

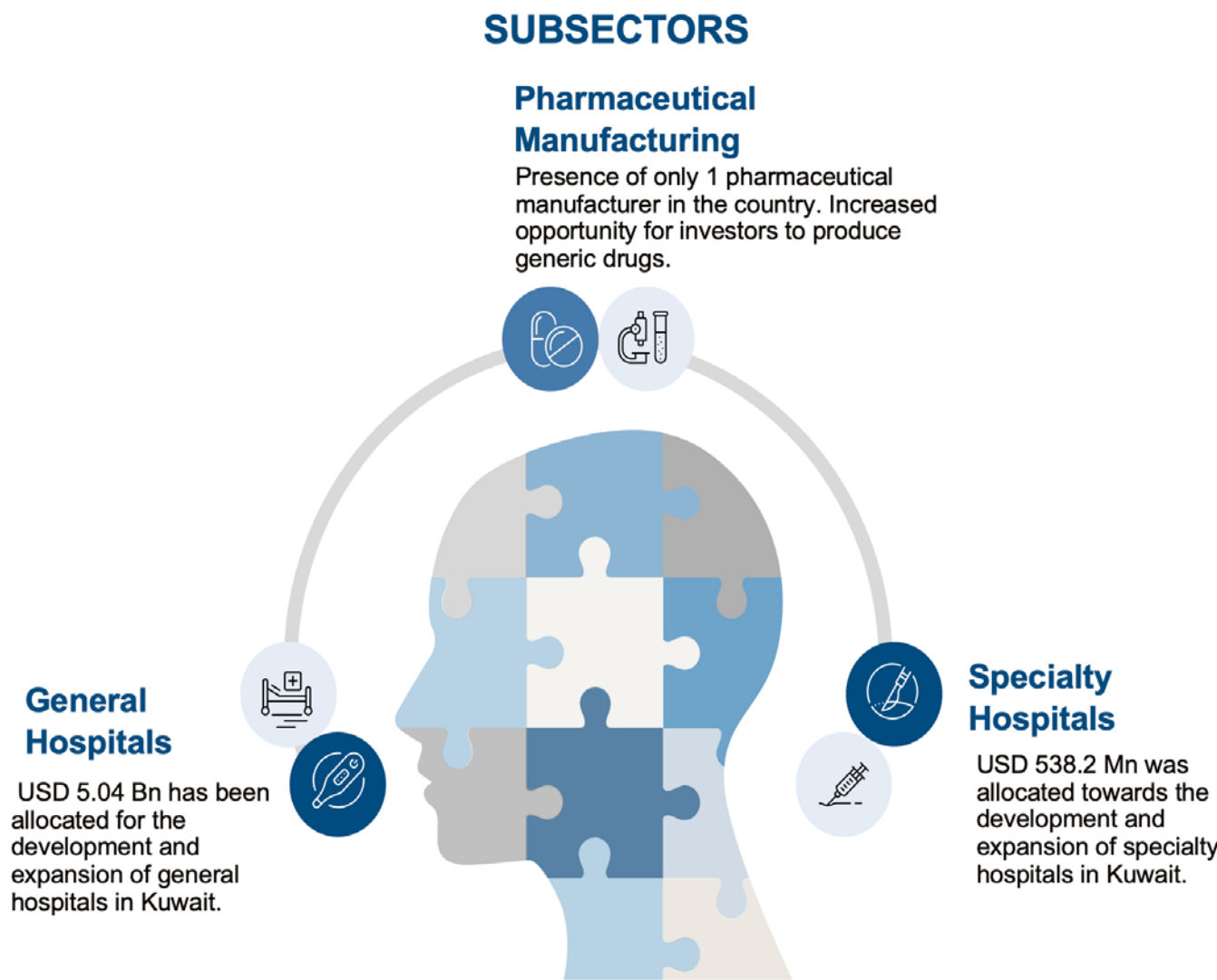


# Healthcare & Pharmaceutical Sector



Sector Overview

Kuwait has one of the highest healthcare expenditures in the GCC. The growing population of the country, the fast lifestyle, and increasing health issues are placing huge demands on the healthcare infrastructure of the country. Kuwait is a welfare state and medical treatment is provided free for the Kuwaiti nationals in the public sector. Kuwait’s healthcare expenditure budgeted for the year 2021–2022 amounted to a massive USD 8.9 Bn.



