



INVEST
IN BRASIL



HEALTH.....



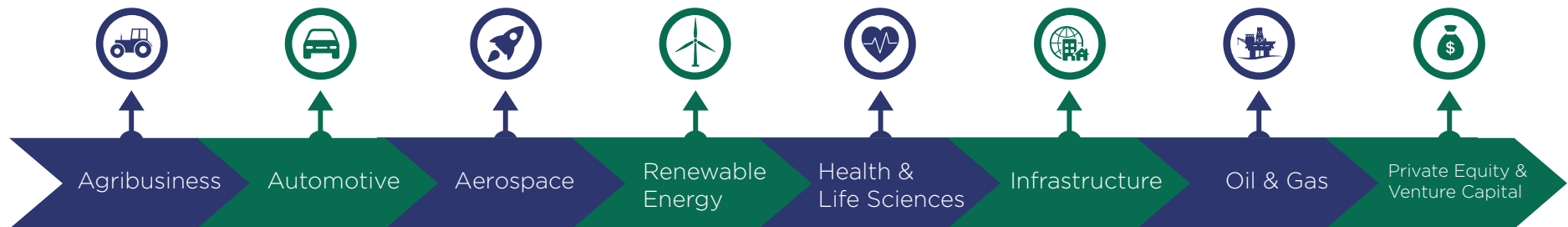
ApexBrasil

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:



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:



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



Global Destination for Investment
6th global recipient of FDI inflows in 2019.
Inward FDI flows totalled over USD 1 trillion
from 2010 to 2019.



USD 8,959.02 PER CAPITA GDP

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.

Diversified Economy: We Have It All

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.



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.



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.





Global Player

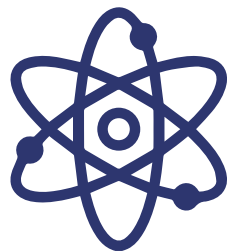
Brazil has been an active and engaged global player, **coordinating trade, policies and human rights advocacy**, earning the respect of its peers in the process. With a large economy, **sound political and judicial systems and active engagement in foreign affairs**, Brazil plays an important role in 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 of life expectancy is **76 years** olds



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.

Sector Highlights



Huge market demand:

- Increase of the income
- Aging of the population
- Surge in incidences of chronicle diseases



Regulatory improvement:

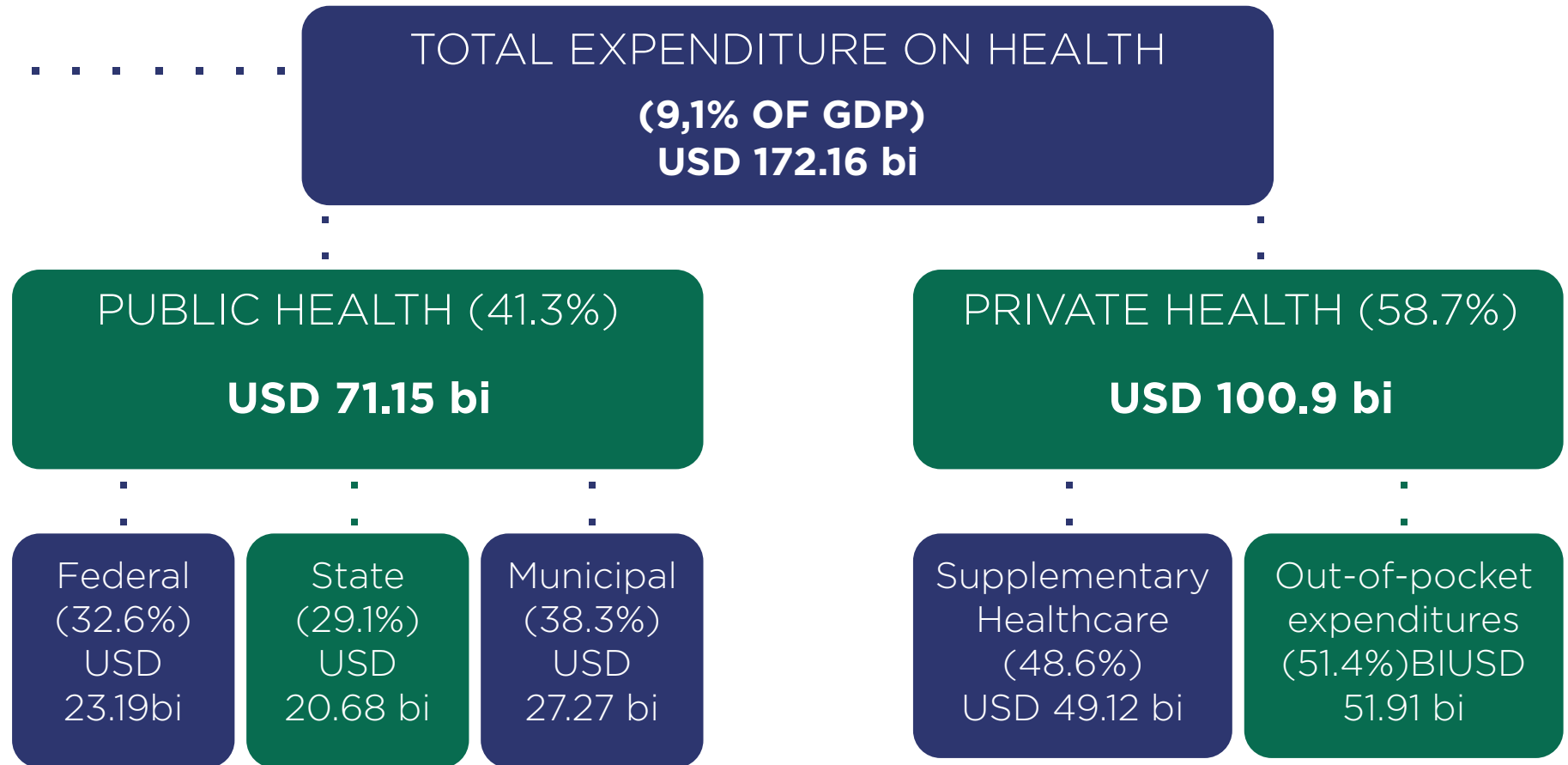
- Law 8080 was amended and now enables the participation of foreign capital in Brazilian companies that operate hospitals, clinics and laboratories



