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Medic East Africa
By Informa Markets

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2023 Healthcare Market Insights - East Africa

Report by Medic East Africa and Medlab East Africa

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Market synopsis

The healthcare market in East Africa is a growing market with significant potential for growth and investment. Here is a brief market synopsis of the healthcare market in East Africa:

- **Market size and growth:** Over the next decade, East Africa's \$8 billion healthcare sector is forecast to almost double to \$15 billion. Also within that same period, the medical devices market is expected to grow at 10% per annum.
- **Demand for healthcare services:** Manufacturing provides several prospects in East Africa. The area is now a net importer of manufactured goods such as machinery and transportation equipment, as well as healthcare-related goods such as medicines and diagnostic gadgets.

The second EAC Regional Pharmaceutical Manufacturing Plan of Action strategy for the growth of the pharmaceutical manufacturing sector contains four goals:

1. Cut imports by **70% to less than 50%**.
2. Support the extension of the product portfolio to cover **90% of the illness load**.
3. Governments must get at least **50% of their goods from domestic manufacturers**.
4. At least five businesses will manufacture more sophisticated formulations such as delayed-release formulations, small volume injectables, vaccines, and so on.



- **Healthcare infrastructure:** The healthcare infrastructure in East Africa is improving, with investments in hospitals, clinics and medical equipment. However, the region still faces challenges such as inadequate healthcare facilities, insufficient financing and shortage of healthcare workers.
- **Investment opportunities:** There is an untapped market and there lies an opportunity in healthcare infrastructure, medical equipment and supplies, pharmaceuticals and technology. The region also offers opportunities for healthcare service providers and healthcare start-ups.
- **Healthcare providers:** The healthcare sector is largely dominated by public sector, but there is an increasing number of private healthcare providers entering the market. These include hospitals, clinics, diagnostic centers and telemedicine providers.



