

ROAD TO **EXPO 2020**

# HEALTHCARE IN THE UAE AND SAUDI ARABIA – WHAT'S THE OPPORTUNITY?



**NEW ZEALAND**  
TRADE & ENTERPRISE  
Te Taurapa Tūhono

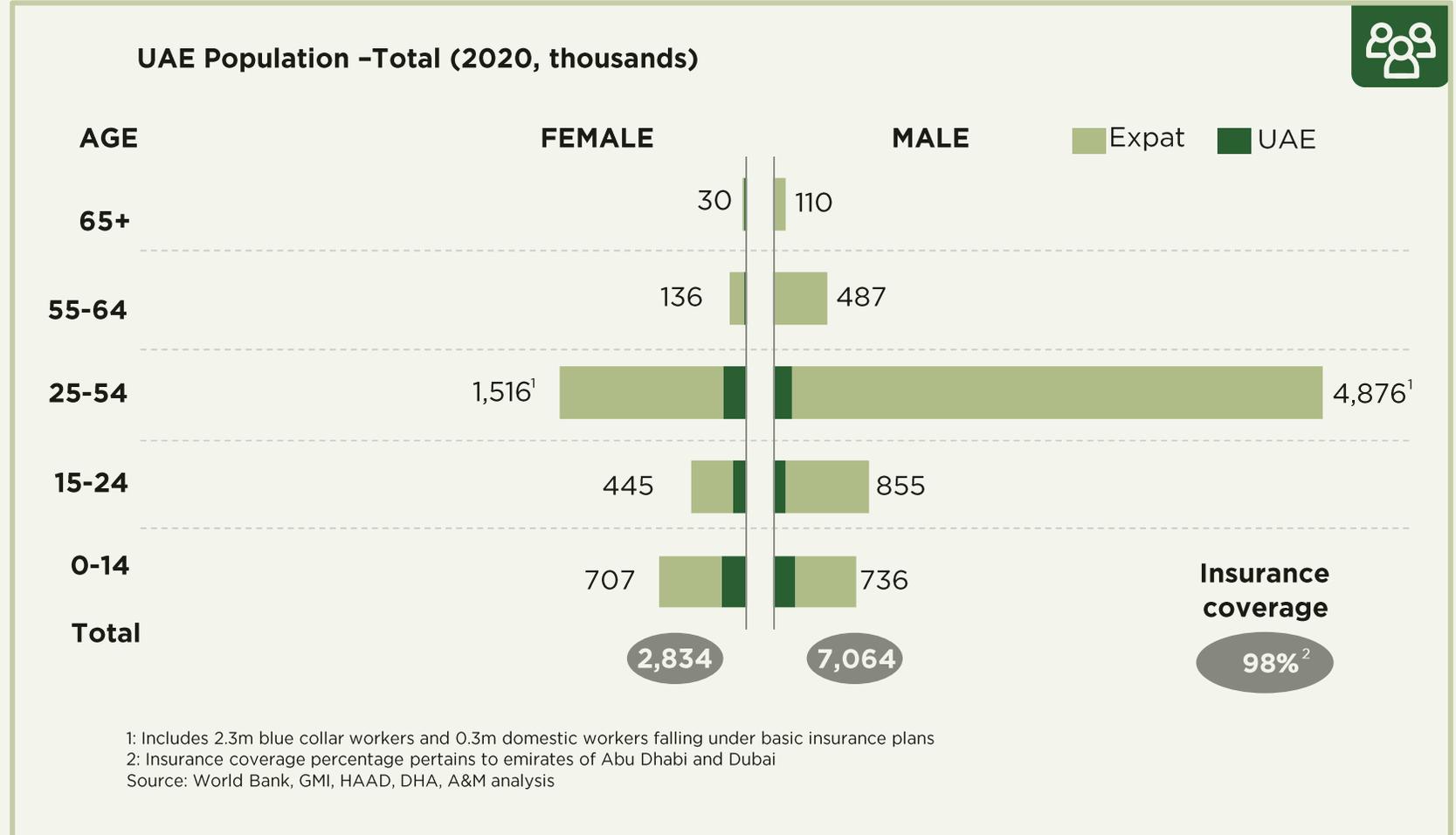


# THE UNITED ARAB EMIRATES



# COUNTRY PROFILE

- The country had an estimated population of 9.3 million in 2015, which has grown to ~10 million in 2020, and is expected to rise to ~16 million by 2050.
- The 65+ age group represents ~1% of the overall population and is the smallest age group in UAE by size.
- The 25-54 age group represents ~65% of the population and is the largest age group in the UAE by size.
- Males represent 71% of the UAE population, and the 25-54 age male group represents ~50% of the population, while females represent 29% of the UAE population.
- Total UAE national count is 1.05M, representing 11% of the UAE population; expats 89%.



# UAE HEALTH SECTOR AT A GLANCE

## Patients

- UAE has one of the world's highest prevalence rate of diabetes and obesity, amongst other lifestyle diseases. In 2016, the prevalence of obesity in the UAE was 35% compared to 23% in Germany and 26% in France. The prevalence of diabetes was 19% compared to 5% in France and the UK.
- UAE healthcare spend per capita increased over the last few years (by 18.3% between 2016-2018). Meanwhile, healthcare spend as a % of GDP remains relatively low as compared to other nations . In 2018, this was 4% in the UAE compared to 17% in the U.S. and 10% in the UK.
- Covid-19 has shifted UAE healthcare patient trends and demand towards telehealth services.

