



2020 North Africa Healthcare Market Insights

Report by

North Africa Health 

By Informa Markets

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Market synopsis

According to Fitch Solutions, the Middle East and North Africa (MENA) region's US\$182.9 billion healthcare market is forecast to expand to US\$261.1 billion with a 13.6% compound annual growth rate (CAGR) at constant exchange rates through to 2023. The US\$30.5 billion North Africa region will post an 8.7% CAGR through to 2023.

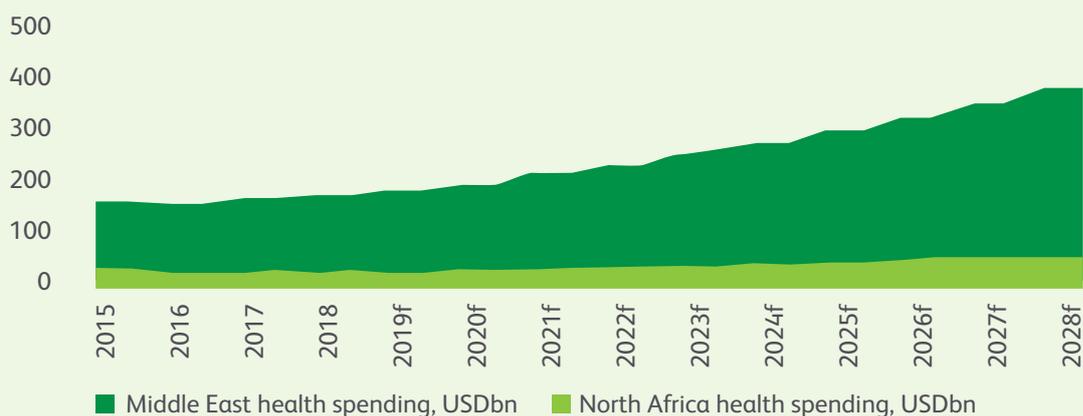
In North Africa, significant efforts are being made since the 80s to develop the healthcare sector, and investments in medical insurance, vaccination, access to water and better nutrition have resulted in the decrease of infant and maternal mortality and longer life expectancy. According to the United Nations Economic Commission for Africa (ECA), the combination of the three factors - namely the ongoing rapid socio-economic changes, demographic transitions leading to the increase of juvenile population and a population which started ageing (in most North African countries, the proportion of people aged over 60 will jump to 20% within 40

years), and the evolution of lifestyles - has given rise to new patterns of consumption, new diseases, and new needs that will constitute challenges to the countries of the region.

To overcome these new challenges, including those relating to health inequalities, the ECA believes that health systems have to develop a clear vision and strategy, reforms have to be made in order to implement more equitable health funding policies and achieve the universal coverage. Moreover, better advantage should be taken of the potential of the private sector as a support to the public health system.

These reforms also imply that policymakers in the region should tackle the issue of infrastructure and human resources in health sectors (accessibility and proximity of health care, diversification and adaptation of medical specialities to the new needs, job creation in medical and paramedical sectors, etc.), according to the ECA.

Healthcare expenditure forecast 2015-2028



Source: WHO, Fitch Solutions

Egypt

Forecasts from Fitch Solutions indicated that Egypt's total healthcare spending will post a local currency compound annual growth rate (CAGR) of 9.7% through to 2023 (8.4% in US dollar terms) to reach US\$12.6 billion). Similar growth rates are forecast over the following five years, working out at a one-year CAGR of 9.6% in local currency (7.4% in US dollar terms), with the market forecast to be valued at US\$17.2 billion in 2028. In the same 10-year forecast period, healthcare spending will drop to 2.4% of the country's GDP, its growth being outstripped by the economic growth pace.

Meanwhile, health spending per capita is forecast to reach US\$117 by 2023 and US\$147 by 2028, rising from US\$86 in 2018. While this emphasises that public sector healthcare spending needs to increase beyond this point and at a faster rate than simple growth drivers such as population, Fitch Solutions also note that it still indicates a high proportion of private healthcare spending.