Countries overview

Kenya



6,287

health facilities owned
by private sector



6,523

health facilities owned
by public sector



14,235

total health facilities
in the country



1,035

owned by faith based
organisations



45.8%

health facilities accounted
by Ministry of Health



44%

health facilities accounted
by private sector



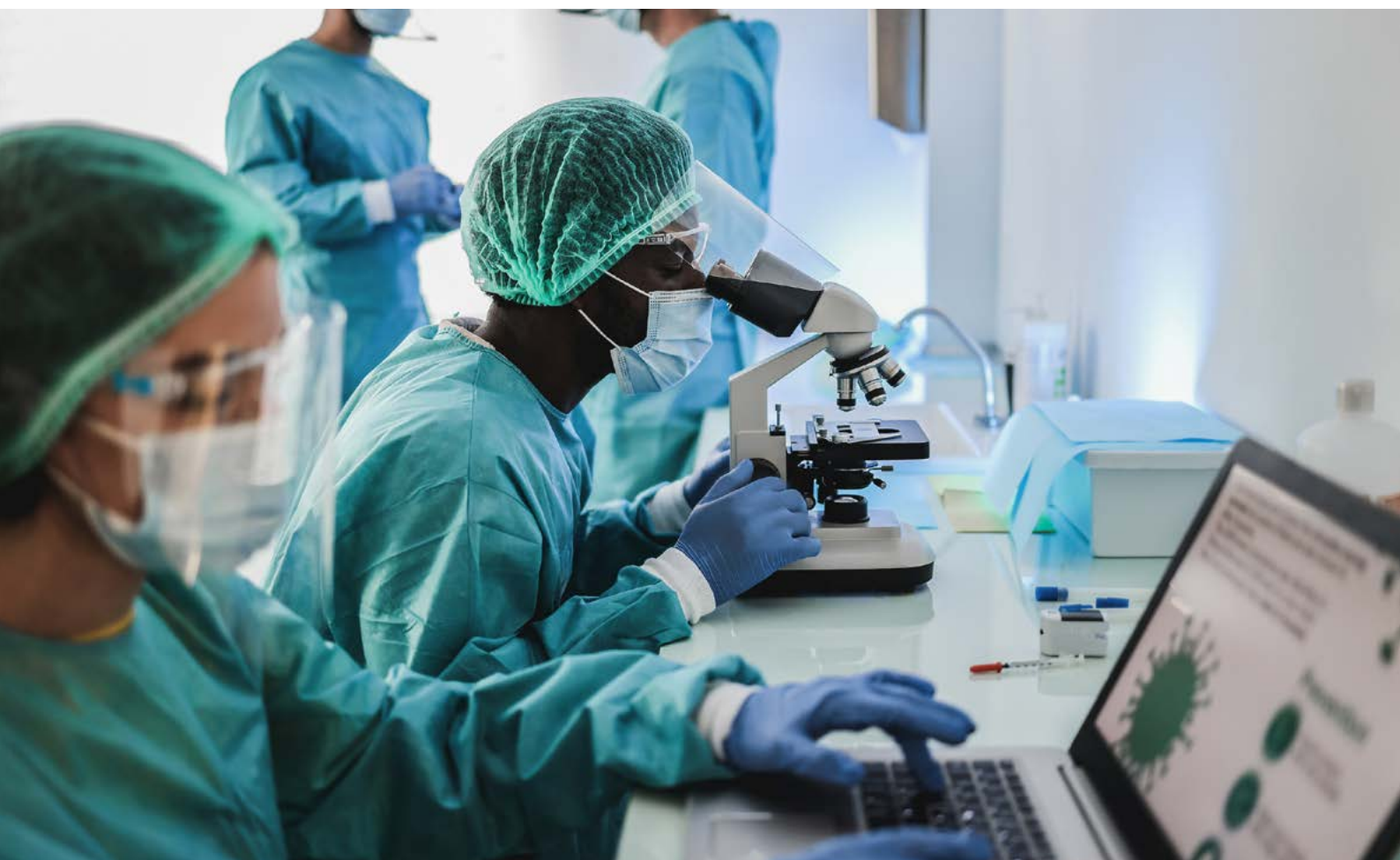
390

owned by non-governmental organisations (NGOs) and
community based organisations (CBOs)

Number of healthcare facilities

According to the Kenyan Master Facility List (MFL) that includes all officially registered health facilities in Kenya, there are a total of 14,235 health facilities in the country. About 6,523 of these are owned by the public sector. About 6,287, fall under ownership of the commercial private sector,

and 1,035 are owned by Faith Based Organizations (FBOs), and about 390 account to Non-Governmental Organizations (NGOs) and Community Based Organizations (CBOs). The distribution of health facilities shows that the Ministry of Health accounts for 45.8% of the total health facilities in the country while the private sector accounts for 44%.



Healthcare and trade regulation environment in Kenya

To ensure compliance with trade law, Kenya has adopted a law model that requires all other written laws related to the health sector in Kenya to be harmonised and coordinated by the respective regulatory bodies. These laws must also be consistent with international law so that goods can cross borders without any legal or administrative impediments or restrictions.

In the healthcare and trade regulation environment in Kenya, the government is focusing on Kenyan businesses, trade and investment issues. Increased trade and investments have led to a partnership between Africa and other global markets, which has opened up new opportunities for growth. The chains of trade have also enabled an increase in market access, allowing companies to expand their operations and supply chains. This fuels global business operations around the world. The East African Community (EAC) Trade Agreement has enabled african leaders to engage with the US government and other international partners, creating a data strategy that allows for improved products across borders.

This data allows businesses to access global markets and drives international investment into the country. This ambitious trade agenda is intended to unlock data flows and support trade businesses, while working towards future partnerships.

Investments

Kenya's commitment to an Africa growth strategy, combined with the European Union's trade agreement, make it a great investment destination. The African Development Bank also encourages multilateral trade and has signed treaties and agreements to promote investment in Kenya. This includes a trade agreement for the Greater East African Trade Area (EATZ), allowing for increased trade between Kenya, Uganda and Tanzania.