## Providers

- Number of hospitals in the UAE has been steadily growing year on year, leading to an increasingly competitive healthcare provider market landscape.
- UAE number of beds are also growing, compromising occupancy rates to below 60%.
- Bed occupancy and utilization rate in Dubai are on a downward trend, due to mismatch supply and demand.

## Payers

- In parallel, the UAE rise of insurance premiums remain high at 8%, exceeding inflation rate.
- Dubai healthcare expenditure is on the rise, with employers taking the burden.
- Majority of healthcare expenditure is allocated to hospitals, while drug and ancillary spend represented a sizeable portion of healthcare spend.

## Trends & Opportunities

- Healthcare patient trends indicate a growing demand for telehealth amidst Covid-19 health concerns and regulatory elective restrictions. The UAE telehealth market is expected to grow at a rate of 25% p.a. from 2020-2025
- The need to 'Collaborate and Innovate' poses opportunities in revenue diversification, strategic partnerships, increased digital health adoption and operational efficiencies.

# OVERVIEW OF HEALTHCARE PROVIDERS



## Abu Dhabi

Population 3.5M

Regulator DOH

Number of Hospitals 66

- 50% public sector vs 50% private sector bed capacity
- ~5.5k beds and occupancy at ~55%
- Strong public and private sector presence with few dominant players
- Mandatory insurance introduced in 2006



## Dubai

Population 3.4M

Regulator DHA/DHCCA

Number of Hospitals 45

- 38% public sector vs 62% private sector bed capacity
- ~5.4k beds and occupancy at ~50%
- Relative strong and fragmented presence of private sector
- Mandatory insurance introduced in 2014



