



2019 Healthcare Market Insights: **Tanzania**

Report by Medic East Africa

Medic East Africa 
By Informa Markets

Together for a healthier world



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

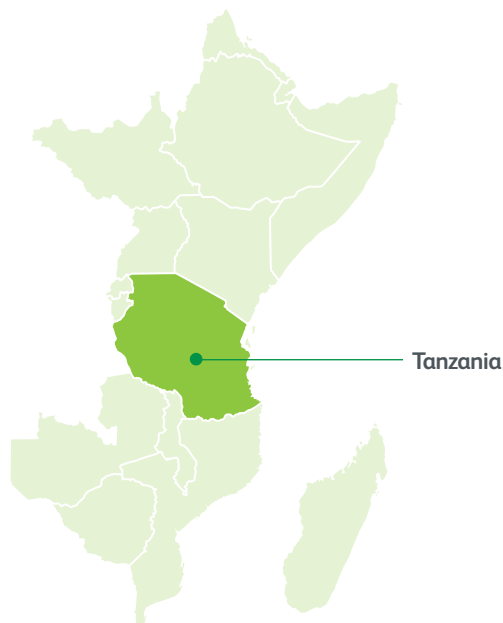
healthcare goods and services throughout Africa. In a region where public resources are limited, the private sector is already a significant player. Around 60 % of healthcare financing in Africa comes from private sources, and about 50 % of total health expenditure goes to private providers.

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



57,500,000
Population



US\$2.740
Per capita income



W 67/M 63
Life expectancy at birth
women/men



47/1,000 live births
Infant mortality rate

Tanzania

Tanzania exemplifies the developing world's struggle to achieve 'middle-income' country status while confronting widespread poverty and substantial health challenges-such as persistently high child and maternal mortality, human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS), tuberculosis (TB), and malaria, according to latest research by Export.gov.

Tanzania has made a number of important public health achievements in recent years, including a decline in childhood deaths. Between 2003 and

2012, HIV prevalence fell from 7.0 to 5.1 %, while the number of patients receiving life-saving HIV treatment has nearly tripled over the last five years.

While Tanzania has made progress in reducing under-five mortality, maternal, newborn, and child health can still be improved. Tanzania must also continue to battle HIV/AIDS and other health issues such as tuberculosis, malaria, respiratory infections, and diarrhea. These issues are exacerbated by underlying food insecurity and nutritional deficiencies. Tanzania also has some of the lowest coverage rates of health personnel in the world.



Source: Population Reference Bureau 2017: Tanzania

Source: <https://www.pharmaccess.org/wp-content/uploads/2018/01/The-healthcare-system-in-Tanzania.pdf>



Health expenditure

According to figures from Unicef, the health sector was allocated Tanzanian Shillings (TSh) 2.22 trillion in Fiscal Year (FY) 2017/2018. This represents a 34 % nominal increase on FY 2016/2017 or a 28 % increase once adjusting for inflation. The health budget accounts for 7 % of the national budget and 1.8 % of gross domestic product (GDP).

Meanwhile, Export.gov has reported that for 2018/2019, the Ministry of Health has planned to spend US\$246.2 million as part of its development budget, which will help the government to implement its health-improving initiatives. This year's development projects budget is 29 % less than previous year, contribution from development partners has decreased by 59 % while local contribution has increased by 12 % from previous year.

The government has called upon investors to establish pharmaceutical factories within the country. Health supplies, commodities and equipment comprise a significant portion of the pharmaceutical domestic development budget. However, firms operating locally will face several challenges such as need for skilled human resources, availability of modern technology and the ability to reach sufficient scale to compete with international suppliers.

Healthcare infrastructure

According to Export.gov, the Tanzanian government has shown commitment to building new healthcare facilities, but many public healthcare facilities already are understaffed and therefore unable to service

patients as required. Inadequate maintenance of infrastructure and equipment exacerbates the problem.

Health insurance

Unicef has reported that health insurance coverage in Tanzania has been growing steadily. A single national health insurance holds the hope of increasing the resources available for health and providing basic universal health coverage.

Furthermore, according to Unicef, health insurance coverage has grown in recent years although coverage of special groups (those requiring a government subsidy to access care) dropped in FY 2016/2017. Health insurance holds the hope of increasing the resources available for health and providing basic universal health coverage. The number of people covered by the National Health Insurance Fund increased by 13 % from FY 2016/2017 to March 2018. The number of registered health providers has expanded rapidly. Membership of Community Health Funds expanded by 9 % from FY 2016/2017 to March 2018.

Medical devices

Medical devices are regulated by the Tanzanian Food and Drugs Authority (FDA) and devices are classified according to risk into Classes A, B, C, and D. Once an application has been accepted and paid for, the evaluation process will take up to 270 days and licenses issued in Tanzania are valid for five years. An authorised representative is required in order to register a medical device in Tanzania.

Health insurance

16.1% Types of insurance / saving products (estimation of beneficiaries as % of the population)

5.6% National Health Insurance Fund (Public): benefit package includes basic lab tests, outpatient services, in-patient and specialist care; open to formal public and other sector employees and specific groups (e.g. students, children below 18 yrs & registered economic activities groups), 6 % payroll tax apply for those in formal sector.

0.1% Social Health Insurance Benefits of National Social Security Fund (NSSF-SHIB) (public); benefit package for members of National Social Security Fund, open to formal and informal sector. No premium charged after contributing 10 % income as pension saving.

8.4% CHF / TibaKwaKadi (TIKA) (public); basis healthcare coverage to low-income households informal sector; fixed premium rates

1.0% Private Health Insurance (PHI); various packages and various fixed premiums

1.0% Community Based Health Insurance / Micro Insurance; (private) covers primary and hospital care; informal sector; various fixed premiums

Source: based on Bultman, Mushi (2013), Options for Health Insurance Market Structuring and interviews local experts



Medic East Africa

By Informa Markets

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