



2019 Healthcare Market Insights: Kenya

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.

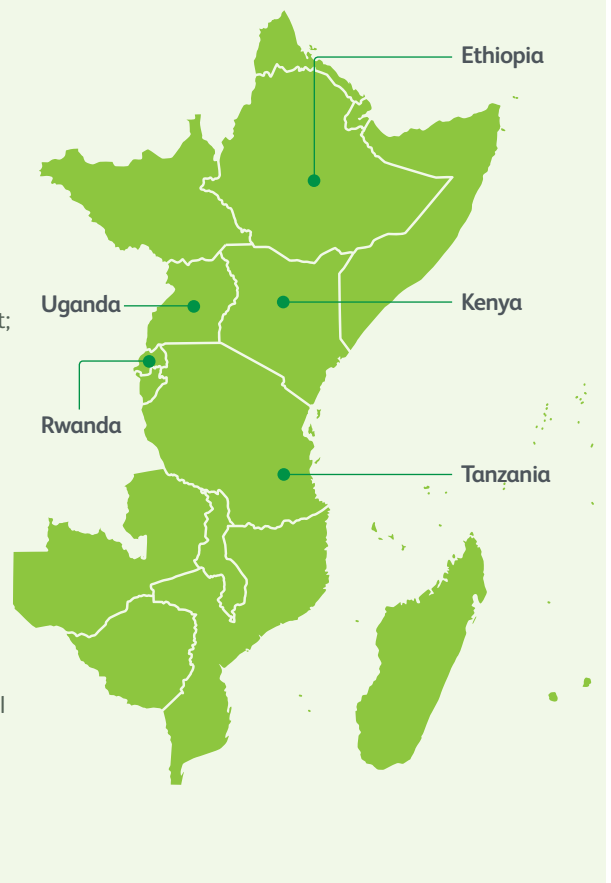
This challenge is significant but not insurmountable. There is a tremendous opportunity to leverage the private sector in ways that improve access and increase the financing and quality of

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.

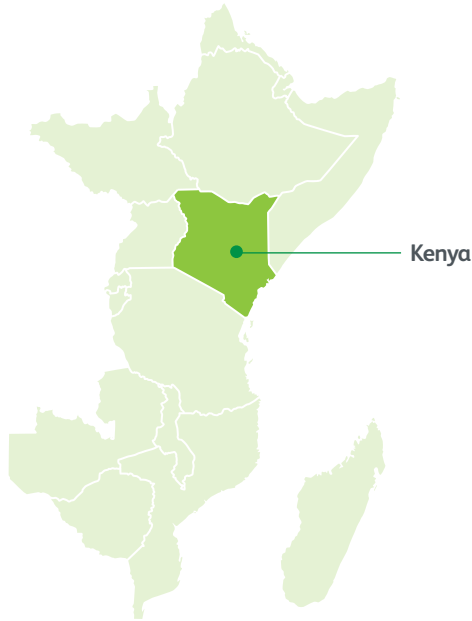
Sub-Saharan Africa's improving economic performance means that the demand among all sectors of society for healthcare is poised to increase still further, says the IFC.

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



Key forecasts



Top line healthcare stats



49,700,000
Population



US\$1,640
Per capita income



65/60yrs
Life expectancy at birth
women/men



39/1,000 live births
Infant mortality rate

Kenya

Having established itself as an East African business hub and a key pharmaceutical market, Kenya is already a host to many multinationals, mostly through local representative offices or distributors, according to a report by Fitch Solutions.

Authorities are also investing in regulatory improvement initiatives, which will complement their efforts to achieve universal healthcare coverage. On the other hand, some foreign players may remain wary of committing to the market due to the prevalence of counterfeit medicines, low per capital purchasing power and the uncertain funding base.

Kenya has made significant progress in tackling long-standing issues, such as high child and maternal mortality rates. However, the fact that a substantial proportion of the population lives in rural areas

continues to present challenges in relation to access and quality of care. Authors of the report remain optimistic regarding the trajectory of Kenya's healthcare system, though adequate and sustained financing may be difficult to secure.

Health expenditure

According to Fitch Solutions, spending on healthcare was valued at KES394.68bn (US\$3.98bn) in 2017. Per capita healthcare expenditure reached US\$80, of which as much as 61 % was sourced from the private sector. Generally speaking, healthcare remains unaffordable to many, also due to the lacking infrastructure in rural areas. I

In 2017, total healthcare spending accounted for around 4.8 % of the country's GDP, with the figure gradually falling in recent years from over 5.7 % in as recently as 2014.





Healthcare infrastructure

In October 2018, local authorities reported that the construction of a new 2,000-bed secondary and tertiary care hospital on the outskirts of Eldoret (western Kenya), which aims to relieve stress on the Moi Teaching and Referral Hospital is scheduled to start by the end of the year.

Private hospitals in Kenya have rolled out multi-billion shilling expansion projects in order to meet the current and expected growth in demand for quality healthcare services as the country's middle class population grows. The Aga Khan University Hospital, Nairobi Hospital, Avenue Group, Coptic Hospital, Kenyatta University and AAR Health Services have all launched major development schemes that will see new branches opened and services broadened. Similarly, in August 2016, India-based Grant Medical Foundation's Ruby Hall Clinic launched a 400-bed facility in Kenya, with a focus on cardiology and oncology.