World Trade Organization rules are also applicable to the promotion of trade agreements between countries. These agreements include tariff reduction schemes and other forms of trade promotion schemes that create potential markets for investors from all countries. The Kenyan government is committed to creating a favorable environment for foreign investors through its International Trade System Opportunities Act (ITSOP).



This has enabled the country to attract a massive amount of Foreign Direct Investment (FDI) in recent years. Kenya is a leading example of East Africa's growth potential, with major upgrades in infrastructure and expansion of energy access facilitating innovative funding and supporting investment promotion. FDI is also helping to promote value chain development across countries and developing industrial strategies to improve competitiveness.

In recent years, private sector investment in the health sector has increased significantly. Private sector lending to Kenyan healthcare providers has been enabled by online healthcare platforms such as Kenya Ponea. The World Bank's International Finance Corporation (IFC) has become an important conduit for these investments by providing loans and other financing opportunities to health care providers.



Rwanda



1,700

total of health post in the country



500

health centers



42

district hospitals



5

national referral hospitals



2

private owned general hospitals



2

private owned eye hospitals



50

private owned clinics and polyclinics



8

dental clinics



134

dispensaries



Number of healthcare facilities

Public sector: As per Rwanda Development Board, there are a total of 1,700 health post in Rwanda, 500 health centers, 42 district hospitals, and 5 national referral hospitals. These facilities are owned and operated by the Rwandan government and are funded through various sources including the national budget, development partners and health insurance schemes.

Private healthcare facilities: 2 general hospitals, 2 eye hospitals, 50 clinics and polyclinics, 8 dental clinics, and 134 dispensaries. These facilities are owned and funded through patient fees, health insurance and other sources.

Universal health coverage

Rwanda is internationally recognised for its success in offering universal access to healthcare and is often held up as a model for other low and middle income countries seeking to achieve universal health coverage.

Rwanda has implemented a national health insurance scheme known as Mutuelle de Santé, which provides affordable health care to all citizens. The government subsidises premiums for the poorest and most vulnerable in order to increase the access to healthcare services. In addition to the health insurance scheme, the government has decided to create different categories called “Ubudehe” to classify the people according to their socio-economic status which has helped the government to understand who needs assistance and to what level it is needed. It has helped to roll out community

based health insurance schemes. As per Rwanda’s Minister of Health, the country has a coverage of 91 %.

Investment

Rwanda is a leader in Africa’s healthcare sector, and its success in health financing has enabled it to strive towards universal health coverage. The government of Rwanda has taken steps to strengthen its primary healthcare systems by investing heavily in management capacity and improving access to essential services for all its citizens.

It has sought support from three global health funding initiatives, as well as from other funding sources such as the World Bank, to aid government investments. This investment has enabled Rwanda to integrate its own aid and external donor support into a stronger local health system, improving service availability in both rural and urban areas. Furthermore, core equipment needs have been met in order to improve overall health systems. The focus on HIV/AIDS control and other health shocks has also been addressed through such investment

As per Ministry of Finance and Economic Planning of Rwanda, the government will allocate about Frw 1.2 trillion (approximately 26.4 % of the entire budget). The budget share will be spent on improving quality and access to health and education, eradicating extreme poverty through scaling up of social protection programs, improving nutrition through early detection, provision of fortified foods and scaling of early childhood development facilities.

Uganda



6,937

total health facilities in the country



1,200

clinics



1,017

health centers



50

referral hospitals



3,483 (50%)

publicly owned health facilities



2,935 (42%)

privately owned health facilities

Number of healthcare facilities

According to the Uganda Health Facility Registry, as of February 2023, there were a total of 6,937 healthcare facilities in Uganda. 1,200 clinics, 1,017 health centers and 50 referral hospitals. Of these, about 3,483 (50%) were publicly owned, while about 2,935(42%) were privately owned.

Healthcare and trade regulation environment in Uganda

The healthcare and trade regulation environment in Uganda is regulated by various laws, policies and government agencies. The government is working to promote access to affordable and quality healthcare services, while also promoting innovation and investment in the healthcare sector. The Uganda National Drug Authority (NDA) is responsible for regulating the manufacture, importation, distribution and sale of drug and other medical supplies in Uganda. The Ministry of Health is responsible for regulating healthcare services, including licensing and accreditation of healthcare facilities.

