German-Mexican Chamber of Commerce CAMEXA – Johannes Hauser, Managing Director



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Johannes Hauser, managing director of the German-Mexican Chamber of Commerce explains the role of the chamber in Mexico and encourages small and medium-sized companies in Germany to consider the country as a destination to expand their business.

The German-Mexican Chamber of Commerce dates back to 1929. What are the Chamber's main priorities today and what is the importance of the healthcare sector in the German-Mexican trade?

Johannes Hauser (JH): The German-Mexican Chamber of Commerce turned 85 years in 2014 and represents most of the German companies operating in the country. Our mission is to support the bilateral economic relations between Germany and Mexico, which include both commercial and investment aspects. It is important to mention that the Chamber does not only support German companies that are willing to enter the Mexican market, but also Mexican firms that wish to expand to Germany. Today, with 640 members, we are the biggest European chamber in Mexico. We are growing dynamically and put big effort into the organization of events with an added value for our member companies.

Most of the German companies that are already established in Mexico have been here for decades and thus do not need fundamental information about how to enter the market any more. However, we are pleased to help them when they need our support and we create networking platforms for

them to meet and get to know one another. In a country of the size of Mexico, organizations struggle to get together and one of our roles is to enable them to communicate among each other.

The Mexican healthcare sector offers great opportunities, which is why the market has been entered by some of the sector's most important German organizations and it still attracts foreign investment. Apart from the already well-exploited pharmaceutical sector, we feel there is a growing need for medical equipment in Mexico and German companies can provide a substantial part of it. This is why we currently focus very much on supporting medical devices companies.

The Chamber features a committee dedicated to healthcare. Why was the committee created?

Indira Miranda (IM): We noticed that our thirty members from the healthcare sector often raised common questions and concerns about COFEPRIS (the Federal Commission for the Protection against Sanitary Risk) regulation, so we decided to create a platform that would allow German companies to propose topics they wished to be discussed. The aim was to gather all member companies at least three or four times a year. The first committee's special guest was PricewaterhouseCoopers which presented the latest news about the development of the Mexican market and its healthcare sector. Our members appreciated this session very much, as they were able to ask questions and interact with experts of the industry. We are currently organizing the next committee event for December 2014, in which COFEPRIS will be our special guest.

JH: Not long ago, many companies complained about COFEPRIS, stating the institution was working ineffectively and not to its full potential. Fortunately, things have improved now, even though the regulation processes still remain a complicated topic. The vision we had in mind when creating the healthcare committee was not only to have expert speakers but to create a panel where companies feel free to exchange information. We believe this is of big value, as these firms are all operating in the same field and are frequently facing the same problems, which means that they need similar solutions.

What are the main opportunities for German companies investing in the healthcare sector in Mexico?

JH: Statistics show an increasing number of hospitals and this naturally represents a great opportunity for businesses that are related to medical equipment or technological devices. Visiting hospitals here in Mexico, I instinctively keep an eye out for brands and I am always very reassured to see that there are so many German companies present in the facilities!

IM: Medical tourism is a trend that creates further opportunities. It is growing considerably in cities such as Guadalajara and Tijuana and, generally speaking, in Northern Mexico.

JH: More opportunities emerge with the agreements established between Central America and Europe. As I am also in charge of Central America as a region, I can see that Mexico often becomes headquarter for German companies that wish to expand to Central and the rest of Latin America.

What are some of the challenges faced by your members today and what is the Chamber doing to overcome them?

IM: The German companies that are already settled in Mexico are overall satisfied with their decision to be here. However, a few challenges remain in terms of improving the image of the nation and the ease at which business can be done here. Companies in the healthcare sector that are considering Mexico as a market to enter in the near future are worried about the registration processes required by COFEPRIS and the long time it takes for a product to be introduced into the market.

JH: The main reason why European companies are reluctant to enter the Mexican market apparently is due to the fact that other countries seem more accessible in terms of regulation processes. The easier it appears to a company to enter a certain country's market, the more likely the enterprise is to take it into consideration when scouting new investment places.

The German Ministry of Economy and Energy started an export program called "Health – Made in Germany" and we have seen that in September 2014 a congress was organized here in Mexico. Could you tell us about this program and its planned initiatives?

IM: "Health – Made in Germany" is an initiative that started three years ago in Mexico. The objective was to improve the position of German companies within the Mexican market. This year, we organized the healthcare congress for the third year in a row and we successfully presented German manufacturers that are already settled in the Mexican market. Besides, we are always trying to introduce the German companies with potential Mexican partners. We normally invite organizations of all sorts such as IMSS (the Mexican Social Security Institute), COFEPRIS and financial institutions that can help to fortify the presence of German companies in the country.

JH: The program shows company profiles to potential clients. We invite medium and small-sized firms from Germany to participate and get in touch with German players that are already established in the Mexican market in order to overcome their doubts concerning the country. Giants such as Siemens do not require this kind of support but a lot of smaller companies do. The

congress is a very helpful tool to gather enterprises which belong to the sector and to exchange experiences.

What is your vision for the healthcare and pharmaceutical sector in Mexico for the coming five years?

JH: The increasing population of Mexico and therefore its need for an expanding healthcare infrastructure represents huge opportunities for German companies. The Mexican government agency in charge of attracting foreign direct investment, ProMéxico is promoting the nation as one with a young population. However, this will soon change and so will the need for health. Rural areas are also still to be tackled and given more attention to. Overall, opportunities in Mexico exist and with a little patience, smaller companies will find a good momentum, too.

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