As the figures show, Egypt remains one of the most interesting North Africa regional markets. On the one hand, its rapid population growth and the start of the rollout of the universal health insurance system, which began in mid-2019 and is expected to be in place by 2032, provide a solid longer-term growth potential.

"Meanwhile, health spending per capita is forecast to reach **US\$117** by 2023 and **US\$147** by 2028, rising from **US\$86** in 2018."

However, Egypt's health challenges disproportionately affect the rural poor and have the potential to impact the country's economic prosperity more broadly over the long-term. In Egypt, poor women are 20% less likely to receive regular antenatal care than wealthy women, and under-five mortality for the poorest children is 42 deaths per 1,000 live births, versus 19 in the wealthiest quintile. Current threats include high rates of stunting as a result of chronic malnutrition and one of the highest rates of Hepatitis C in the world, as seven percent of Egyptians between the ages of 15 and 59 suffer from chronic Hepatitis C. Nevertheless, as of 2018 fundamental efforts have been put in place by the Egyptian government with the 100 million healthy lives campaign to tackle those threats.

Topline healthcare stats for Egypt



98,423,595 (2018)

Population, persons



US\$: 2,549 (2018)

GDP per capita



250.9 (2018)

GDP, billion current US\$



17.3% (2017)

Diabetes prevalence



4.6 (2016)

Health expenditure as a share of GDP



0.8 per 1,000

populations (2017)
Density of physicians



21.2 deaths

per 1000 live births (2018)
Under-5 mortality rate

Source: Knoema



According to Oxford Business Group, though the Egyptian healthcare system is characterised by a pluralistic mix of public facilities, it has been strained by rapid population growth and relatively low levels of funding. Consequently, most Egyptians opt for private facilities, fuelling high levels of out-of-pocket expenditure and increasing the desire for private insurance.

In response, the government has initiated several reforms aimed at improving quality and access to healthcare services for its population. Demand for medical equipment, pharmaceuticals and healthcare facilities are likely to follow, offering continued private sector growth and opportunity.

With regards to the Egyptian medical device market, Fitch Solutions forecast that it would remain fairly attractive in the MENA region, due to its large size, registering a 2018-2023 CAGR of 16.1% in local currency terms and 14.7% in US dollar terms, which will take expenditure to US\$1.3 billion by 2023. Although per capita expenditure will continue to be low, there is enormous potential for growth of the medical device market as the country has the largest population in the Arab world. Improving political and economic fundamentals will support

long-term market growth, following recent economic turbulence and the massive depreciation of the Egyptian pound, according to Fitch Solutions analysis.

Export.gov identifies best sales prospects in medical equipment and supplies in Egypt to include, but are not limited, to the following categories:

- Diagnostic imaging equipment
- Oncology and radiology equipment
- Disposables
- Surgical and medical equipment
- ICU monitoring equipment
- Laboratory and scientific equipment
- Mobile clinics

As tourism is one of the most important parts of Egypt's economy, a number of initiatives have been undertaken in order to support inbound medical tourism to the country. In June 2019, it was announced that Egypt is embarking on a mega project to establish the biggest medical tourism city in the MENA region with more than LE 20 billion investments. According to Eng. Ammar Mandour, head of the Badr City Development Authority, who was speaking to Oxford Business Group: "The medical city will provide the latest medical

Five foundation pillars of the Ministry of Health & Population Business Vision for Healthcare:



Health insurance for all citizens



Quality improvement



Sustainable funding



Public-Private partnerships



Consumer protection

Source: Ministry of Health & Population



services and state-of-the-art medical equipment and devices will include 13 medical institutes with a capacity of 2,000 beds, a medical helipad, an education hospital, and a medicinal plantation.”

Previously, in February 2017, Egypt had launched the “Tour and Cure” medical tourism initiative. The initiative offers treatment to hepatitis C virus (HCV)-infected patients from all over the world, with an effective and advanced treatment program at a lower cost. This was followed in December 2018 by the approval of a draft law on medical tourism to ensure coordination between the Ministry of Tourism and Ministry of Health in the emerging field of medical tourism.

