Interview: Pablo Dávila – President, Mexican Association of Innovative Medical Device Industries (AMID)



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The industry of medical devices is still not very well understood.

Pablo Dávila shared with us his overview on the Mexican market, how the Mexican Association of Innovative Medical Device Industries (AMID) is interested on putting the sector on the map.

Could you please tell us a bit more about the activities of the Mexican Association of Innovative Medical Device Industries (AMID)?

AMID brings together global leaders in innovative medical devices and diagnostic systems operating in Mexico. Our goal is to partner up with stakeholders of the health sector to promote efficiency and transparency in the regulatory and procurement processes of medical devices and to ensure safety, quality and effectiveness of solutions in healthcare services. The association encompasses five committees, each focusing on a specific aspect of the industry: the regulatory committee works very closely with the Federal Commission for the Protection against Sanitary Risk (COFEPRIS); the ethics and compliance committee delivers trainings on ethics and compliance in Mexico as well as abroad; there is a committee handling public health policies and access, a main challenge in Mexico for medical devices; the legal committee works very closely with the police and COFEPRIS to fight the illegal market; and, last but not least, the communication committee that is in charge of helping AMID build relationships with key audience, including media, and position our organization offline and online. We also have a group focused on sizing the market of medical devices, as in Mexico we do not have as exact information for the sector as it is the case for the

pharmaceutical industry. We would like to increase this effort to other specialties such as orthopedics, oncology and cardiovascular, segments where the majority of our affiliates operate.

What have been your main priorities for AMID over the past few years?

Over time the priorities of the association have shifted. AMID started nine years ago with the main objective of enhancing the regulatory framework for medical devices in Mexico. However, as COFEPRIS has been improving, we have moved to different issues. Currently my main priority is to position the industry of innovative medical devices on the agenda of the government. We are always seen as part of the pharmaceutical industry and have not been recognized as a strategic sector for the health and economy of Mexico.

How are you approaching the authorities to make sure they really understand the long-term benefits of having innovative medical devices in their institutions?

The pharma sector has much more weight because it is an industry with a long history and well identified by everyone. Medical devices, on the other hand, are not well understood. The sector spans from prevention to diagnostics, from treatment to follow-up of the patient. It encompasses tiny items like a stand or gloves to large equipment for MRI. We are getting there, but it’s a long process. Currently we are preparing a position document to be presented to the government – to the Ministries of Health, Economy and Treasury– explaining who we are, where Mexico stands regarding innovative medical devices and present a proposal to work together. Only AMID members count with 30-35 manufacturing facilities in Mexico. The potential of the investment that can come to Mexico is huge as well as the economy we can generate. For example, the raw materials our manufacturing plants use are mainly imported so there is a huge potential in developing local producers. We need to work together with the government to develop the industry, we have to show what our facilities need and have local producers capable of producing high quality medical raw materials. There is a huge potential to improve the economy: this is what we are trying to do. And, of course, using innovative medical devices can help institutions and the whole health systems overcome economic challenges by reducing expenses and generating important savings.

The objective of the Ministry of Economy is to have Mexico on the map not only for cost competitive manufacturing but also for value-added production. How are you going to support this plan?

Mexico is the ninth exporter of medical devices in the world. I believe it can become top five if we do the right things. However, most of the exports are from global companies having facilities in

Mexico. Mexican companies producing medical devices, unfortunately, do not bring much innovation. First of all, we need to improve transparency and incentives for companies so they can invest more in Mexico. Second, we need to support local companies to produce the raw materials the industry needs. With that we can start doing more research in Mexico that today does not exist. We can also start encouraging Mexican companies to produce innovative medical devices. Otherwise they will continue to produce only commoditized products.

What is the estimated size of medical devices in Mexico and how did the industry perform recently?

It is a huge challenge to size the market. I do not know a single company that has precise information about the market of medical devices. The global estimate is a combination of many estimates and depends on the segment. Growth is also difficult to guess because official figures also include export data, which should not be compared with internal consumption. The majority of our members have not experienced significant growth over the past eighteen months because of the low investment by the government as well as delays and cancellations in public tenders.

What about the private sector?

In Mexico we have many private hospitals but most of them are small clinics. The positive aspect about the private sector is that they adopt innovation and new products easily, based on technical advantages such as easy to use, easy to teach and safety features that enhance efficiency and productivity. Due to the economic crisis we are going through, we have seen a slowdown in private procedures. When people are not confident about what is happening in the country or in the economy, all elective surgeries and procedures are postponed. Urgent, life-treating operations are done, but if it is a small hernia, for instance, or something that can wait, people will wait until they have confidence they will have the money to pay for it. Also, we need to remember that overall spending in healthcare in Mexico is low – only 6.2 percent of GDP – and even if treated at public hospitals people still need to pay for several services and items out of pocket. The challenge is to establish an environment that stimulates health innovation while ensuring widespread access to new and more effective products in the public sector.

How is the outlook for the coming years?

I am positive about the future. Mexico has a huge potential, but it will not happen just because we are a 120 million country and because our population is aging. We need to understand how to better treat chronic diseases. We have to evaluate correctly innovation and understand what are the best options for our system. Today technology is evaluated as if it was a pharma molecule,

which should not be the case. The potential is there but we need to work in a different way.

Could you tell us more about the collaboration agreement of AMID with the Mexican Association of Pharmaceutical Research Industries (AMIIF)? What are your expectations on the synergy between the pharma industry and medical devices?

We are very excited about the agreement with AMIIF. We share the same values and objectives and believe that driving innovation in Mexico should be a priority of the government and is a way of bringing wellness to our population. We share the mission of creating awareness on the importance of innovation, to evaluate the right technologies and to help governments and private clinics to better make decisions regarding their technology investments. We have plans for additional joint activities for the coming years.

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