## Northern Emirates

Population 3.0M

Regulator MOHAP

Number of Hospitals 47

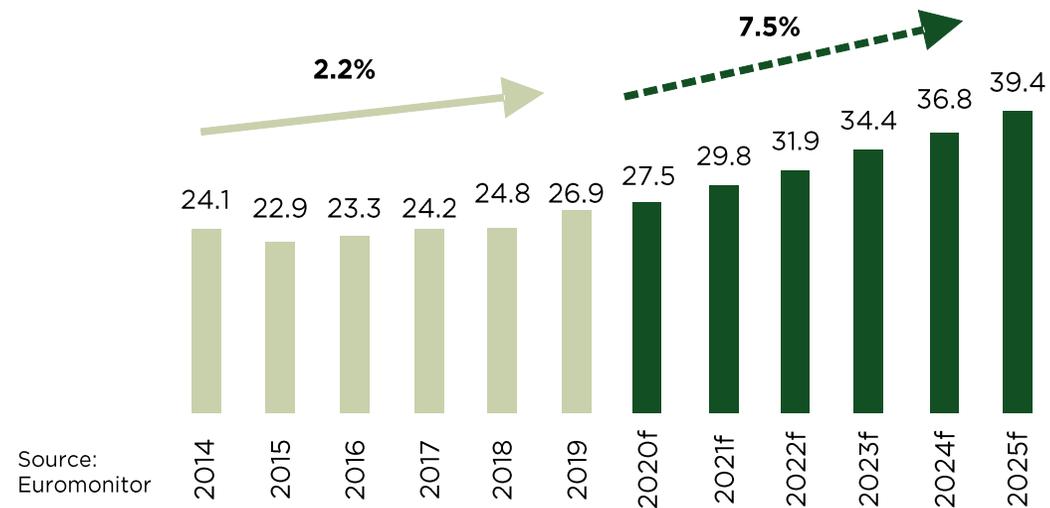
- 74% public sector vs 24% private sector bed capacity
- ~4k beds and occupancy at ~47%