Latest health news from Egypt

- In May 2019, Egyptian Investment Minister Sahar Nasr announced an agreement with UK Department for International Development Permanent Secretary Matthew Rycroft to further economic cooperation between the two countries. Health was cited as one of the key areas that the countries can foster strategic relations.
- In May 2019, the World Bank published a procurement plan as part of the ongoing project

to transform Egypt’s healthcare system by 2023. Over the duration of the project, the World Bank has committed US\$530 million.

- In May 2019, the Egyptian Foreign Ministry announced an initiative to support other African countries with medicines and treatment plans. As part of the initiative, the first shipment of aid would be 25 tonnes of medicines sent to Sudan. Additionally, the health ministry is establishing 13 centres to treat HCV.
- In April 2019, Egyptian finance minister, Mohamed Maaait announced that a new comprehensive health insurance system would be rolled out in the country in six phases over a 15-year period beginning in July 2019.
- Between October 2018 and March 2019, some 35 million people were screened for HCV as part of a national campaign – 100 million healthy lives - to detect and treat the disease in a bid to eliminate it by 2022. It aims to test the entire adult population -about 50 million people - who will then receive free treatment and care through public hospitals. Manufacturers of HCV treatments are likely to find ongoing opportunities in the country.
- The campaign also tested for diabetes and high blood pressure.

Morocco

According to Oxford Business Group, Moroccan health indicators have improved steadily in recent years, although there remains room for improvement, even by regional standards. In addition, as in many countries, the burden of lifestyle-related non-communicable diseases is on the rise. Access to healthcare coverage has also been growing rapidly as the authorities roll out government-backed insurance schemes to an ever-growing number of citizens, with the country aiming to achieve near-universal coverage in the coming years. Meanwhile, recent regulatory changes have opened up the private sector to increased investment, and the public sector has been gaining ground on the former in terms of its level of spending.

In April 2017, a Health Sector Strategy for 2017-2021 has been signed by the Moroccan Health Ministry and the World Health Organisation (WHO), taking into account the progress in the implementation of Moroccan health system reforms, and the WHO Global Program, particularly efforts made internationally to achieve the Sustainable Development Goals (SDG). The strategy has four broad lines, namely increasing fair access to affordable and quality services, reducing health inequalities, decreasing mortality rate, and fostering governance in the health sector.

"A Health Sector Strategy for 2017-2021 has been signed by the Moroccan Health Ministry and the World Health Organisation (WHO), taking into account the progress in the implementation of Moroccan health system reforms, and the WHO Global Program, particularly efforts made internationally to achieve the Sustainable Development Goals (SDG)."

The hospital network in Morocco is set to expand in line with government plans to improve access to care under the current strategic plan for the sector. To this end, construction work on eight new hospitals with a combined capacity of 1050 beds was launched across 2017 and 2018, with plans for 14 new facilities under the Health Sector Strategy 2017-21.

With regards to health insurance for Moroccans,

Topline healthcare stats for Morocco



36,029,138 (2018)

Population, persons



US\$: 3,238 (2018)

GDP per capita



118.5 (2018)

GDP, billion current US\$



7.1% (2017)

Diabetes prevalence



5.8 (2016)

Health expenditure as a share of GDP



0.7 per 1,000 populations (2017)

Density of physicians



22.4 deaths per 1000 live births (2018)

Under-5 mortality rate

Source: Knoema





speaking to media in early 2018, Anas Doukkali, the minister of health, said that 64 % of Moroccans currently benefit from health coverage, a figure the authorities intend to increase to 90 % by 2021.

There are two main public health insurance schemes in Morocco. One is an employer-based plan known as Compulsory Health Insurance, which was launched in 2005 and provides coverage to workers in the government and private sectors, as well as their dependants.

The second main scheme is the Medical Assistance Regime (Régime d'Assistance Médicale, RAMED), which was launched in 2009 to provide cover for low-income Moroccans, such as those working in the informal sector. As of September 2018, around 12 million citizens were covered by RAMED. Members of the Moroccan armed forces are covered by a third government-backed scheme.