Big governmental purchase:

- Strategic medicaments listed as essentials for the SUS, the Brazilian Public Health System

Healthcare in Brazil

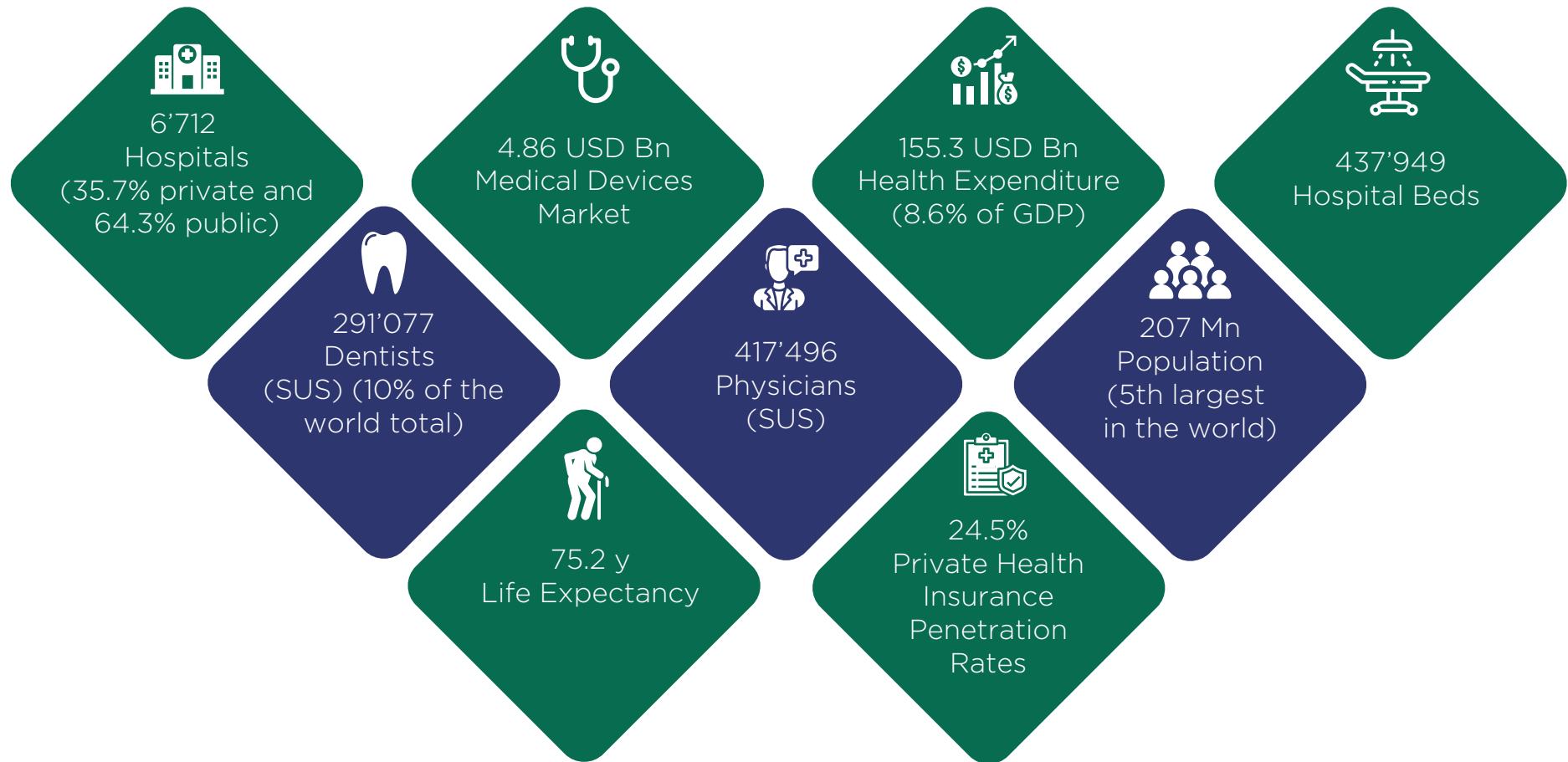


9.1% of GDP

10% of qualified workforce

35% of R&D expenditure

Health Sector Overview



Health Sector Overview

Trends that should boost health spending in Brazil in the coming year



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

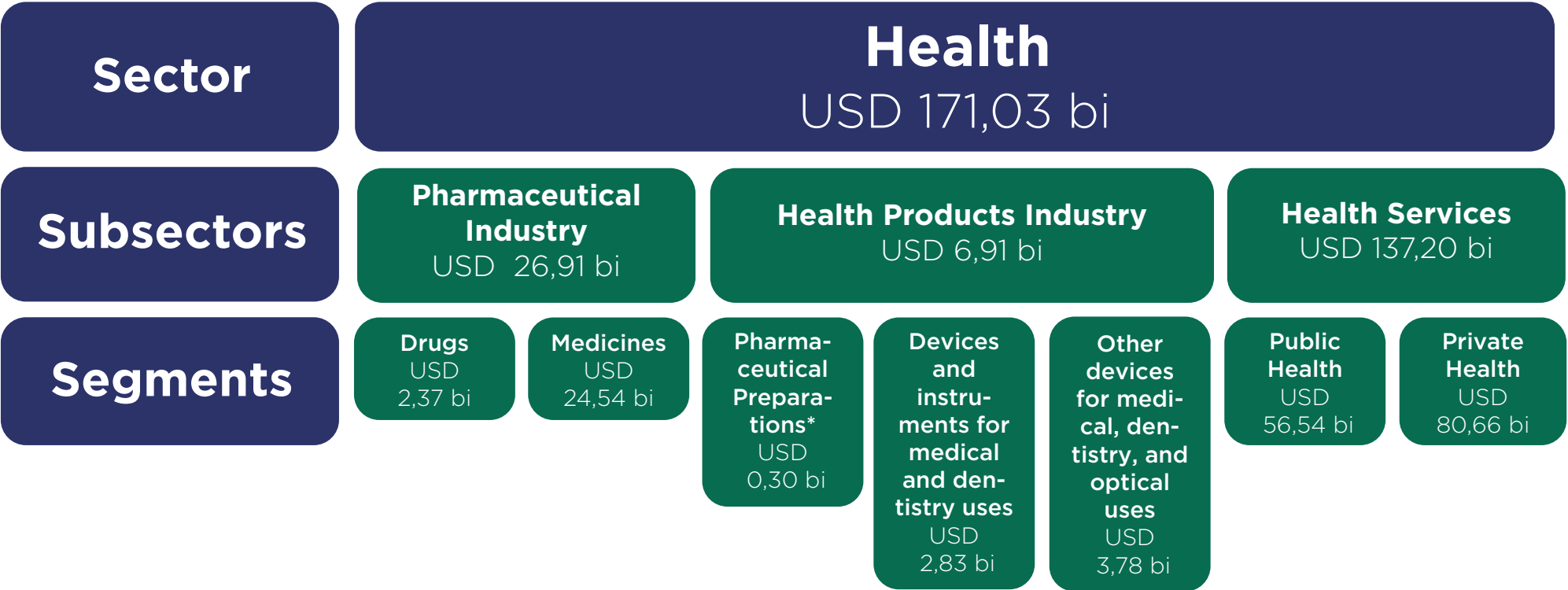


PATIENTS AS CONSUMERS OF SERVICES

- **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



*Pharmaceutical Preparations: kits for diagnostics, curatives, gauze or medicines without specialty character

Global pharmaceutical market

2013			2018			2023		
Rk	Country	% of US	Rk	Country	% of US	Rk	Country	% of US
1	United States	100	1	United States	100	1	United States	100
2	1 China	28	2	China	28	2	China	27
