Introduction

The Brazilian Trade and Investment Promotion Agency (Apex-Brasil) supports international investors as they analyze the opportunities to establish a plant in Brazil, start a partnership with a Brazilian company, or commit capital in Brazil through funds and companies. Our goal is to satisfy investors needs and generate results as we attract technology, innovation, new companies and generate jobs in Brazil.
The Agency’s service portfolio ranges from preparing market data intelligence to connecting investors to high-level authorities offering solutions mainly (although not exclusively) for the following industries:

- Agribusiness
- Automotive
- Aerospace
- Renewable Energy
- Health & Life Sciences
- Infrastructure
- Oil & Gas
- Private Equity & Venture Capital

We are part of the Brazilian Ministry of Foreign Affairs, through which we count with 120+ offices in the world, and we work in close collaboration with other Ministries, regulatory Agencies, class entities, and so on.
Apex-Brasil is **ready to assist in all steps** of the investor’s decision-making process by:

- Offering personalized consulting
- Sharing general information on tax, legal and regulatory matters
- Providing tailored market and industry information
- Providing deal flow of funds and companies
- Fostering partnerships between Brazilian and foreign companies
- Softlanding tech companies
- Networking to public and private institutions at federal and state levels
- Supporting projects in site location
Why Brazil

Leading Regional Economy:
Brazil ranks among the **top 10 economies** in the world and it’s the largest one in Latin America, with a GDP of USD 1.8 trillion in 2019.

- **USD 1 trillion INWARD FDI FLOWS TOTALLED**
- **USD 8,959.02 PER CAPITA GDP**
- **Global Destination for Investment**

A **population of over 210 million** and a strong and steady **domestic demand** for services, goods and agricultural products (Household consumption of 64% of GDP - 2018). Per capita GDP of USD 8,959.02 in 2018, **above major emerging players** such as India and South Africa.
Brazil’s economy relies on a **wide range of economic sectors** – that includes Latin America’s largest **aerospace**, **automotive**, **oil** and **gas**, **mining**, **capital goods**, **medical equipment**, **chemical** and **technology industries**.

**Large Pool of Workers**
With an active working age population (15-64 years old) of around 69% in 2018, above world average, Brazil’s domestic market offers good opportunities for companies seeking to hire locally.

**Energy Powerhouse**
10th largest oil producer in the world and the largest in Latin America. One of the top producers and exporters of ethanol biofuel in the world. Renewable sources are responsible for over 80% of the Brazil’s electricity generation.

**Extensive Raw Materials**
Brazil’s is one of the biggest producers and exporters of agricultural and mining products (especially iron ore) in the world. The country is also estimated to hold the world’s largest freshwater reserves.
Global Player

Brazil has been an active and engaged global player, coordinating trade, policies and human rights advocacy, earning the respect of its peers in the process. With a large economy, sound political and judicial systems and active engagement in foreign affairs, Brazil plays an important role in the international community.

Gateway to Latin America

Brazil has free trade agreements with the largest markets in Latin America and signed Investment Facilitation Agreements with several other countries. Brazil is a founding member of the Southern Common Market (Mercosur), which has recently signed a big FTA agreement with the European Union.
Health and Life Sciences

Brazil has a great potential for those looking to diversify investments in Life Sciences, with a market that offers both scale and robust growth rates over the medium and long-term. The fundamentals that drive the market in the Life Sciences industry include the size of Brazil’s population and consumer market, growing healthcare expenditures in both public and private services, and the gradual shift to an older population.

Health expenditure in Brazil is estimated at USD 237 billion in 2018. In 2028, Brazil is expected to remain amid the top 10 markets, with estimated expenditures of USD 333.1 billion.
Brazil is one of the world’s largest economies

6th largest population in the world – over 220 million people

1/3 of its population under the age of 20

Average life expectancy is 76 years old

By 2060, people over 65 years old will account for 25.5% of the population
Brazil has both **public and private healthcare systems**. The universal public system, known as **SUS (Sistema Único de Saúde)**, accounts for almost half of total healthcare spending and **treats 75%** of the population.