The NDA also regulates the import and export of drugs and medical supplies in Uganda. Importers must obtain import

permits from the NDA and comply with quality control standards. Exporters must comply with regulations set by the Ministry of Trade, Industry, and Cooperatives. Uganda is a member of the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), which have free trade agreements and harmonised regulatory systems. Uganda also has trade agreements with other countries like the United States and China.

Investment

As per Minister of Finance, Planning and Economic Development in his budget speech of 2022-2023, the country's economy is projected to expand to Shs162.1 trillion for the financial year ending 30th June 2022. This is equivalent to US Dollars 45.7 Billion.

The health sector was allocated a total of Shs3.722 trillion for healthcare delivery in Financial Year 2022/2023.

Uganda's GDP per capita has increased to US \$1,046, as of June 2022, which is equivalent to Uganda Shs3.7 million per person per year.



Ethiopia



25,753

total health facilities in the country



21,843

government-owned facilities



3,910

privately owned facilities

Government-owned facilities:



17,699

health posts



3,777

health centers



367

hospitals

Privately owned facilities:



43

hospitals



3,867

clinics and health center

Number of healthcare facilities

According to the US International Trade Administration, there were a total of 25,753 health facilities in Ethiopia as of July 2022. Of these, 21,843 were government-owned facilities and 3,910 were privately owned.

The government-owned facilities are further classified into 17,699 health posts, 3,777 health centers, and 367 hospitals. The private sector facilities in Ethiopia include a mix of for-profit and not-for-profit organizations, including 43 hospitals, 3,867 clinics, and health centers.

Healthcare and trade regulation environment in Ethiopia

The healthcare regulation in Ethiopia is overseen by the Ethiopian Food and Drug Administration (EFDA), who is responsible for regulating the safety, quality and efficacy of food, drugs, medical devices and cosmetics. The EFDA operates under the Ministry of Health and has the authority to license, inspect and monitor pharmaceutical and medical devices manufacturers, distributors and importers in the country.

In addition to the EFDA, the Ethiopian Health Professionals Licensing and Certification Agency (HPLCA) is responsible for licensing and certifying healthcare professionals, including physicians, dentists, pharmacists and nurses.

Trade regulations are overseen by the Ethiopian Investment Commission (EIC) and the Ministry of Trade and Industry.



These bodies are responsible for formulating and implementing policies and regulations related to foreign investment, trade and industrial development.

The Ethiopian government has implemented a number of trade regulations to promote domestic industry, including import tariffs and non-tariff barriers such as licensing requirements and quotas. In addition, Ethiopia is a member of the World Trade Organization (WTO) and has signed several regional and bilateral trade agreements, including the African Continental Free Trade Area (AfCFTA).

The Ethiopian government has also established several incentives to encourage foreign investment in the country, such as tax holidays, duty-free imports of capital goods and other investment guarantees.

Investment

Ethiopia's health sector is benefiting from increased investments in recent years. Ethiopia's government has invested heavily in its public health sector since 2015, with a focus on universal health coverage and other goals. This investment has helped to strengthen the nation's health services and systems, allowing for better access to basic healthcare for all citizens. It has also contributed to economic development by providing a better quality of life for the population. International development agencies have joined forces with the government of Ethiopia to support sector transformation and make additional investments in the country's health system. This includes strengthening economic management, increasing private sector participation, and improving service delivery at all levels of care. These efforts are helping Ethiopia meet its national goals as well as international development targets such as universal health coverage. The collaboration between public and private partners is helping Ethiopia make progress towards achieving a stronger economy while improving access to essential



healthcare services at all levels of society.

As per Data from the Ministry of Finance of Ethiopia published by UNICEF, the health sector has allocated ETH 19.3 billion for the 2022/2023 budget, which is a 2.5% increase from the previous fiscal year's budget.