3	1 Japan	24	3	Japan	18	3	Japan	12
4	1 Germany	12	4	Germany	11	4	Germany	10
5	1 France	10	5	France	7	5	2 BRAZIL	7
6	Italy	7	6	Italy	7	6	Italy	6
7	1 UK	6	7	1 BRAZIL	6	7	2 France	6
8	3 BRAZIL	5	8	1 UK	6	8	UK	5
9	2 Spain	5	9	Spain	5	9	2 India	5
10	1 Canada	5	10	Canada	5	10	1 Spain	4
11	3 India	3	11	India	4	11	1 Canada	4
12	2 South Korea	3	12	South Korea	3	12	1 Russia	4
13	1 Australia	3	13	1 Russia	3	13	1 South Korea	3
14	5 Russia	3	14	1 Australia	3	14	3 Turkey	3
15	2 Mexico	2	15	Mexico	2	15	4 Argentina	2
16	2 Saudi Arabia	2	16	1 Poland	2	16	2 Australia	2
17	1 Poland	2	17	9 Turkey	2	17	2 Mexico	2
18	1 Belgium	2	18	2 Saudi Arabia	2	18	2 Poland	2
19	3 Netherlands	2	19	2 Argentina	1	19	1 Saudi Arabia	2
20	Switzerland	1	20	2 Belgium	1	20	6 Vietnam	1

Brazil's position in the global pharmaceutical market is expected to rise considerably in the coming years