Kuwait offers interested investors a host of mega investment opportunities in the field of healthcare sector in pharmaceutical manufacturing, general hospitals, and specialty hospitals to attain the goals of the National Vision 2035 and its development plans.

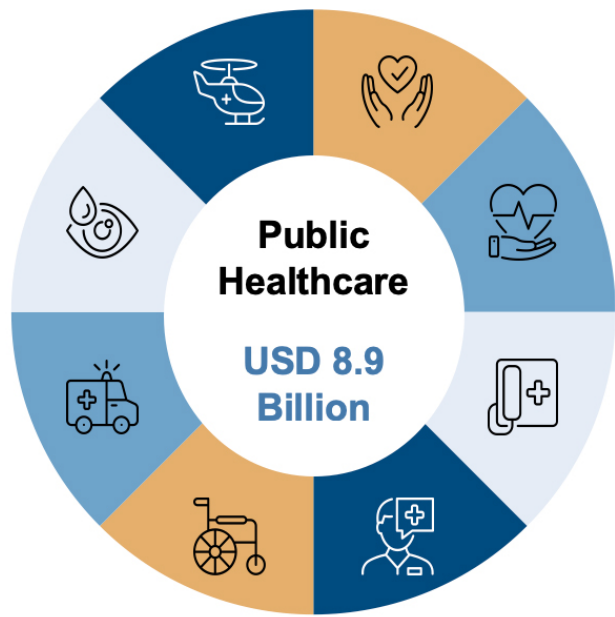




General Hospitals

MARKET FACTORS

- Kuwait is a welfare state where healthcare services in government hospitals are provided to Kuwaitis for free including catering to any ailments that need to be treated internationally. Expatriates are also provided healthcare services in government hospitals at subsidized rates.
- An amount of USD 8.9 Bn was allocated towards public healthcare in the state budget for the fiscal year FY 2021/2022 which was approximately 12.93% higher than the allocated expenditure for the fiscal year FY 2020/2021 budget.<sup>1</sup>



