



# 2019 Healthcare Market Insights: **Ethiopia**

Report by Medic East Africa

Medic East Africa 

By Informa Markets

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## Market synopsis

According to the International Finance Corporation (IFC), Sub-Saharan Africa has about 11 % of the world's people, but it carries 24 % of the global disease burden in human and financial costs. Almost half the world's deaths of children under five take place in Africa.

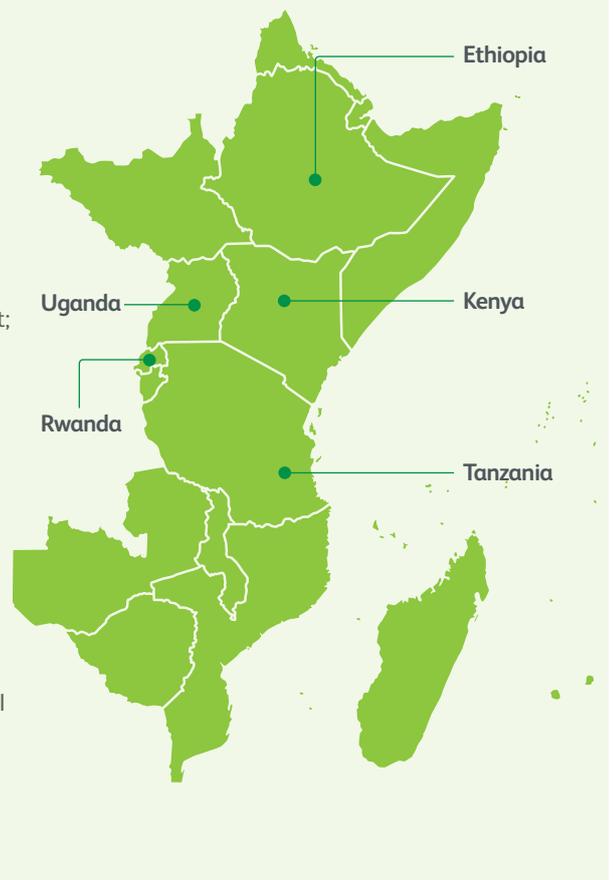
This challenge is significant but not insurmountable. There is a tremendous opportunity to leverage the private sector in ways that improve access and increase the financing and quality of

healthcare goods and services throughout Africa. In a region where public resources are limited, the private sector is already a significant player. Around 60 % of healthcare financing in Africa comes from private sources, and about 50 % of total health expenditure goes to private providers.

Sub-Saharan Africa's improving economic performance means that the demand among all sectors of society for healthcare is poised to increase still further, says the IFC.

### 15 Reasons to invest in East Africa

- Market access to more than 145.5 million people;
- Combined GDP size of about US\$ 147.5 billion;
- The world's fastest reforming region in terms of business regulation;
- Simplified investment procedures and one-stop centre facility provided by national investment promotion agencies;
- Generous incentives offered;
- Vibrant and upcoming capital and securities market;
- High level of intra-regional trade and cross-border investments;
- Numerous investment opportunities traversing all sectors;
- Abundant labour force - educated, trained, mobile, skilled and enterprising;
- English is widely spoken; it is one of or the only official language in at least four of the five Partner States;
- Insurance against non-commercial risk by Multilateral Investment Guarantee Agency and Africa Trade Insurance Agency;
- Sanctity of private property guaranteed by national constitutions;
- Stable political environment and high level of governance and democracy;
- Consumer loyalty; and
- A warm and hospitable people





### Top line healthcare stats



**98,148,000**  
Population



**US\$1,500**  
Per capita income



**W 65/M 62**  
Life expectancy at birth  
women/men



**49/1,000 live births**  
Infant mortality rate

## Ethiopia

According to Export.gov, the Government of Ethiopia is working to strengthen the healthcare system to align it with the Millennium Development Goals and it has made significant investments in the public health sector which have led to improvements in the health outcomes. Nevertheless, communicable diseases like HIV/AIDS, TB, malaria, respiratory infection, and diarrhea remain a serious challenge in Ethiopia. High fertility rates, and low contraceptive prevalence continue to drive a rapidly increasing population in Ethiopia. With a growing middle class, the GOE is facing an increase in non-infectious diseases such as cancer, diabetes, heart diseases, hepatitis B&C and high blood pressure.

Under the second Growth and Transformation Plan (GTP II) and Health System Transformation Plan, the Ministry of Health (MOH) is implementing changes to various aspects of the healthcare system. For better management, the government has increasingly decentralised management of its public health system to the Regional Health Bureau levels. The MOH is also committed to reform agencies such as the Food, Medicine and Health Care

Administration and Control Authority (FMHACA) and the Pharmaceutical Fund and Supply Agency (PFSA).

## Healthcare infrastructure

The Ethiopian Food, Medicine and Health Care Administration and Control Authority has reported that there are currently more than 16,600 healthcare centers deliver health services in Ethiopia. The government encourages private sector participation in the area of quality of care and quality of service.

The government is also working with the private sector to build advanced tertiary care hospitals to meet domestic demand that would otherwise be met through outbound medical tourism, and ultimately to attract medical tourism to Ethiopia.

The Ethio-American Hospital, which began construction in April 2017 and plans to begin operations by December 2019, is an example of the government's commitment to developing major new healthcare facilities. This project also demonstrates the government's commitment to encouraging foreign investment in the sector through public private partnership (PPP) arrangements, according to Export.gov.

Source: Population Reference Bureau 2017: Ethiopia

Source: Export.gov

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### Health insurance

Export.gov also highlighted that the government seeks to address high out of pocket costs for health services through the introduction of community-based health insurance (CBHI) and social health insurance (SHI) for the informal and formal segments of society, respectively.

The Ethiopian Health Insurance Agency (EHIA) has already been established and is undertaking the necessary steps to offer SHI. The agency is working to automate the social health insurance membership registration and follow up process, and the task of developing a management information system software and implementation manual of the

scheme. In addition, various social health insurance implementation manuals and guidelines were drafted and are ready for testing.

### Medical devices

The Food, Medicine and Healthcare Administration and Control Authority of Ethiopia (FMHACA) is responsible for medical device regulation in Ethiopia. Medical Devices and IVDs are subject to registration procedure.

A Local Representative, representing the manufacturer to the Regulatory Authority, should be appointed. In general, it takes about 3 to 6 months to get approval for new registrations and the registration is valid for 4 years.

### 2020 impact-level targets for the Health System Transformation Plan (HSTP):

- Reduce infant and neonatal mortality rates.
- Decrease HIV contraction by at least 60 % and achieve zero new infections among children.
- Lessen the number of TB deaths and incidence rate by 35 % and 20 % respectively. Diminish malaria case incidence and mortality rate by at least 40 %.



## Medic East Africa

By Informa Markets

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Accompanying the exhibition is a number of business, leadership and Continuing Medical Education (CME) conferences and workshops providing the very latest updates and insights into cutting edge procedures, techniques and skills.

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