- Strong public sector reliance due to lack of mandatory insurance

# MARKET SIZE AND GROWTH

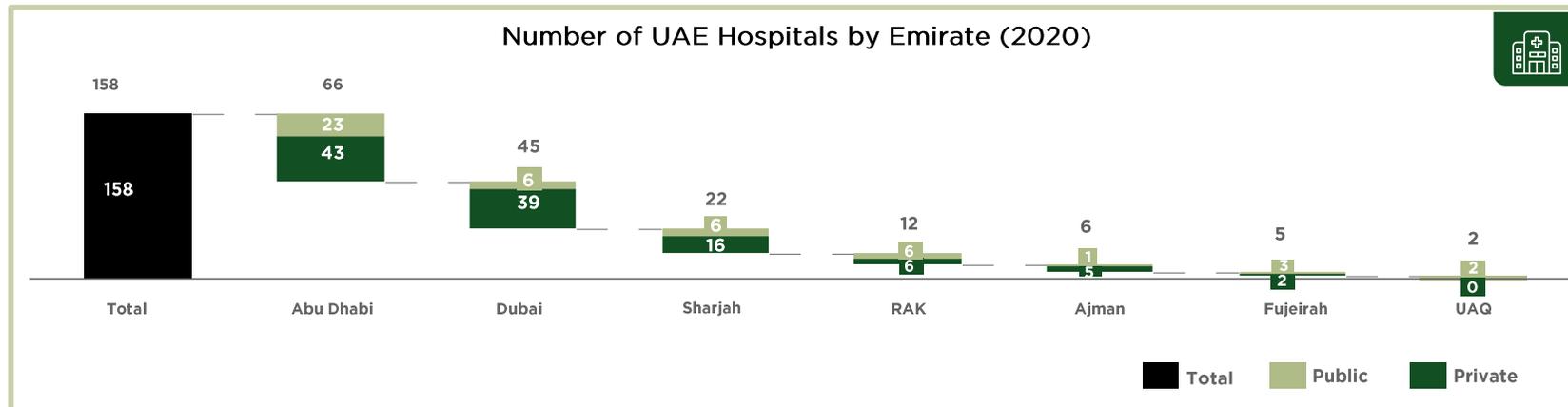
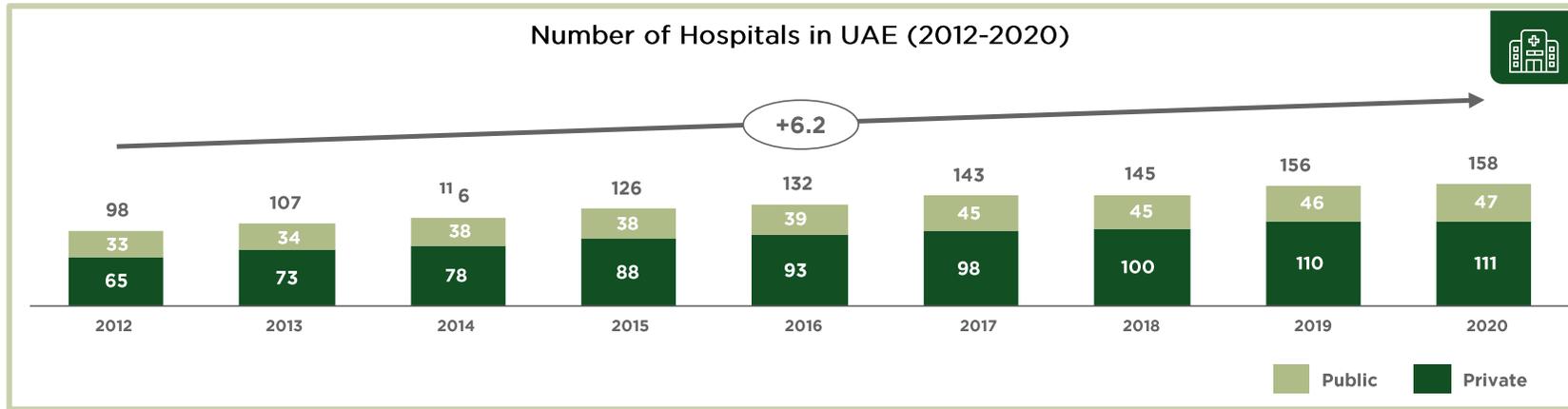
## Vision 2021