According to Oxford Business Group, private healthcare providers have also been expanding medical infrastructure. For example, Elsan, a private France-based health operator, constructed a 136-bed facility in the Bouskoura municipality of Casablanca called Clinique Ville Verte, which was inaugurated in January 2018.

There are around 360 private health care clinics operating in Morocco, according to US Department of Commerce figures, and over 12,000 doctors working in the segment. Until 2015, only doctors were permitted to own private clinics, but legislation passed that year removed this restriction, allowing both Moroccan and foreign individuals to establish clinics regardless of their profession.

While numerous health indicators, including life expectancy and infant mortality, have seen substantial improvement in recent times, lifestyle changes concomitant with economic development could make tackling the rising burden of NCDs a challenge. Nonetheless, an increase in the sector's budget allocation for 2019 suggests that public health is being prioritised in government planning. Continued investment will be necessary over the longer term; however, particularly if the goal of universal health care coverage is to be achieved.

Latest health news from Morocco

- In May 2019, Moroccan Minister of Health, Anas Doukkali, announced a price-cut across some 210 medicines. This latest round of cuts comes after price cuts across 319 medicines in February and again covers chronic diseases, including cancer and mental illness.
- In May 2019, the Moroccan Head of Government, Saad Eddine El Othmani, announced that the government had developed a plan to drastically reform and improve the healthcare sector. According to Othmani expanding healthcare coverage is central to this plan, he said that health coverage had already been increased to 60 % from less than 47 % in 2017.
- On World Health Day, April 7 2019, King Mohammed VI of Morocco instructed the Moroccan government to 'press ahead with efforts to achieve universal health coverage by 2030.' He also said that 'reforming the primary health care system should be one of the main pillars of this drive'.

Algeria

Over the past two decades, considerable progress has been made in the coverage and quality of healthcare services in Algeria, with indicators improving steadily, alongside a decline in instances of communicable diseases, according to Oxford Business Group. As a result, the latest figures from WHO show that life expectancy at birth has risen from 68 years in 1995 to 76.4 years as of 2018.

Despite the rise in life expectancy, mortality rates remain relatively high though recent efforts to improve maternal care and paediatrics may see these ease in the years ahead. In addition to the concern about regional disparities in healthcare, Algeria's increasingly ageing population is seeing a rise in chronic illnesses, particularly diabetes, cancers and cardiovascular diseases.

Healthcare is heavily subsidised in Algeria in line with the introduction of a national health care system in 1975. Most services are free for citizens at public hospitals and clinics, and the cost of most medicinal purchases is reimbursed by the government. While the large majority of health establishments in the country are still entirely subsidised by the government, this is gradually beginning to shift as the private sector grows.

Even though the state is heavily involved in healthcare, there were 8400 private specialist practices and 7000 private generalist practices

"Transfers of patients abroad have decreased by 90 % since 2000, reflecting the considerable improvements that have taken place in the domestic system. "

as of 2015. In recent years a number of private facilities and clinics have opened across the country, both in general and specialised care, while many of the existing private establishments are expanding.

In terms of human resources, the sector is split, with 57 % of all registered practitioners working in the public sector and 43 % in the private sector as of 2015, according to figures highlighted by Oxford Business Group. Typically, general practitioners are predominantly in the public sector, while specialists and dentists are split relatively evenly. Conversely, the vast majority of pharmacists work in the private sector.

Transfers of patients abroad have decreased by 90 % since 2000, reflecting the considerable improvements that have taken place in the domestic system. However, a large number of Algerians still go

Topline healthcare stats for Algeria



42,228,429 (2018)

Population, persons



US\$: 4,279 (2018)

GDP per capita



180.7 (2018)

GDP, billion current US\$



6.7% (2017)

Diabetes prevalence



6.6 (2016)

Health expenditure as a share of GDP



1.8 per 1,000 populations (2017)

Density of physicians



23.5 deaths per 1000 live births (2018)

Under-5 mortality rate

Source: Knoema





abroad for more complex medical treatments. France granted 1600 medical visas for Algerian citizens in 2014, and it is estimated that many more Algerians visiting France on tourist visas seek out medical treatments while there. A sizeable number of Algerian medical tourists also travel to Tunisia, Morocco and Turkey.