Tanzania



- 6 national super specialised hospital
- 1 national hospital
- 11 hospitals at zonal level
- 5 zonal referral hospital
- 27 regional referral hospital
- 30 hospitals at regional level
- 1,036 health centers
- 7,487 dispensaries
- 847 clinics
- 1,220 laboratories
- 79 nursing and maternity home
- 177 hospital at district level
- 161 district hospital



11,115
total health facilities
in the country



40.8%
publicly owned facilities



59.2%
privately owned facilities

Number of healthcare facilities

As per Health Facility Registry in Tanzania there are 11,115 total health facilities which are comprised of 6 National super specialized hospital, 1 national hospital, 11 hospitals at zonal level, 5 zonal referral hospital, 27 regional referral hospital, 30 hospitals at regional level, 1,036 health centers, 7,487 dispensaries, 847 clinics, 1,220 laboratories, 79 nursing and maternity home, 177 hospital at district level, 161 district hospital.

These facilities are divided as 40.8 % publicly owned and 59.2 % as privately owned.

Universal healthcare coverage

Tanzania's government is dedicated to achieving UHC by 2030. In this regard, the government has set up Sh149 billion (about 65 million USD) towards the implementation of UHC. The funds will be utilised to begin delivering services to residents who are unable to meet the price of health services supplied by hospitals, health centers, and dispensaries around the nation. The Tanzanian government has developed a UHC roadmap,

which outlines strategies to achieve UHC by 2030. The roadmap includes several key components, including expanding access to health services, improving the quality of health services, and ensuring financial protection for all citizens.

Investment

The health sector has been allocated TZS 1,109 billion in 2022/2023. International donors supplement healthcare finance by contributing up to 40 % of the health budget. The US government contributes heavily to Tanzanian government assistance initiatives through USAID and the CDC. Health insurance coverage is low, with only 32 % of Tanzanians having health insurance as of 2019. Just 1 % of the people have private health insurance.

The Tanzanian government has highlighted the following subjects as being of high relevance or priority in its 2022/2023 budget: Improving the distribution of vaccinations to children under the age of five, as well as the quality of healthcare delivery in the country.



The government has invited investors to set up pharmaceutical plants in the nation. A major percentage of the pharmaceutical domestic development budget is spent on health supplies, consumables, and equipment. Firms operating domestically, on the other hand, will confront a number of hurdles, including the need for competent human resources, the availability of contemporary technology, and the capacity to attain sufficient size to compete with foreign suppliers.

Healthcare and trade regulation environment in Tanzania

Tanzania's Food, Drug, and Cosmetics Act of 2003: Tanzanian law governs the production, importation, distribution, and sale of food, pharmaceuticals, and cosmetics. It establishes quality, safety, and efficacy requirements for medicines and medical equipment, and it requires makers and importers to get regulatory licenses and permits before marketing their goods.

The Tanzania Medicines and Medical Devices Authority (TMDA) Act, 2001: This law created the Tanzania Medicines and Devices Authority (TMDA), which is in charge of regulating medications and medical devices in Tanzania. The TMDA is responsible for ensuring that medicines and medical devices are safe, effective, and of high quality, as well as complying with national and international standards.

The Tanzania Investment Act: This law governs foreign investment in Tanzania, particularly healthcare. It offers tax concessions to international investors and establishes the Tanzania Investment Centre as the government body in charge of encouraging and regulating foreign investment.



Source

TechEmerge Health East Africa

Kenya Master Health Facility List

Uganda National Health Facility Registry

Rwanda Development Board

Uganda's Ministry of Finance, Planning and Economic Development

International Trade Administration

Health Facility Registry - Tanzania

P4H Social Health Protection Network



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Medic East Africa is the leading healthcare event platform in the East African region. Established as the primary healthcare and medical laboratory event in East Africa that brings together healthcare professionals from across the globe, the annual exhibition and congress is returning back live, in-person from 11-13 September 2023 at Kenyatta International Convention Centre, Nairobi, Kenya.

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