- The UAE aims to develop the best healthcare system in the world.
- Healthcare is a key strategic sector for the UAE government as part of its diversification strategy.
- Healthcare information technology and bio-informatics are key areas of focus

Projected revenue generated from sales at hospitals, medical and dental services in UAE (AED bn, constant) and CAGR (2014-2019 vs. 2020-2025)



# NUMBER OF HOSPITALS IN THE UAE HAS BEEN STEADILY GROWING YEAR ON YEAR, LEADING TO AN INCREASINGLY COMPETITIVE HEALTHCARE PROVIDER MARKET LANDSCAPE



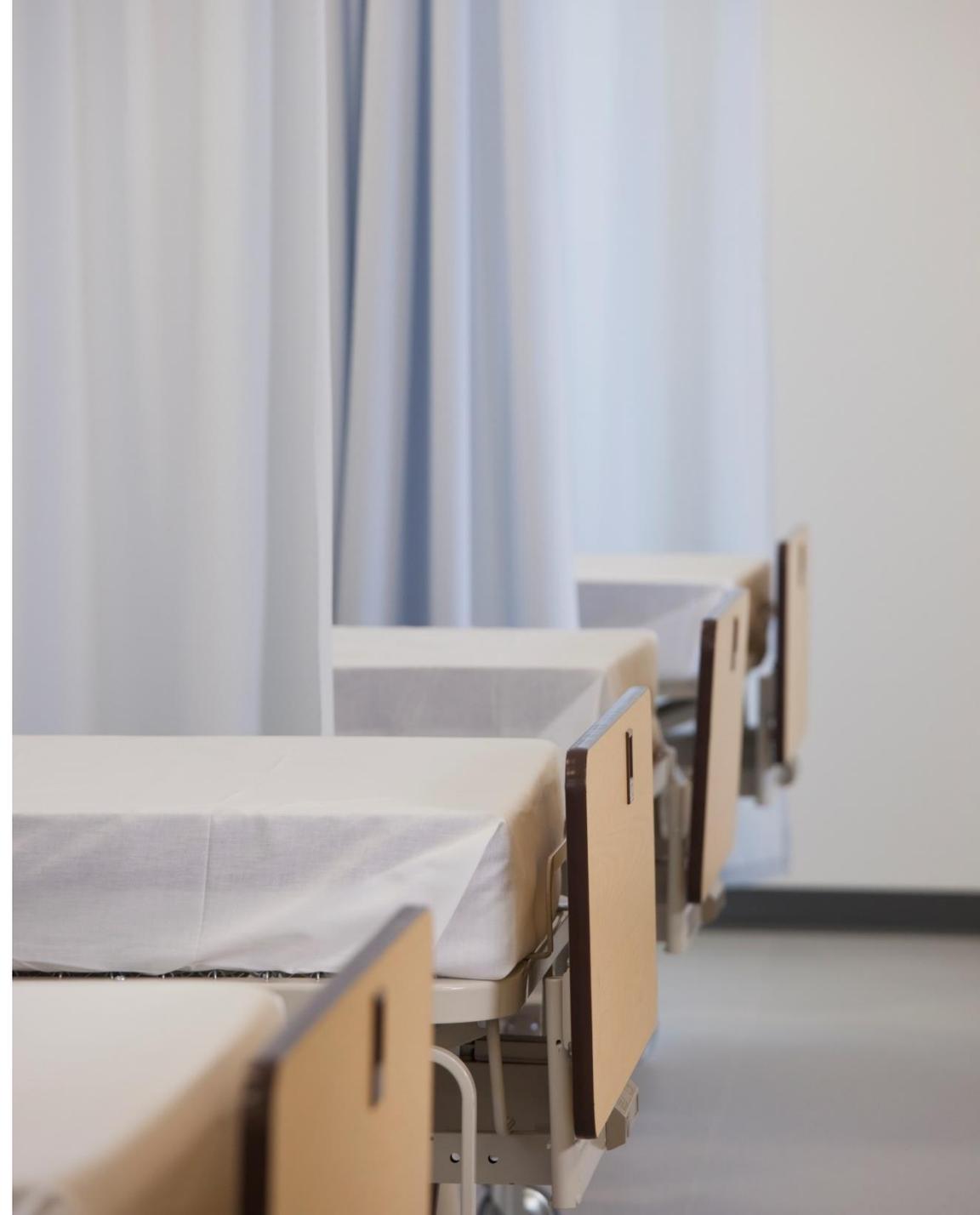
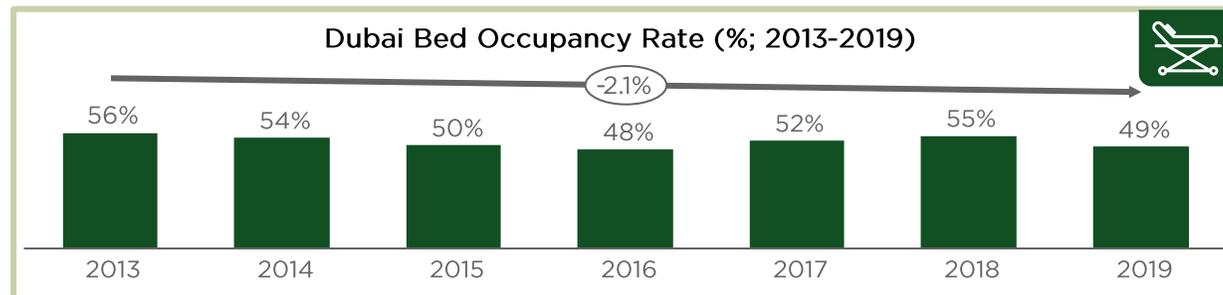
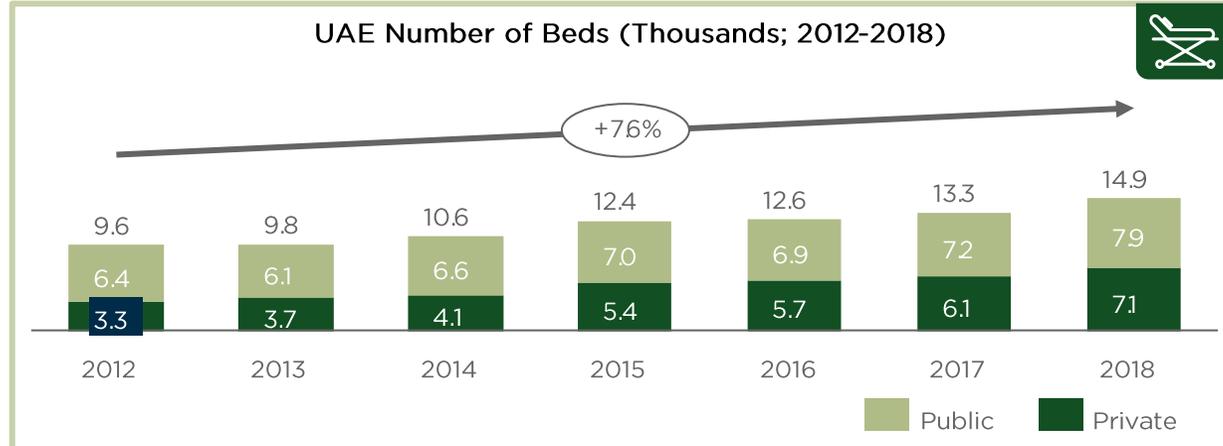
Source: Federal Competitiveness and Statistics Authority, DHA, DOH, MOHAP, A&M analysis