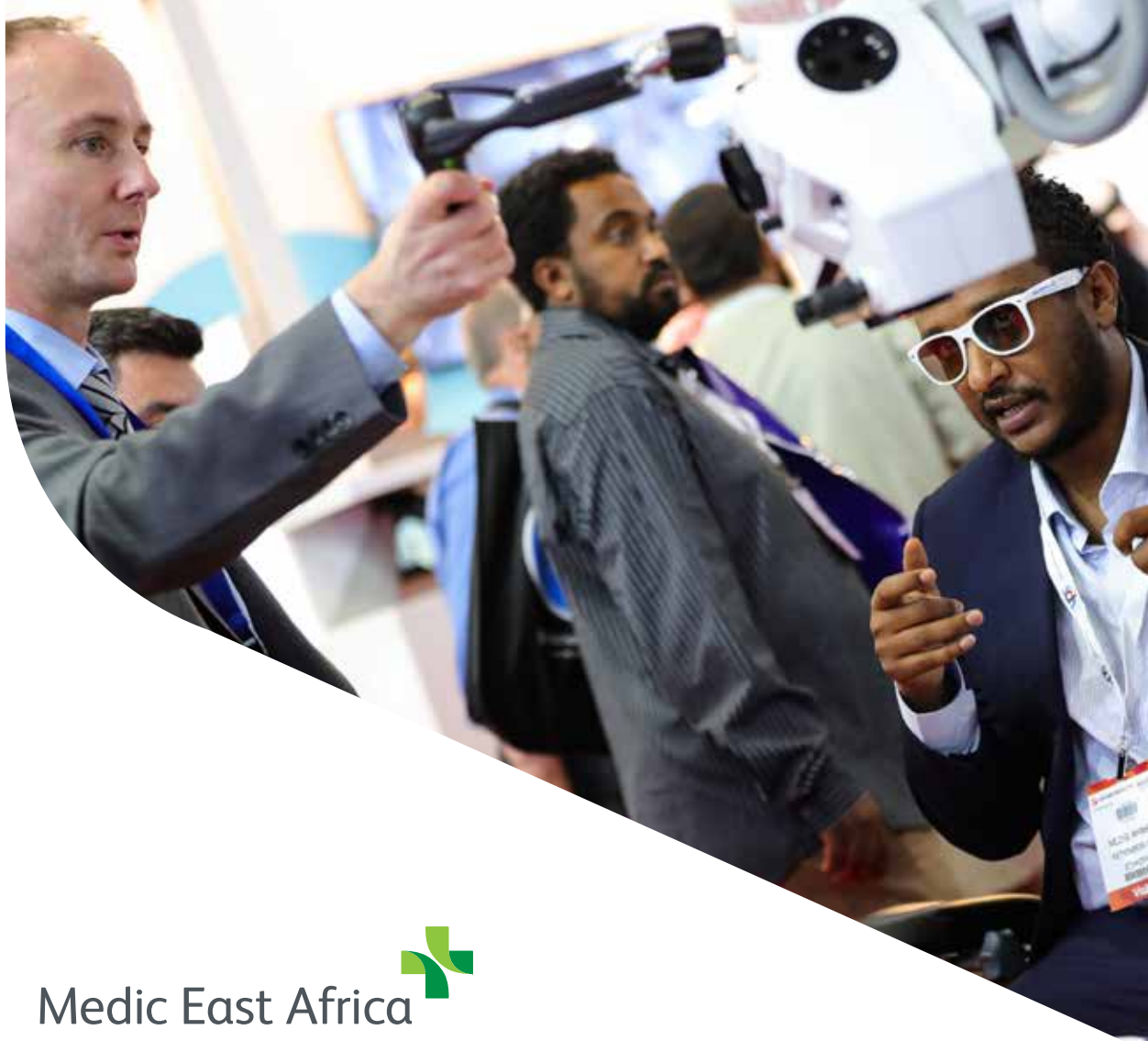
Medical devices

Fitch Solutions suggest that the Kenyan medical device market will record double-digit growth in

local currency terms over the 2017-2022 period, and weaker growth in US dollar terms due to the depreciation of the Kenyan shilling, according to Fitch Solutions. The market will remain heavily reliant on imports due to domestic manufacturers focusing on basic consumables. The Equitable Division of Revenue Bill and ambitions of achieving universal healthcare coverage will benefit medical device manufacturers.

Health insurance

In early 2017, WHO figures showed that almost every four out of five Kenyans had no access to medical insurance, which precluded them from being able to reach necessary healthcare services. In order to expand affordable healthcare coverage in Kenya, President Uhuru Muigai Kenyatta has vowed to increase cooperation between the NHIF and private insurance providers, as well as to change laws regarding such providers. The authorities are targeting 100% coverage in 2022, up from 56% currently, or around 25.7 million population.



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The 2019 edition of the show will take place from **24-26 September 2019** and will welcome 170+ exhibiting companies to showcase their latest innovations to 3,430+ healthcare and trade professionals.

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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