According to analysis from Oxford Business Group, overall, health indicators were improving thanks to strategic government planning and continued widespread coverage of health care for citizens. Further, opportunities for private sector growth and investment are strong, particularly in the pharmaceutical industry; however, finalising reforms and addressing persistent concerns of stakeholders will be key to ensuring targeted progress takes place.

Latest health news from Algeria

- The health plan for the period 2009-2025 provides for investments of €20 billion for the construction of new health facilities and the modernisation of existing hospitals.

"In terms of human resources, the sector is split, with 57 % of all registered practitioners working in the public sector and 43 % in the private sector as of 2015, according to figures highlighted by Oxford Business Group."

- In May 2019, the WHO announced that Algeria was malaria-free. Algeria, where the malaria parasite was discovered by French physician Dr Charles Louis Alphonse Laveran in 1880, is only the second country in Africa to reach this milestone.
- In April 2018, Minister of Health, Population and Hospital Reform Mokhtar Hasbellaoui presented a new bill on health that "clearly" consolidates the right to free care.

Tunisia

Tunisia has set the healthcare sector as a national priority since independence and has pledged to provide free health services for the low-income population. Nevertheless, according to Oxford Business Group, the system is currently in need of pressing reforms to improve the quality of its services, particularly in the public sector. To this end, a reform announced by the government in March 2019 is set to overhaul the system and strengthen Tunisia's position as a medical centre for Africa.

The health system comprises the public, private and public-private sectors structured around three levels of care: primary, secondary and tertiary. The public sector is the primary health care provider, accounting for 79% of total hospital capacity in 2017.

National health policies have emphasised the need to improve the quality and provision of primary healthcare throughout the country, as well to support the decentralisation of the system and providing care at the local level. Investment in training, equipment and primary health centres are supporting this decentralisation shift. Tunisia also delivers preventative healthcare services to school and university students.

Although health infrastructure is available throughout the country, regional disparities

remain, notably in the south and central west. While primary health establishments are relatively spread across the territory, tertiary-level institutions are usually concentrated in big coastal cities, such as Tunis and Sousse. To help tackle this issue, Tunisia is adopting e-health solutions to broaden access to care.

In terms of health insurance, which has been compulsory in Tunisia since 2004, around 82% of the population is covered, according to the Centre for Research and Social Studies in May 2019. Some 58% were covered by the National Social Security Fund, 17.5% were under the Reduced-Price Medical Assistance scheme, and 7.3% were under the Free Medical Assistance scheme. This left 17.2% of Tunisians without health insurance.

Oxford Business Group highlights that the private health sector in Tunisia grew considerably over the last two decades, with the number of private hospital beds increasing from 2100 in 2001 to 6000 in 2019. The chairman of the National Federation of Health Boubaker Zakhama has said that this number is expected to reach 10,000 by 2024. Compared to the public sector, the private sector offers the bulk of heavy equipment, including scanners and MRI machines.

Topline healthcare stats for Tunisia



11,565,204 (2018)

Population, persons



US\$: 3,447 (2018)

GDP per capita



39.9 (2018)

GDP, billion current US\$



8.5% (2017)

Diabetes prevalence



7.0 (2016)

Health expenditure as a share of GDP



1.3 per 1,000 populations (2016)

Density of physicians



17 deaths per 1000 live births (2018)

