

# Market Overview: Colombia

Total  
expenditure  
on health as  
% of GDP  
(2009):  
6.4

Capital  
City:  
Bogota

Population  
Growth  
Rate:  
1.43%

Country  
comparison  
to the world:  
53

GDP -  
per capita  
(PPP):  
\$10,100  
(2011 est.)

Total  
expenditure  
on health  
per capita  
(Intl \$, 2009):  
569

Figures

Average Life  
Expectancy:  
72.2

GDP -  
real growth  
rate:  
5.7%  
(2011 est.)

Total  
population:  
45,660,000

GDP (official  
exchange rate):  
\$321.5 billion  
(2011 est.)

Branch of a coffee tree with ripe  
*hvoja* / shutterstock





“Palenquera” woman sells fruit on May 12, 2010 in Cartagena, Colombia. Palenqueras are a unique african descendant ethnic group found in the north of South America.

XuRa / Shutterstock.com

## Economy

For over 40 years, Colombia has endured a domestic conflict between the government and armed guerrilla groups, more recently involving drug traffickers, which caused a high rate of violence and mortality and also the displacement of entire parts of the population, hindering for many years the country's economic and social development.

The Uribe administration (2002-2010) achieved considerable results in controlling the violence and restoring an acceptable degree of security. Together with major economic reforms especially aiming to attract foreign investors in the oil, gas and mining sector, these results were crucial to turn Colombia into a more attractive place to target for foreign companies, bringing investment to be around 28% of the country's GDP in 2011, higher than both Brazil and Chile. Free trade agreements are in place with the EU, Turkey, Panama, South Korea, Japan, Switzerland, Canada and the United States, and other trade agreements with Mexico, Chile, Central America, the Andean Community of Nations, and Mercosur.

**The estimated GDP growth for 2012 is between 4% and 5% in 2012. Per capita GDP has doubled since 2002, while unemployment fell from 12% in 2009 to 9.2% in November 2011.**

### Social issues

Despite the improvements in Colombia's economy, as well as the improvement of development indexes, the country still has a high rate of poverty (37.2%) and one of the highest levels of income disparity in the world.

**International observers also point at the fact the Colombia's economic growth in the last decade took place at a disproportionately high social cost, concentrating wealth and power in the richer sectors of the population, committing abuses in the fight to control the territory and leaving rural communities, especially the indigenous groups, without many possibilities besides going to cities where they may hope to find a job and get better access to basic healthcare and education.**

A problem with the development pattern followed by Colombia lies in the little role played by the manufacturing sector, that now accounts for

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15% of GDP from 25% in 1975, while resource extraction, extensive agricultural plantations and are the key target of government policies, with little benefit to the majority of population.

The new president, Juan Manuel Santos, has claimed to be addressing the problem of inequality, which in Colombia has risen since the 1990s, while it has fallen in the rest of Latin America. In a country of just under 50 million people, about 20 million live in poverty, 10 million of whom are said to be extremely poor, and more than 40% of the urban workforce is in informal employment.

Although the government plans to include more lower income groups in development strategies, it is targeting only the extremely poor and this might affect the efficacy of such interventions.

## Healthcare

The General System of Integrated Social Security was created by Law 100 of 1993 and transformed the central government's old system health care into a social security system focused on administering the insurance and service providers, with a solidarity component to finance disadvantaged citizens.

**The State coordinates healthcare through:**

- Ministry of Social Protection, Health Regulatory Commission-CRES
- National Council of Social Security in Health

(CNSSS)

- National Superintendence of Health

**Insurers are health promotion companies (EPS), pension fund administrators (AFPs) and insurance professional risks (ARP).**

Healthcare providers are classified in four categories to address the degree of complexity and the types of medical procedures and interventions required.

Every citizen must be affiliated to the Colombian social security system (SGSSS) within the following schemes:

- **Contributive (about 51% of population):** for Individuals with a labor contract and their families, public servants, retirees, and independent workers which have the financial means to pay the contribution. The Health Care Promotion Companies (EPS in Spanish) offer insurance under this regime. The contributive system covers the Compulsory Health Plan (POS in Spanish), a mandatory plan that can be complemented with additional health plans (PAS, in Spanish), privately purchased, such as prepaid medicine programs, supplementary health plans and prepaid ambulance plans.
- **Subsidized (about 39% of population):** finances health care of individuals and their families that are not able to cover the health care cost by own means. Potential beneficiaries must register with the health branch address that will make the selection by the Selection System of Beneficiaries (SISBEN in Spanish). Prosthesis, orthodontic and periodontal treatment in dental care are excluded.