## KEY TAKEAWAYS

- Number of hospitals in the UAE has seen a steady increase of 6.2% p.a. over the last decade, increasing competition in the market.
- As of 2020, public vs private number of hospitals are split into ~30% public and ~70% private.
- However, number of bed capacity in public sector is higher than private sector.
- Increase in market supply has resulted in increased competition in the healthcare provider market, shifting focus to operational efficiencies and revenue diversification.

# BED OCCUPANCY AND UTILIZATION RATES IN DUBAI ARE ON A DOWNWARD TREND, AS A RESULT OF MISMATCHED SUPPLY VS DEMAND

- The number of beds in the UAE has increased by 7.6% between 2012 - 2018.
- Hospital bed occupancy rate have meanwhile dropped in Dubai - from 55% in 2018 to 49% in 2019



# GROWTH DRIVERS

## Strategic Focus Areas

- Mandatory health insurance
- Medical tourism
- Public Private Partnerships

## Changing Population Demographics

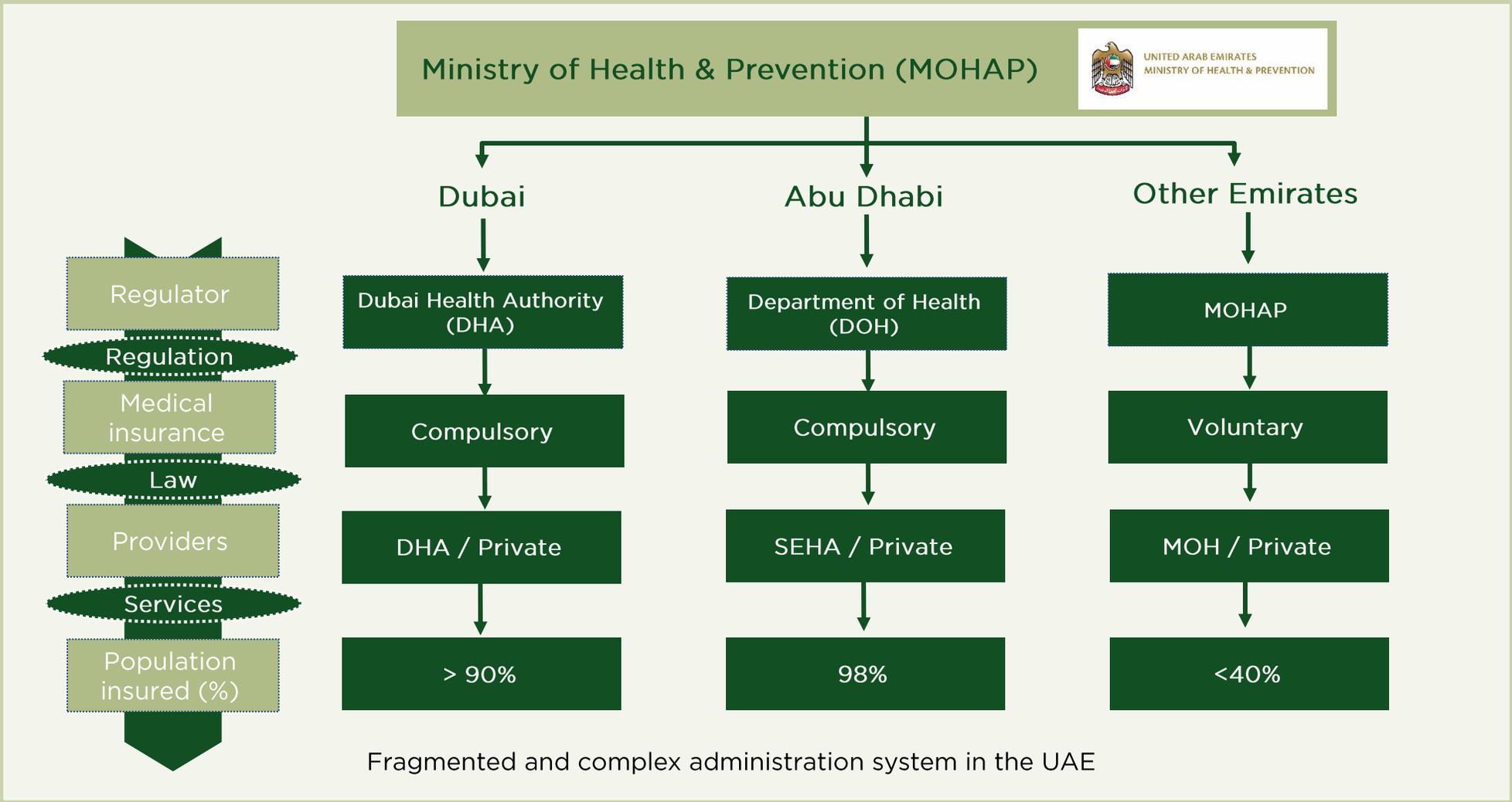
- Growing population which is expected to reach 12 million by 2030.
- An aging population; the number of elderly residents is expected to increase from 11% in 2032 to 29% in 2050.

