-la-Convergencia-Regulatoria-en-el-Peru-Cindy-Vasquez.pdf

5. CONCLUSIONS / CALL-FOR-ACTION

1. Switzerland hosts a strong export-oriented Medtech industry. For the coming years, Peru will offer a rapidly growing market with only 5% of medical devices produced locally.
2. Swiss firms have a good presence in Peru for hearing aids and orthopedics.
3. In other areas – surgical instruments and techniques, radiology imaging, ophthalmology, in-vitro diagnostics, dental products, disinfectants and sterilization- the market shares of Swiss firms remain very low.
4. Looking at business opportunities, it is very encouraging to note that Swiss products are represented in high growth areas with in particular appliances for surgery, implants, ophthalmic instruments, reagents to determine bold groups and dental fittings. Market penetration could however be increased.
5. There is still much potential to be tackled for apparatus based on X-ray, ozone therapy and pace makers.
6. Swiss firms could continue to increase import penetration in lower growth market segments where they have gained market shares, namely instruments used in dental sciences and electro-diagnostic apparatus.
7. There is also a fairly large field of products with no Swiss presence. In 2019, Switzerland exported more than US\$120 million in these products to the world, mainly to Europe. Peru could also be envisaged in the future.
8. Regulatory requirements, logistics and distribution are key elements to enter successfully the Peruvian market. It is important to select well the product to be introduced in Peru, to be able to register it according to Peru's legal conditions, to have a strategic commercial partner to present the properties and advantages of the product to the clinics and hospitals, and who knows the different procedures of each institution.
9. A product, just by the fact that it is from Switzerland, is already an endorsement since Swiss products are accurate and precise.
10. Finally, if a Swiss company wants to export Medtech products to Peru it needs to establish its own drugstore to register the product, or hire a representative which must be a drugstore with a warehouse registered.

Call-for-action

The Swiss Chamber of Commerce in Peru, with 69 years of professional experience and with 150 partners in different business sectors, is an excellent ally in entering the Peruvian market.

With the elaboration of this report, the Chamber of Commerce has developed an exclusive expertise in the Medtech field for the benefit of Swiss companies.

Hospitals, medical doctors, dentists and patients need the best technology.

Swiss firms have a strong reputation and a lot to offer. They should rapidly increase their presence or establish it in Peru, a market for the future!

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6. ANNEXES

Annex 1. Medtech categories and products at 6-digit HS level

Category	Product (HS)	Description of the Harmonized System (HS)
Dental medicine	3006.40	Dental cements and other dental fillings; bone reconstruction cements
Dental medicine	3306.20	Yarn used to clean between the teeth "dental floss", in individual retail packages
Dental medicine	9018.41	Dental drill engines, whether or not combined on a single base with other dental equipment
Dental medicine	9018.49	Instruments and appliances used in dental sciences, n.e.s.
Dental medicine	9021.21	Artificial teeth
Dental medicine	9021.29	Dental fittings (excl. artificial teeth)
Disinfectants and sterilization	3808.94	Disinfectants and similar products, put up for retail sale or as preparations or articles (excl. goods containing one or more substances specified on subheading note 1 from chapter 38)
Disinfectants and sterilization	8419.20	Medical, surgical or laboratory sterilizers
Hearing aids	9021.40	Hearing aids (excl. parts and accessories)
In-vitro diagnostics	3006.20	Reagents for determining blood groups or blood factors
In-vitro diagnostics	3822.00	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents whether or not on a backing, and certified reference materials (excl. compound diagnostic reagents designed to be administered to the patient, blood-grouping and blood factors reagents, animal blood for diagnostic purposes and vaccines, toxins, cultures of microorganisms and similar products)
Ophthalmology	7015.10	Glasses for corrective spectacles, curved, bent, hollowed or the like, but not optically worked (excl. flat glass for such purposes)
Ophthalmology	9001.30	Contact lenses
Ophthalmology	9001.40	Spectacle lenses of glass optically worked
Ophthalmology	9001.50	Spectacle lenses of materials other than glass
Ophthalmology	9004.90	Spectacles, goggles and the like, corrective, protective or other (excl. spectacles for testing eyesight, sunglasses, contact lenses, spectacle lenses and frames and mountings for spectacles)
Ophthalmology	9018.50	Ophthalmic instruments and appliances, n.e.s.
Orthopedic	9021.10	Orthopedic or fracture appliances
Orthopedic	9021.31	Artificial joints for orthopedic purposes
Radiology imaging	3006.30	Opacifying preparations for X-ray examinations; diagnostic reagents designed to be administered to the patient
Radiology imaging	9018.11	Electro-cardiographs
Radiology imaging	9018.12	Ultrasonic scanning apparatus
Radiology imaging	9018.13	Magnetic resonance imaging apparatus
Radiology imaging	9018.14	Scintigraphic apparatus
Radiology imaging	9018.19	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for checking physiological parameters (excl. electrocardiographs, ultrasonic scanning apparatus, magnetic resonance imaging apparatus and scintigraphic apparatus)
Radiology imaging	9018.20	Ultraviolet or infra-red ray apparatus used in medical sciences
Radiology imaging	9022.12	Computer tomography apparatus
Radiology imaging	9022.13	Apparatus based on the use of X-rays for dental uses (exc. computer tomography apparatus)
Radiology imaging	9022.14	Apparatus based on the use of X-rays, for medical, surgical or veterinary uses (excl. for dental purposes and computer tomography apparatus)