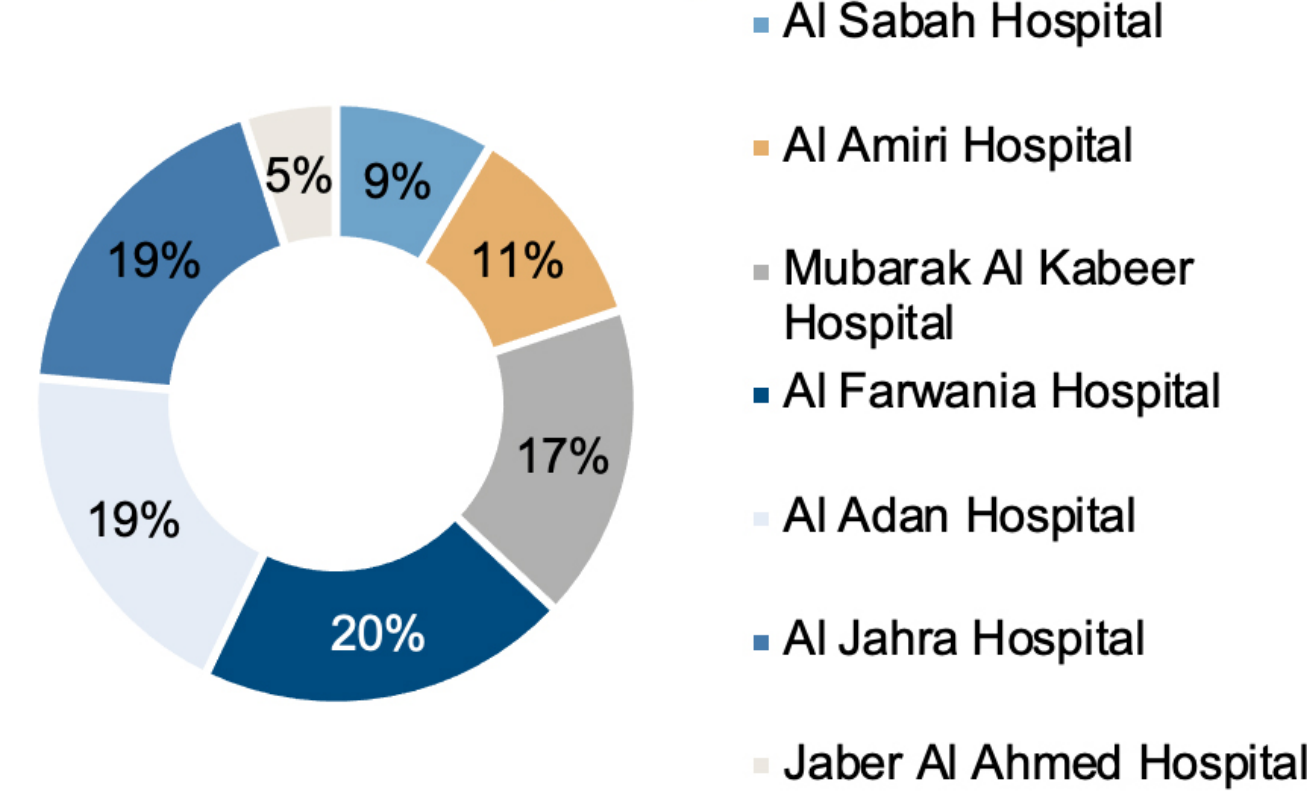
- As per the latest available information in the World Bank database, Kuwait has a ratio of 2.04 beds/1000 people, higher than the GCC ratio of 1.7 beds/1000 persons, and the MENA region ratio of 1.4 beds/1000 persons, but below the ratio in the OECD countries ratio which stood at 5.2beds/1000.<sup>2</sup>

- There is a number of General public and private healthcare hospitals in Kuwait including:

Government Hospitals<sup>3</sup>

Names	Bed Capacity
Al Sabah Hospital	362
Al Amiri Hospital	478
Mubarak Al Kabeer Hospital	718
Al Farwania Hospital	849
Al Adan Hospital	810
Al Jahra Hospital	785
Jaber Al Ahmed Hospital	210
Total	4,212

