Summary

According to the Ministry of Health, the prevailing oral health problems in the Chilean population are present across all age groups. Although in general, they may not be a direct cause of death, they do affect people’s quality of life. The most recurrent oral pathologies are: dental caries, gingival and periodontal diseases and maxilla-dental abnormalities.

In 2008, imports of dental equipment, supplies/tools, and anesthetics reached US$ 47.22 million, of which the United States has a 34% market share, followed by Germany with an 11%. Local production is practically nonexistent. The expected growth for 2009 is approximately 4%.

As of July 1, 2005, under the Explicit Healthcare Guarantees program (GES), the Chilean government healthcare reform includes oral healthcare for cases involving children up to six years old, leporine lip and palatine fissure, tooth loss in aging adults, and dental emergencies. This government program has positively impacted the Chilean population by raising awareness on oral healthcare prevention, thus significantly increasing the number of dentist visits at all levels.

Ten years ago, Chile had six university dental schools throughout the country. Starting 2000, the number of private universities increased significantly, and so did the number of dentistry programs, so that, at present, there are 18 universities that offer dental programs, which amount to a total of 25 dental schools throughout the different campuses in Chile. Currently, there are approximately 8,000 dentists in the country and each year some 1,000 students obtain their professional degree, considerably increasing the number of dentists. This situation results in strong competition, which in turn is reducing the treatment fees, and, in some cases, a decrease in the quality of supplies and the level of professional performance.

Market Demand

In order to face the tough competition, Chilean dentists are looking at having postgraduate degrees and additional training, in an effort to gain a competitive advantage and offer further knowledge to their patients, particularly in their private practice. Chilean dentists have three main work options: a) private practice in owned or rented dental offices, clinics, and/or medical centers; b) salary based practice in public institutions such as hospitals and dental centers; and c) salary based practice in universities, where patients are assisted by students, supervised by graduated dentists acting as their teachers. Thus, there are also diverse options for the population at a wide variety of prices. This scenario of increased offer has impacted the variety and quality of equipment and supplies present in the Chilean market.

Approximately 1,000 new students enter dental schools in Chile, in March of each year; thereby imposing a seasonal market demand. Each new student must have their own micro motor, handpiece, high turbine, contrangle, and sterilization kit. This year, all these products were offered by KAVO, at approximately US$ 600 per student, and by W&H, at US$ 733 per student. Both brands offered a free lubricant when buying the complete kit.
This year and probably next as well, due to the economic crisis, oral healthcare prevention is expected to decrease substantially, especially at lower income levels. On the other hand, the high income population has shifted from prosthesis to implants; therefore, the market for implants expects a sustained demand within that segment.

Regarding the products and equipment covered by this industry overview, following is a list of the Harmonized (HS) Codes included:

a) Equipment: HS Codes 84192000 (sterilizers), 90184100 (dental drill engines), 90221300 - 90221100 (X-Ray), and 94021010 (dentist chairs);

b) Supplies/tools: HS Codes 30064010 (dental cements & fillings), 33069000 (other preparations), 3407000 (dentistry preparations), 90184900 (dental appliances, implants, and tools), 90212100 (artificial teeth), 90212900 (dentures); and

c) Pharmaceuticals for dental use: HS Code 30044010 (anesthetics).

Market Data

Dental Equipment

Dental equipment imports during 2008, reached US$ 7.47 million, an 8% increase compared to 2007. The United States has a 34% market share and some of its brands include: Denoptix, GE, Gendex, and Stryker. It is followed by Germany with 9.7% market share including the following brands: Draquer, Gendex, Memmert, Ritter, and Sirona. Brazil has a 9.6% market share, with brands such as: Astex, Dabi Atlante, Gnatus, and Odontomedics. Spain controls 7.6% of the market share including brands like: Matachana, Satelec, and Telstar. China has a 6.5% market share and its presence includes the following brands: D and C, Foshan, Jining, Ningbo, and Zhengzhou.

2008 Dental Equipment Imports
in US$ Million

Source: Legal Publishing.

Dental Supplies/Tools

Imports of dental supplies/tools for 2008 amounted to US$ 30.55 million, an 8% increase compared to 2007. The United States has a 35.5% market share including the followings brands: 3M, American Eagle, Biohorizons, Cardent International, Densply, Dentsaurum, Keystone, Lifecore Biomedical, Nobel Biocare, Ortho, and Zimmer. It is followed by Germany with a 12.7% market share including these brands: Aesculap, Alfred Becht, Degudent, Heraeus, Hu Freidy, Kavo, Sirona, Tekno Medic, and Willman. Brazil has a 10.5 % market share and some of its brands include: Conexao, Dentoflex, Gnatus, Landental, Microdont, Morelli, and Tecnident.
Switzerland, with a 6.5% market share, handles brands that include: Jota, Maillefer, and Kerr. Japan has a 5.4% market share including brands such as: Nakanishi, Noritake, and NSK. China has a 4.3% market share including the following brands: Guangzhou, Tianjin, and Zhengzhou.