Radiology imaging	9022.19	Apparatus based on the use of X-rays (other than for medical, surgical, dental or veterinary uses)
Radiology imaging	9022.21	Apparatus based on the use of alpha, beta or gamma radiations, for medical, surgical, dental or veterinary uses
Radiology imaging	9022.29	Apparatus based on the use of alpha, beta or gamma radiations (other than for medical, surgical, dental or veterinary uses)
Radiology imaging	9022.30	X-ray tubes
Radiology imaging	9022.90	X-ray generators other than X-ray tubes, high tension generators, control panels and desks, screens, examination or treatment tables, chairs and the like, and general parts and accessories for apparatus of heading 9022, n.e.s.
Surgical instruments and techniques	3005.10	Adhesive dressings and other articles having an adhesive layer, impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes
Surgical instruments and techniques	3005.90	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes (excl. adhesive dressings and other articles having an adhesive layer)
Surgical instruments and techniques	4015.11	Surgical gloves, of vulcanised rubber
Surgical instruments and techniques	9018.31	Syringes, with or without needles, used in medical sciences
Surgical instruments and techniques	9018.32	Tubular metal needles and needles for sutures, used in medical sciences
Surgical instruments and techniques	9018.39	Needles, catheters, cannulae and the like, used in medical sciences (excl. syringes, tubular metal needles and needles for sutures)
Surgical instruments and techniques	9018.90	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.
Surgical instruments and techniques	9019.10	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus
Surgical instruments and techniques	9019.20	Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus
Surgical instruments and techniques	9021.50	Pacemakers for stimulating heart muscles (excl. parts and accessories)
Several categories (*)	3006.10	Sterile surgical catgut, similar sterile suture materials, incl. sterile absorbable surgical or dental yarns, and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental adhesion barriers, whether or not absorbable
Several categories (*)	9021.39	Artificial parts of the body (excl. those of orthopaedic or fracture, artificial teeth and dental fittings, dental fittings and artificial joints)
Several categories (*)	9021.90	Articles and appliances, which are worn or carried, or implanted in the body, to compensate for a defect or disability, and parts and accessories of articles and appliances of heading 9021 (excl. artificial parts of the body, complete hearing aids and complete pacemakers for stimulating heart muscles)
No category (**)	3006.50	First-aid boxes and kits
No category (**)	3401.11	Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, and paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent, for toilet use, incl. medicated products
No category (**)	4014.10	Sheath contraceptives of vulcanised rubber
No category (**)	4014.90	Hygienic/pharmaceutical articles, incl. teats, of vulcanised rubber other than hard rubber, with/without fittings of hard rubber (excl. sheath contraceptives)
No category (**)	7018.10	Glass; beads, imitation pearls, imitation precious or semi-precious stones and similar glass smallwares
No category (**)	7018.20	Glass microspheres not >1mm in diameter
No category (**)	7018.90	Articles of glass beads, imitation pearls, imitation precious/semi-precious stones; glass eyes other than prosthetic articles; statuettes & other ornaments of lamp-worked glass, other than imitation jewellery;
No category (**)	9003.11	Frames and mountings; for spectacles, goggles or the like, of plastics
No category (**)	9003.19	Frames and mountings; for spectacles, goggles or the like, of materials other than plastics

