



# 2022 Saudi Arabia Healthcare Industry Overview

Saudi healthcare sector transformation under Vision 2030

A report by

Global Health  
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## Topline healthcare stats for KSA

- 44 % of the population is over the age of 40 in 2035
- Life expectancy is expected to increase to 81.8 by 2050
- KSA accounts for 60 % of GCC healthcare expenditure in 2022
- 14.4 % of the 2022 budget to be spent on healthcare
- 7.5 million people are expected to be diabetic by 2045
- Foreign investors can have 100 % ownership in the healthcare sector
- 295 hospitals and 2,259 healthcare centres to be privatised by 2030
- 20,000 additional beds are required by 2025
- \$66 billion to be invested in healthcare infrastructure by 2030
- NCDs top account for 60 % of deaths by 2030
- Surgical procedures are expected to increase by 20 % annually
- The pharmaceutical market is expected to grow by 5.5 % annually and reach \$10.7 billion by 2023
- Saudi Arabia accounts for nearly 60 % of the purchases of pharmaceutical products in the GCC
- At least 5 % of healthcare service spending will shift to non-hospital care settings

Sources: Knight Frank, Frost&Sullivan, Trade.gov, IDF

## Top achievements in KSA healthcare sector

- Patients receiving emergency medical care within 4 hours of arrival increased from 26 % in 2016 to 87 % in 2020
- In 2020, more than 67 million appointments were booked through the “Mawid” app
- 8.6 million medical consultations were provided through the “Seha” app and the 937-call centre
- Satisfaction in hospital services increased from 81.5 % in 2019 to 84.06 % in 2020
- Satisfaction in primary care services increased from 73 % in 2018 to 80.52 % in 2020
- Life expectancy increased from 72.6 in 2000 to 75.0 in 2018

Source: National Center for Public Agencies Performance Measurement





## Market overview

### Enabling comprehensive transformation.

As one of the most important sectors contributing to Saudi Arabia's (KSA) future-forward economy, the Kingdom has made significant strides in improving its healthcare infrastructure and developing the sector to achieve privatisation of services provision and public-private partnerships (PPPs), an elevation in the quality of care, the application of virtual healthcare platforms and the enhancement of the health service through essential supply chain reform.

The demand for healthcare in KSA has continued to rise, and this has been witnessed by the increasing healthcare budget and healthcare investment made over the past ten years. KSA accounts for 60 % of the Gulf Cooperation Council (GCC) countries' healthcare expenditure, and the sector remains a top priority for the KSA Government, according to Trade.gov. In 2022, it will spend \$36.8 billion on healthcare and social development – 14.4 % of its 2022 budget.

According to a report published by Mashreq Bank and Frost & Sullivan, KSA plans to invest \$66.67 billion in healthcare infrastructure and boost private sector participation from the current 40 % to 65 % by 2030, targeting the privatisation of 290 hospitals and 2,300 primary health centres.

With life expectancy in KSA projected to increase from 76.4 to 81.8 years by 2050, and the Kingdom's population expected to grow from 34.3 million in 2019 to 39.4 million by 2030, increased investment in infrastructure and innovation is expected to drive strong growth in the Kingdom's healthcare sector.

## Building resilience through investing in healthcare.

Priority investment areas for the KSA Ministry of Health (MOH) include:

- Launching Health Clusters across the Kingdom
- Increasing the number of internationally accredited hospitals
- Doubling the number of primary healthcare visits per capita from two to four
- Decreasing the rates of smoking and obesity
- Improving the quality of preventive and therapeutic healthcare services
- Expanding digital healthcare innovation

## Leading healthcare sub-sectors in KSA

According to Trade.gov, the following sub-sectors of the KSA healthcare market present the best opportunities for investment:

**Dental services** - The dental care service sector is anticipated to grow thanks to increased dental care spending, growing penetration by insurance coverage, and an increase in the per capita income.

**Digital health** - KSA is expected to be one of the fastest-growing digital health markets in the GCC, with the government allocating \$1.5 billion for healthcare IT and digital transformation programmes.