**2008 Dental Supplies / Tools Imports in US$ million**

<table>
<thead>
<tr>
<th>Country</th>
<th>Market Share</th>
<th>Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>10.85</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>3.91</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>3.23</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1.68</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>1.34</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7.54</td>
<td></td>
</tr>
</tbody>
</table>

Anesthetics

Imports of anesthetics in 2008 reached US$9.2 million, a 16% increase compared to 2007. Argentina has a 40% market share including the following brands: Evorane and Naropin. The United States has a 13% market share with the following brands: Bupivacaine and Presedex; and Italy has a 9% market share with the following brands: Diprivan, Ultiva, and Tracrium.

**2008 Anesthetics Imports in US$ million**

- **Argentina**: 42%
- **U.S.**: 25%
- **Italy**: 9%
- **Brazil**: 6%
- **Germany**: 4%
- **Other**: 4%
Best Prospects

- Four-hole handpiece
- Implants
- Infection control products

Key Suppliers
The most widely used handpiece in Chile is the Border, two hole. The four-hole Midwest is newer in the market, but is having an excellent penetration, as it is less noisy and has fiber optic potential. Other brands with strong presence in this market include: NSK, W&H, and KAVO. In terms of implants, Biohorizons, Lifecore, Nobel, and Zimmer represent the preferred brands. At the time of this research, sources within the supply chain have pointed to a trend to further enhance hygiene at dental offices, which should increase demand for infection control products.

Prospective Buyers
Potential buyers include the Ministry of Health, universities with dentistry programs and private dental offices.

Market Entry
Chile has a Free Trade Agreement in place with the United States since 2004. According to the U.S. Chilean Chamber of Commerce, Amcham Chile, bilateral trade has increased in 213% compared to bilateral trade figures in 2003, before the FTA came into effect. As a result of the FTA, all HS Codes covered in this study have zero import duty; however they are all subject to a 19% Value Added Tax, VAT, which is recoverable by the importer/wholesaler.

Chile’s public healthcare system serves approximately 70% of the population. Consequently, the Ministry of Health is an important prospective buyer. Government purchases are done through Chilecompra (www.chilecompra.cl), Chile’s Public Procurement and Contracting Agency, through bids for either large contracts or recurring inexpensive purchases. Public purchases are in general based more on price than on quality, in order to broaden the access to equipment and supplies in cities and rural areas of the country. A foreign entity that wishes to become a supplier for a government entity must open a subsidiary in Chile or establish a local partner through which to conduct business. The Chilecompra online portal does not require a local tax identification number to enter, thus a foreign entity may obtain information on public bids at www.chilecompra.cl.

Establishing a local subsidiary or branch office in Chile is the appropriate strategy for a U.S. exporter who is convinced that sales volume will be large, and/or that local service support and localized inventory are key to success. Any corporation legally constituted abroad may form, under its own name, an authorized branch (agencia) in Chile. Another practical and more common market entry strategy, especially for new-to-market exporters, is to appoint an agent or representative with good access to relevant buyers and solid technical expertise.

Market Issues & Obstacles
Chile has very few barriers to imports or investment, in most cases, allowing foreign firms to enjoy the same protections and operate under the same conditions as local firms. Within this framework, dental equipment/tools/supplies are considered medical devices. In general, medical devices do not require certification, except for the following: condoms, gloves, needles, and syringes (HIV related). On the other hand, pharmaceuticals for dental or medical use, by law, have to be registered at the Institute of Public Health, ISP, (www.ispch.cl) an autonomous government agency under the Ministry of Health.
Trade Events
Salón Dental, www.salondental.cl
May 28-30, 2009
Location: Espacio Riesco, Santiago, Chile
Email: miguelwechsler@mundodental.cl

Resources & Contacts
Ministry of Health: www.minsal.cl
Institute of Public Health: www.ispch.cl
Association of Chilean Dentists: www.colegiodentistas.cl
University of Chile Dental Faculty: http://odontologia.uchile.cl/
University of Concepción Dental Faculty: http://odontologia.udec.cl/
University Andres Bello Dental Faculty: http://www.unab.cl/fod/default.asp
University Diego Portales Dental Faculty: http://www.udp.cl/salud/odontologia/odontologia.htm

For More Information
The U.S. Commercial Service in Santiago, Chile may be contacted via e-mail at: veronica.pinto@mail.doc.gov;
Phone: (56-2) 330-3369; Fax: (56-2) 330-3172; website: www.buyusa.gov/chile/en

The U.S. Commercial Service — Your Global Business Partner
With its network of offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting http://www.export.gov/eac.

Comments and Suggestions: We welcome your comments and suggestions regarding this market research. You can e-mail us your comments/suggestions to: Customer.Care@mail.doc.gov. Please include the name of the applicable market research in your e-mail. We greatly appreciate your feedback.

Disclaimer: The information provided in this report is intended to be of assistance to U.S. exporters. While we make every effort to ensure its accuracy, neither the United States government nor any of its employees make any representation as to the accuracy or completeness of information in this or any other United States government document. Readers are advised to independently verify any information prior to reliance thereon. The information provided in this report does not constitute legal advice.

International copyright, U.S. Department of Commerce, 2008. All rights reserved outside of the United States.