No category (**)	9003.90	Frames and mountings; parts for spectacles, goggles or the like
No category (**)	9020.00	Breathing appliances and gas masks (excl. protective masks having neither mechanical parts nor replaceable filters, and artificial respiration or other therapeutic respiration apparatus)
Several categories (*)	9402.10	Chairs; dentists', barbers' or similar chairs having rotating as well as both reclining and elevating movements, and parts thereof
Several categories (*)	9402.90	Furniture; for medical, surgical, veterinary use (e.g. operating tables, examination tables, hospital beds with mechanical fittings) and parts thereof

Source: Swiss Customs Administration, Bern, Switzerland, Swisimpex.

(*) Product which belongs to more than one of the 8 categories and was not included in the analysis.

(**) Product that does not belong to the 8 categories and was not included in the analysis.

Annex 2. Swiss exports of Medtech products to Peru by category, 2017-2019

Category	Product at 6-digit HS level	2017-2019* US\$
Orthopedic	Orthopedic or fracture appliances (HS 9021.10)	8,193,970
Surgical	Medical, surgical or dental instruments and appliances (HS 9018.90)	4,044,735
Ophthalmology	Ophthalmic instruments and appliances (HS 9018.50)	2,617,998
Dental medicine	Instruments and appliances used in dental sciences (HS 9018.49)	1,918,859
Surgical	Catheters, cannulae and the like (HS 9018.39)	1,068,591
Surgical	Ozone, oxygen or aerosol therapy, artificial respiration or other therapeutic respiration apparatus (HS 9019.20)	1,028,395
Dental medicine	Dental cements, fillings and bone reconstruction cements (HS 3006.40)	946,211
In-vitro diagnosis	Reagents for determining blood groups or blood factors (HS 3006.20).	829,030
Hearing aids	Hearing aids (HS 9021.40)	665,214
Surgical	Mechano-therapy appliances; massage apparatus and psychological aptitude-testing apparatus (HS 9019.10)	597,747
Radiology imaging	X-ray generators other than X-ray tubes, high tension generators, control panels and desks, screens, exam Electro-diagnostic apparatus (HS 9018.19)	582,862
Dental medicine	Dental fittings (HS 9021.29)	437,350
Orthopedic	Artificial parts of the body (HS 9021.31)	346,072
Surgical	Syringes, with or without needles (HS 9018.31)	329,036
Radiology imaging	Apparatus based on the use of X-rays (HS 9022.19)	300,943
Surgical	Tubular metal needles and needles for sutures (HS 9018.32)	102,205
Radiology imaging	Ination or treatment tables, chairs and the like (HS 9022.90)	90,665
Radiology imaging	X-ray tubes (HS 9022.30)	89,223
Radiology imaging	Electro-cardiographs (HS 9018.11)	78,142
Disinfectants	Disinfectants and similar products (HS 3808.94)	71,776
Surgical	Adhesive dressings and other articles having an adhesive layer (HS 3005.10)	48,199
Surgical	Wadding, gauze, bandages and similar articles (HS 3005.90)	126
Ophthalmology	Spectacles, goggles and the like, corrective, protective or other (HS 9004.90)	92

Note: * for each 6-digit position, the figure is the highest during the 2017-19 period.

Source: Swiss Customs Administration, Bern, Switzerland, Swiss Impex.
Elaboration by CCSP.