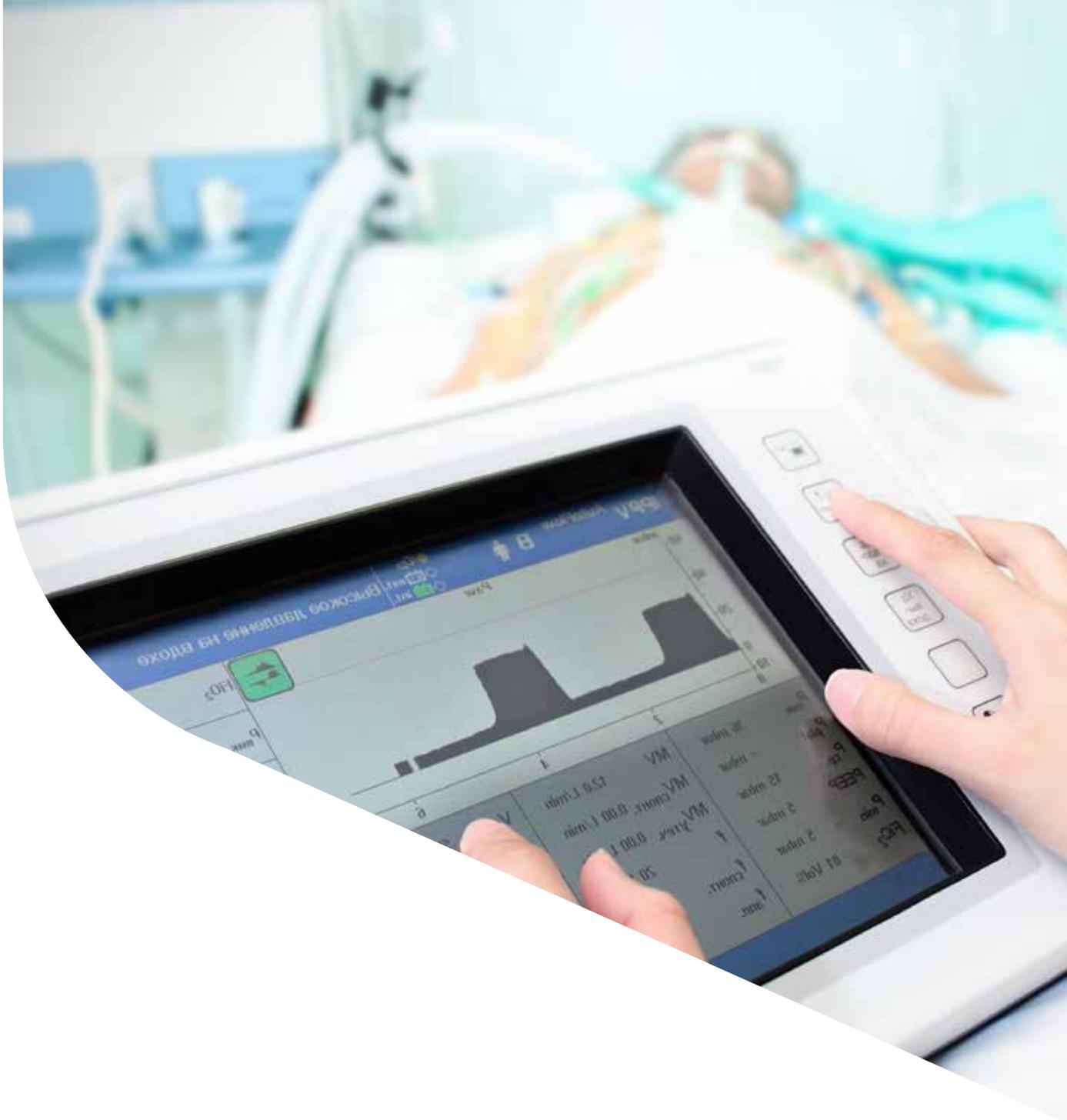
Under-5 mortality rate

Source: Knoema

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With a strategic geographic position and a relatively affordable healthcare system, Tunisia has long been regarded as a reliable medical destination in the region. Every year about 500,000 foreign patients seek inpatient care at Tunisian hospitals and around 2m-2.5m foreign patients utilise outpatient care. The bulk of foreign patients come from its bordering neighbours, Libya and Algeria, but a sizeable number also come from sub-Saharan Africa.

With a growing demand for services from both nationals and foreigners, the health sector remains a crucial pillar of Tunisia's economy. Oxford Business Group indicates that the country's low healthcare costs are a key competitive advantage, attracting patients from Africa and Europe. However, many challenges need to be addressed before the sector can realise its full potential. To this end, the raft of investments is expected to improve the quality

and provision of care. The pharmaceutical industry also presents significant prospects for the sector, notably in dietary supplements, biosimilars and clinical research.