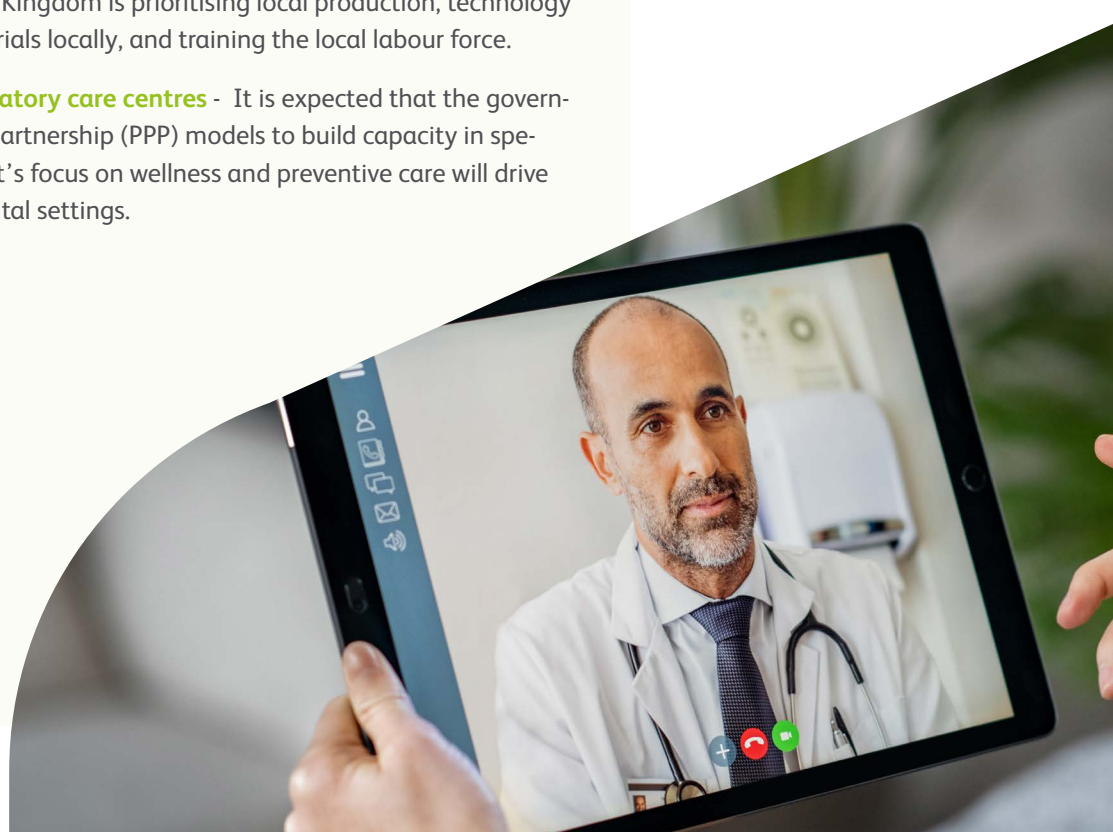
**Health insurance** - This sector's key growth drivers include an increase in the insured population, medical insurance requirement to renew residency for expats, for all Saudis working in the private sector, and for tourists' visa applications.

**Medical devices** - Medical equipment has an estimated value of \$2 billion and is growing at a CAGR of 10%. KSA seeks to transition from a manufacturer of low-value commodities to a manufacturer of high-value medical products offering financial incentives to encourage local manufacturing.

**Pharma and biosciences** - The transition to an increasingly privatised and comprehensive healthcare system will drive demand for patented and generic medicine. Under Vision 2030, The Kingdom is prioritising local production, technology transfer, conducting clinical trials locally, and training the local labour force.

**Speciality clinics and ambulatory care centres** - It is expected that the government will use public-private partnership (PPP) models to build capacity in speciality areas. The government's focus on wellness and preventive care will drive investment toward non-hospital settings.

Source: Trade.gov





### **Saudi vision 2030 and the health sector transformation programme**

Launched in 2022, the newly established Health Sector Transformation Programme, part of the Kingdom's Vision 2030, aims to ensure the continued development of healthcare services in the Kingdom by restructuring the health sector to be a comprehensive, effective and integrated health system that is based on the health of the individual and society.

The programme depends on the principle of value-based care, which ensures transparency and financial sustainability by promoting public health and preventing diseases and applying the new model of care related to disease prevention.

It also aims to improve access to health services through optimal coverage and a comprehensive and equitable geographical distribution, expanding the provision of e-health services and digital solutions, and improving the quality of health services.

The programme has made commitments that by 2025, 88 % of the population will be covered by inclusive health services, and the unified digital medical records system will cover 100 % of the population.

### **Better outcomes in today's digitalised healthcare environment.**

IoT and 5G are transforming the healthcare sector in KSA, enabling monitoring of patients in remote areas and critical early interventions, therefore serving healthcare providers to improve their efficiency and reduce costs.

There are several other trends to watch out for in the medical environment, including virtual hospitals, wearables and telehealth. At the same time, 5G will enable new and improved use cases, such as augmented reality surgery, robotic-assisted surgery, connected ambulances, after-surgery care and remote patient monitoring.

The virtual hospital Sehha is linked to more than 130 hospitals around the Kingdom, using the latest treatment technologies, expanding the employment and investment of medical robots to save time and effort and relieving the hardships of travel and transportation and for critical cases that require specialised, accurate and quick consultations while facilitating the provision of health services at home.

## Planning for a resilient health workforce in Saudi Arabia.

With a health system in transition and prepared for changing priorities, the KSA government plans to build a more resilient workforce with less reliance on foreign health workers.

According to Lin, T.K., Bruckner, T.A., Alghaith, T. *et al.*, it is estimated that KSA will require between 1.64 and 3.05 physicians and nurses per 1,000 population to provide health services in 2030.

Overall, the total supply of physicians and nurses (including both Saudi and foreign) will grow from 270,198 in 2020 to 399,354 in 2030 (for physicians: from 92,642 to 138,635, respectively; for nurses: from 177,556 to 260,719, respectively)

## Increasing hospital capacity to meet changing demands.

Meanwhile, research from Knight Frank indicates that to keep pace with population growth, KSA will require an additional 20,000 beds by 2035, based on the current density of beds. Based on the global average of bed density, the Kingdom faced a gap of 14,000 beds in 2016, and this gap is expected to widen to 40,000 beds by 2035.

With the life expectancy of both males and females on the increase, Colliers International expects this to create demand for long-term care (LTC) facilities, focusing on geriatric-related care, rehabilitation and home healthcare services.

Based on current international benchmarks of 4-6 beds per 1,000 population above 65 years, Colliers estimates that KSA needs between 6,400 - 9,600 beds dedicated for LTC. This is expected to reach 41,200 – 61,800 LTC beds by 2050.





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