The System for the Selection of Beneficiaries of Social Programs (El Sistema de Selección de Beneficiarios para Programas Sociales), that identifies beneficiaries for social subsidy, classifies the population into 6 socio-economic levels, from 1 (extreme poverty) to 6 (highest level of affluence).

Most of the social subsidies and public health programs are focused in the 1 and 2 strata. Although this measure is meant to advantage the poorest strata of population, fraudulent expedition of low level SISBEN carnets is a current issue in the healthcare system and prevents subsidies from fully reaching their original target.

**About 10% of the population still hasn't got any form of insurance.**



The set political agenda for 2019 is achieving universal coverage amongst the Colombian population.

## Workforce

Colombia has the highest density of physicians in the Andean area with 16 doctors per 10,000 inhabitants, and 8 nurses per 10,000 inhabitants, which means 1 for every 2 doctors.

According to the magazine "El Pulso", the number of dentists in Colombia is expected to increase from 24,873 in 2010 to over 57,000 in 2020. The dentist per capita ratio as well is estimated to increase from 1 : 1,061 to 1 : 886. Compared to WHO recommended rate of one dentist per 3,500 inhabitants, the density is too high and rises the unemployment rate for the profession.

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## The market for medical and dental equipment

The market for medical devices and equipment consists mainly of imported products (US\$ 661.6 million), while the domestic production of medical devices, instruments, equipment and furniture is not significant, mainly coming from multinationals established in Colombia and exported to Venezuela and Ecuador. **Dental products manufactured locally are instruments and prosthesis, teeth, articles and dental prosthetic devices and syringes.**

The local medical device industry as a whole counts 35 industrial establishments employing 2,200 workers. The gross national output of devices, instruments, equipment and surgical furniture registered in 2007 was close to \$73 million (\$32 million in intermediate consumption and 41 million in added value).

Among the main multinational companies operating in Colombia there are 3M, Baxter, Fresenius and Johnson & Johnson de Colombia. The import market for equipment and instruments is dominated by US, Germany, Japan, Switzerland and China. Netherlands, Belgium and Italy are other suppliers.

Medical tourism is an important component of the country's industry, expanding at a rapid pace due to competitive costs and high quality hospitals present in the main cities.

## Registration of Medical Devices

DECREE 4725 of 2005 establishes the technical and sanitary standards for medical and biomedical equipment.

Medical devices are classified into 4 risk-based categories:

**Class I:** low-risk;

**Class IIa:** moderate-risk medical devices, subject to special controls in the manufacturing stage;



**Class IIb:** high-risk medical devices, subject to special controls in the design and manufacture;

**Class III:** very high risk medical devices, subject to special controls.

Companies engaged in manufacturing, partial manufacturing, packing and packaging medical devices, must obtain the Certificate of Compliance with Good Manufacturing Practices for Medical Devices (Certificado de Cumplimiento de Buenas Prácticas de Manufactura de Dispositivos Médicos - BPM), while importers and marketers of medical devices must obtain the Competence in Storage and/or Care (Certificado de Capacidad de Almacenamiento y/o Acondicionamiento - CCAA).

Both certificates are issued by the National Institute of Food and Drug Monitoring, (Instituto Nacional de Vigilancia de Medicamentos y Alimentos - INVIMA), that verifies their implementation and compliance by regular inspections. In Colombia it is possible to import, acquire or donate used biomedical equipment type I or IIa, while it is not authorized for used biomedical equipment of classes IIb and III.

Further information on medical device registration is available on the website [www.gobiernoenlinea.gov.co](http://www.gobiernoenlinea.gov.co) (section: "Tramites y Servicios") and on INVIMA website <http://web.invima.gov.co>

## Sources:

In a country of under 50 million people, 20 million live in poverty, 10 million of whom are extremely poor, and more than 40% of the workforce is in informal employment.

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