Latest health news from tunisia

- In a bid to support the development of e-health in Tunisia, in February 2019 the French Development Agency signed a loan agreement of €27.3 million with the MoH.
- A government investment of UD\$5.2 million is earmarked to equip all health care infrastructures with computers over the 2020-21 period.
- In October 2019, Tunisia and China on Tuesday signed an agreement to conduct a feasibility study for the expansion of the new university hospital in the Province of Sfax. The hospital is currently constructed with Chinese financing aid estimated at US\$70 million.

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Libya

According to a 2017 health situation report from the WHO, health is a major concern in Libya. Historically the less fragmented system of health in Libya has further deteriorated due to fragmented governance, limited financial resources, deficient human resources, shortages of medicines and basic equipment, a debilitated primary healthcare network, and neglected health services in some areas predominantly the south.

A Service Availability and Readiness Assessment survey, conducted by WHO and Libyan MOH, showed that 17 out of 97 hospitals are closed and only four hospitals are functional between 75-80% of its capacity. Over 20% of primary healthcare facilities are closed, and the rest are not well ready for service delivery. Health needs of IDPs, refugees and migrants have increased manifold as well as their vulnerabilities in detention centres. Similarly, Libyan hospitals are in need of roughly 5,000 nurses, 3,500 specialists and 400 midwives.

The health sector currently has 36% of the required funding for the 'international humanitarian response plan' for the country drawn up by the UN, WHO said. Shortages of medicines and health service providers and lack of staff within the national public health programmes, increase the risk of spread of communicable diseases, such as tuberculosis and vaccine-preventable diseases, the health organisation said.

The lack of access to care is also having an impact on patients with chronic diseases, mental health conditions and special needs, as well as mothers in need of maternal care and newborn child health services.

Although the Libyan healthcare system is attempting to take steps to improve its healthcare delivery, the current status has resulted in a marginal uptake in medical tourism of neighboring countries such as Tunisia and Egypt.

Latest health news from Libya

- In February of 2019, the World Health Organization (WHO) issued a request for \$43 million to provide basic yet life-saving treatment to nearly 388,000 Libyans in need.
- In June 2019, the World Health Organisation provided the Tripoli University Hospital, Libya, with IT equipment, including servers and software in order to help it track and monitor the health status of people living with HIV and AIDS in the country.
- In April 2019 the United Nations Office for the Coordination of Humanitarian Affairs launched a Flash Appeal to raise funds as ongoing fighting continues to impact the civilian population in and around the Libyan capital, Tripoli. The Appeal looks to raise US\$10.2 million with US\$2.8 million of this to be used towards providing basic healthcare services for those affected.

Topline healthcare stats for Libya



6,678,567 (2018)

Population, persons



US\$: 7,235 (2018)

GDP per capita



48.3 (2018)

GDP, billion current US\$



10.4% (2017)

Diabetes prevalence



6.1 (2011)

Health expenditure as a share of GDP



2.2 per 1,000 populations (2017)

Density of physicians



12.0 deaths per 1000 live births (2018)

Under-5 mortality rate

Source: Knoema

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North Africa Health

By Informa Markets

North Africa Health is a 3-day exhibition and congress that will take place from 7-9 April 2020 at Egypt International Exhibition Centre in Cairo. The event connects key industry professionals from the region and abroad to meet, learn and do business.

The 2020 edition will host more than 180 exhibitors and 5,000 healthcare providers, medical practitioners, manufacturers, eHealth experts, key buyers, distributors, policy makers and stakeholders from around the world. The event will also highlight 5 key industry areas including Imaging and Medical Devices, Laboratory, SME & Innovation, Medical Tourism and National Pavilion.

Complemented by a diverse range of scientific and educational content, North Africa Health will be hosting a variety of conferences and workshops including ESLM Laboratory Conference (CME-accredited), ESRNM Radiology Conference (CME-accredited) and Digital Healthcare Conference.