Brazil is one of the few countries with a population of more than 100 million people that provides **universal and free healthcare**, and the challenges of operating a universal healthcare system in the world’s sixth-largest country by population are immense.
Brazil also has the **third largest private health market in the world**, with expenditures of USD 102 billion, representing 55.6% of the total spent on health in the country.

The **market revenue for pharmaceutical companies grew 8% in 2018**, to a total of BRL 103.4 billion (USD 28.3 billion), with some 60% of this coming from retail. Brazil is also a leading market for the production and consumption of generic drugs, which have price discounts of up to 65% compared to brand name drugs in the country.
Huge market demand:
- Increase of the income
- Aging of the population
- Surge in incidences of chronic diseases

Regulatory improvement:
- Law 8080 was amended and now enables the participation of foreign capital in Brazilian companies that operate hospitals, clinics and laboratories

Big governmental purchase:
- Strategic medications listed as essentials for the SUS, the Brazilian Public Health System
Healthcare in Brazil

**TOTAL EXPENDITURE ON HEALTH**

(9.1% OF GDP)
USD 172.16 bi

**PUBLIC HEALTH (41.3%)**
USD 71.15 bi

- Federal (32.6%)
  - USD 23.19 bi

- State (29.1%)
  - USD 20.68 bi

- Municipal (38.3%)
  - USD 27.27 bi

**PRIVATE HEALTH (58.7%)**
USD 100.9 bi

- Supplementary Healthcare (48.6%)
  - USD 49.12 bi

- Out-of-pocket expenditures (51.4%)
  - USD 51.91 bi

9.1% of GDP
10% of qualified workforce
35% of R&D expenditure
Health Sector Overview

- **6,712 Hospitals** (35.7% private and 64.3% public)
- **291,077 Dentists (SUS)** (10% of the world total)
- **75.2 y Life Expectancy**
- **4,86 USD Bn Medical Devices Market**
- **417,496 Physicians (SUS)**
- **24.5% Private Health Insurance Penetration Rates**
- **207 Mn Population** (5th largest in the world)
- **437,949 Hospital Beds**
- **155.3 USD Bn Health Expenditure** (8.6% of GDP)
- **4.86 USD Bn Medical Devices Market**
NEW TECHNOLOGIES ADOPTION
• New Technologies represent 38 to 62% of increases in health care costs in the world;
• 27 new pharmaceuticals and Technologies were added to the SUS health system;
• These additions will increase health costs between USD 0.67 - 1.29 bi in the next 5 years.
Source: United States Congress, CONITEC

INCREASE OF CHRONIC DISEASES
• Chronic non-communicable diseases (NCD) are the main cause of the death in Brazil (+70%);
• In one decade there were increases of 62% in diabetes, 19% in obesity and 14% in hypertension;
• Expenditures with most common chronic NCD at SUS grew above the average (5,1%vs. 4.7%) between 2012-2017
Source: SUS, Min. Health
Health Sector Overview

AGING POPULATION
• +11,6 million seniors until 2030;
• +2,3 life expectancy increase until 2030;
• Health beneficiaries over 80 years spend 6x more than beneficiaries with 40 years of age.
Source: IBGE, IESS

AVERAGE INCOME GROWTH
• Countries with high income spent 10x more per capita in health than countries with medium-high income in 2014;
• Expenditures per capita with health grew 69% in Brazil between 2010 and 2015;
• Brazilian GDP may have real growth of 40% until 2030, increasing health sector expenditures.
Source: Banco Mundial, IBGE, OCDE

PATIENTS AS CONSUMERS OF SERVICES
• 84% of patients prefer digital interactions with their health plan providers;
• +15,8 million beneficiaries in supplemental health between the ages of 20-59 years until 2030;
• SUS implemented initiatives to digitalize medical records at Basic Health Units (UBS).
Source: Accenture, IESS, Min. Saúde
### Structure of Classification of Health Market by IBGE