## Lifestyle Habits

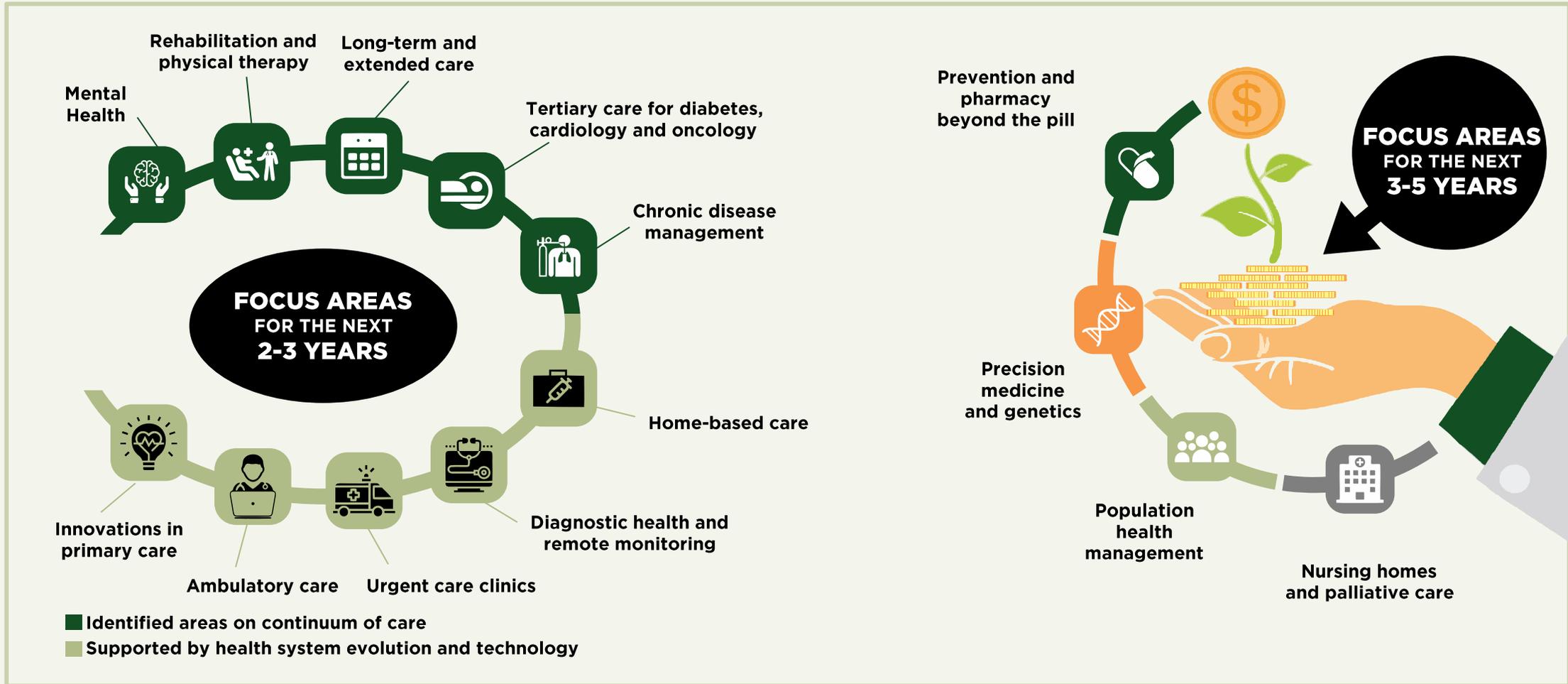
- 68% of population is overweight - double the global average.
- Cardiovascular disease: This is still the leading cause of fatalities in the UAE, accounting for over two thirds of all deaths.
- Strokes: As the incidence of strokes continues to soar in the UAE, the country is set to have over 12 stroke management centres throughout the country.
- Cancer: Cancer is also a big issue in the country, accounting for 15% of deaths. In 2020, 4,807 new cases of cancer in the UAE were diagnosed.
- Diabetes: It remains widespread in the UAE, although its prevalence dropped to 16.3% of the total population in 2019 from 19% in 2016.



# UAE HEALTHCARE ENTITIES



# LOOKING TO THE FUTURE: SHORT AND MEDIUM-TERM PROSPECTS



# INCREASED ADOPTION OF DIGITAL HEALTH

The COVID-19 pandemic has accelerated the adoption of digitization by about 10 years, with a strong focus on telehealth services. Innovation of existing operating models, to include apps, wearables and other digital health solutions will be vital and integrated into the overall care offering, to maintain and grow market share.



## Care guidance

Platforms that arm patients with relevant information and reminders at key points in their interaction with the healthcare system



## Connected medical devices/wearables

Wearable technologies that help patients track and manage existing conditions and enable preventive techniques



## Remote telemedicine

The remote diagnosis and treatment of patients using video conferencing over mobile device or a web portal, allowing them to accept physicians, specialists or care professionals from their home



## Home health robots

Machines programmed to provide 24-hour home care, especially to aged patients



## Artificial intelligence

A platform that analyzes multiple data points, including home environment, behaviors and biometric readings, and highlights changes in an individual's health



## Patient networks

Health networks that help people find new treatments, connect with others and take action to improve their outcomes



## Remote monitoring

Continuous, automatic and remote monitoring of users via sensors, to enable people to continue living in their own homes



## Internet of Things (IoT)

The Internet of things (IoT) is a system of interrelated computing devices with unique identification (UIDs) and the ability to transfer data over a network without requiring human interaction

# MARKET ENTRY STRATEGY