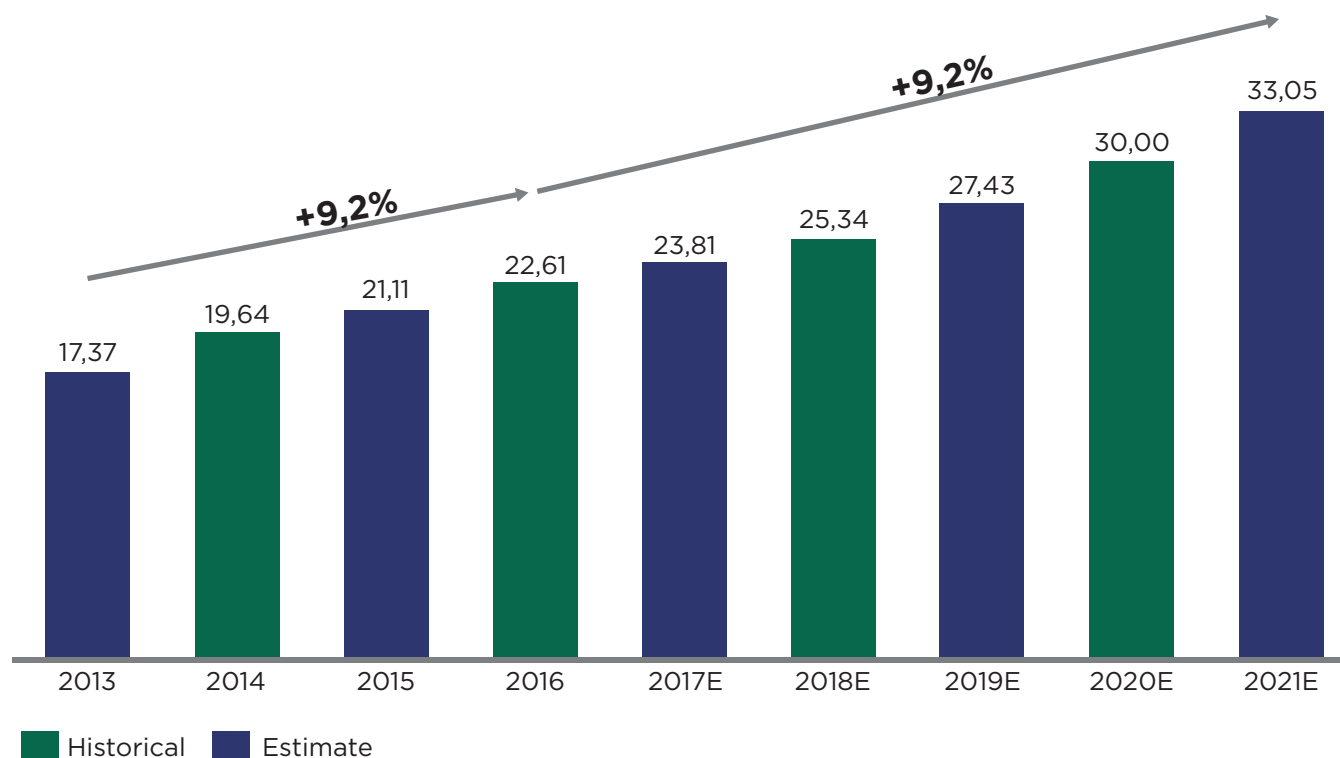


Source: IQVIA, The Global Use of Medicine in 2019 and Outlook to 2023, JANUARY 2019. Obs: Change in Ranking over Prior Five Years.

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



Fonte: Business Monitor International

2nd largest
Among emerging countries,
behind China

1st largest
In Latin America

43,3%
partic. Brand Drugs
(2016)

14,6%
Average growth in OTC
(2013-16)

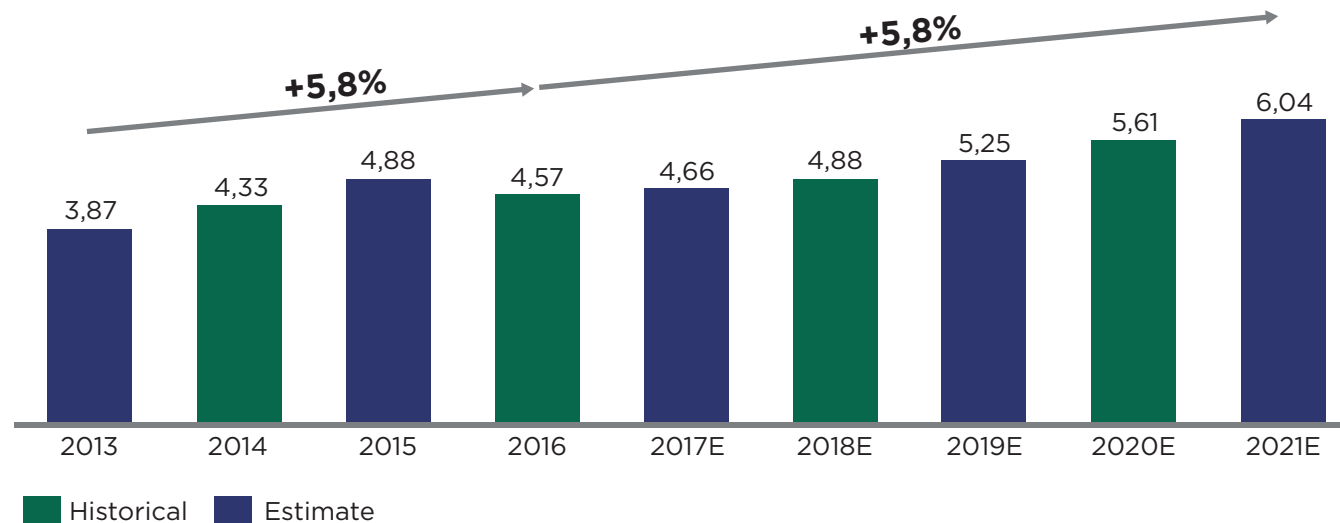
9,9%
Estimated growth of Med.
Brand (2016-21)

91.208
Jobs in the industry
(2016)¹

Health products

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

Health Products Market in Brazil, USD billion



Fonte: Business Monitor International

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)¹

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.



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Contacts

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.



MINISTRY OF
FOREIGN AFFAIRS