#### Sector
- **Health**
  - **USD 171,03 bi**

#### Subsectors
- **Pharmaceutical Industry**
  - **USD 26,91 bi**
- **Health Products Industry**
  - **USD 6,91 bi**
- **Health Services**
  - **USD 137,20 bi**

#### Segments
- **Drugs**
  - **USD 2,37 bi**
- **Medicines**
  - **USD 24,54 bi**
- **Pharmaceutical Preparations**
  - **USD 0,30 bi**
- **Devices and instruments for medical and dentistry uses**
  - **USD 2,83 bi**
- **Other devices for medical, dentistry, and optical uses**
  - **USD 3,78 bi**
- **Public Health**
  - **USD 56,54 bi**
- **Private Health**
  - **USD 80,66 bi**

*Pharmaceutical Preparations: kits for diagnostics, curatives, gauze or medicines without specialty character*
Brazil's position in the global pharmaceutical market is expected to rise considerably in the coming years.

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Obs: Change in Ranking over Prior Five Years.
Pharmaceuticals accounted for **USD 22,61 billions** (2016) and are expected to grow 7,9% p.a. in the coming years.

**Pharmaceuticals in Brazil**

Pharmaceuticals accounted for **USD 22,61 billions** (2016) and are expected to grow 7,9% p.a. in the coming years.

**Pharmaceutical Market in Brazil, USD billion**

- **17,37** (2013)
- **19,64** (2014)
- **21,11** (2015)
- **22,61** (2016)
- **23,81** (2017E)
- **25,34** (2018E)
- **27,43** (2019E)
- **30,00** (2020E)
- **33,05** (2021E)

**2nd largest**

Among emerging countries, behind China

**1st largest**

In Latin America

- **43,3%**
- **14,6%**
- **9,9%**

partic. Brand Drugs (2016)

Average growth in OTC (2013-16)


**91.208**

Jobs in the industry (2016)¹

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¹ Fonte: Business Monitor International
Health Products accounted for **USD 4,57 billion** in (2016) and are expected to grow 5,8% p.a. in the coming years.

3rd largest
Among emerging countries, behind China and Mexico

2nd largest
In Latin America

- **27,2%** partic. consumable medical supplies (2016)
- **8,2%** Average growth in Patient care (2013-16)
- **6,4%** Estimated growth of Consumable medical supplies (2017-21)
- **44.131** Jobs in the industry (2016)

**Health Products Market in Brazil, USD billion**

- **2013**: 3,87
- **2014**: 4,33
- **2015**: 4,88
- **2016**: 4,57
- **2017E**: 4,66
- **2018E**: 4,88
- **2019E**: 5,25
- **2020E**: 5,61
- **2021E**: 6,04

Fonte: Business Monitor International
Health Sector in Brazil – Government Stakeholders

MINISTRY OF HEALTH
Responsible for the execution of health policy

ANVISA
National Health Surveillance Agency
Independent; Power to regulate and control

SCTIE
Secretariat of Science, Technology and Strategic Materials

SAS
Secretariat of Healthcare Assistance

ANS
National Agency of Supplemental Healthcare
Regulates the private sector - HMOs (Health Medical Organizations)

CONITEC
National Commission for implementing new technologies at SUS
Health Sector in Brazil - Regulatory Agencies

**ANVISA** (National Health Surveillance Agency) is the regulatory body responsible for product registration, operating licences and import and export approvals. Modelled on the US FDA, ANVISA is attached to the Health Ministry, but operates with administrative and financial autonomy.

The **National Agency of Supplementary Health** (ANS) regulates the registration of private health insurance plan operators, as well as the basic contents and conditions for price readjustment of health insurance plans.
Health Sector in Brazil - Regulatory Agencies

The **Institute of Metrology, Standardisation and Industrial Quality** (INMETRO) is responsible for promoting consumer confidence in the quality of products and services marketed in Brazil. Some medical products (especially electrical medical devices) are subject to compulsory INMETRO certification.
Apex-Brasil has been assisting health foreign investors since 2017. We work in close cooperation with relevant public and private stakeholders in order to help you achieve the best results for your investment plan. **Talk to us** and see how we can help your investment plans in this sector.