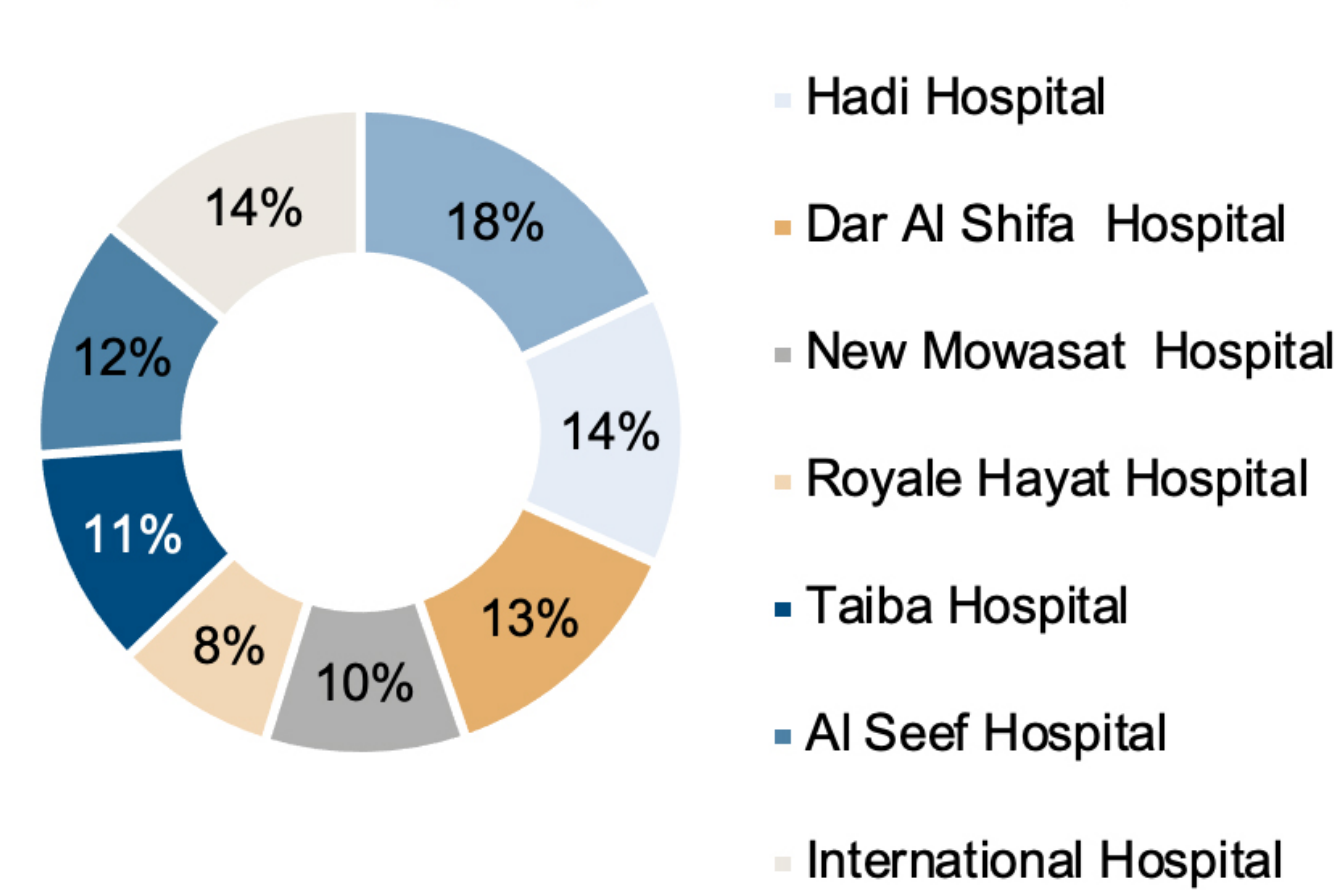
Government Bed Capacity



Private Hospitals

Names	Bed Capacity
Al Salam Hospital	180 <sup>4</sup>
Hadi Hospital	135 <sup>5</sup>
Dar Al Shifa Hospital	130 <sup>6</sup>
New Mowasat Hospital	100 <sup>7</sup>
Royale Hayat Hospital	80 <sup>8</sup>
Taiba Hospital	110 <sup>9</sup>
Al Seef Hospital	120 <sup>10</sup>
International Hospital	140 <sup>11</sup>
Total	995

Private Bed Capacity





- Public healthcare insurance is a must for all expatriates in the country. Private healthcare insurance is accessible to all, several large-scale corporations in the country provide health insurance to their employees as part of their compensation and benefits.
- A number of new general hospitals have been developed or expanded and others are under development or expansion to provide quality healthcare in Kuwait. Some of them are<sup>12</sup>:

Names	Bed Capacity	Bed Capacity Cost (USD Mn)	% of GDP
Sheikh Jaber Al Ahmed Hospital	1,168	1,010	0.86%
Sabah Al Ahmed City Hospital	500	498.3	0.42%
New Al Sabah Hospital	617	595	0.50%
Al Jahra Hospital (Expansion)	+386	1,295.7	1.10%
Al Farwaniya Hospital (Expansion)	+233	880.7	0.75%
Al Adan Hospital (Expansion)	+637	771.1	0.65%

- Two additional hospitals are being built in Ahmadi and Jahra areas with a joint capacity of 600 beds on a PPP basis by the Kuwait Health Assurance Company (KHAC) – also known as (Dhaman) to be completed by the end of 2022. The total cost of development is expected to be around USD 538.2 Mn. These hospitals will provide health care for expatriates employed in the private sector.<sup>13</sup>

Sources: <sup>1</sup>MOF, <sup>2</sup>World Bank, <sup>3</sup>CSB, <sup>4</sup>Al Salam Hospital, <sup>5</sup>Hadi Hospital, <sup>6</sup>Dar Al Shifa Hospital, <sup>7</sup>New Mowasat Hospital, <sup>8</sup>Royale Hayat Hospital, <sup>9</sup>Taiba Hospital, <sup>10</sup>Al Seef Hospital and <sup>11</sup>International Hospital, <sup>12</sup>Kuwait Vision 2035 Development Plan, <sup>13</sup>Dhaman Hospitals





Specialty Hospitals

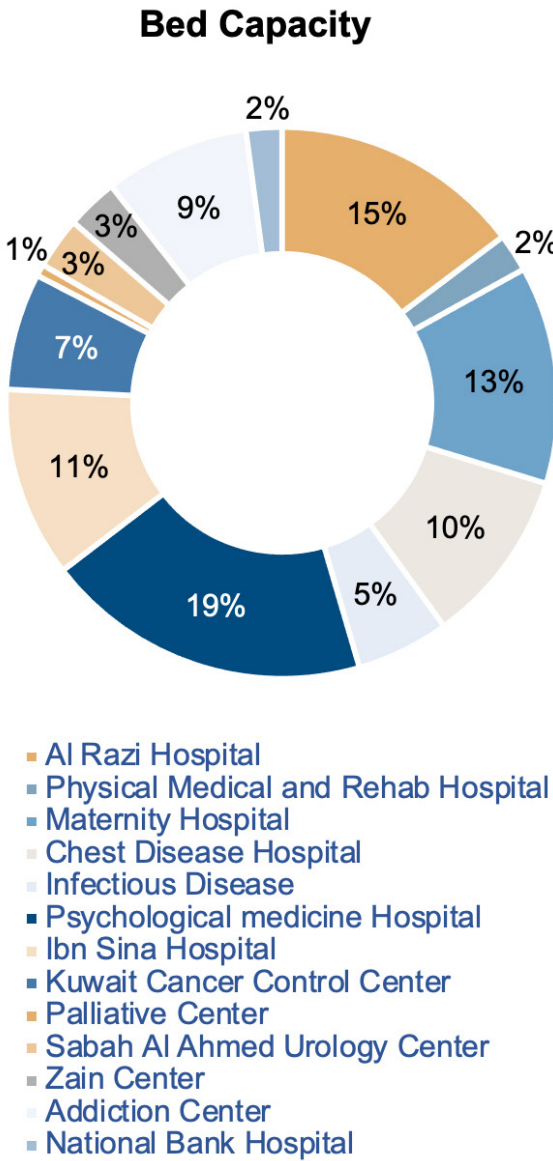
MARKET FACTORS

- A significant portion of the Kuwaiti population within the age group of 45 years and above suffers from a vast number of non-communicable diseases, which have been on the increasing end. Such diseases are mostly related to hereditary, lifestyle and dietary issues.
- A World Health Organization (WHO) report has noted that one in five adults is obese in the GCC.<sup>1</sup> As per the Global Obesity Observatory, published by the World Obesity Federation, Kuwait ranks amongst top 15 out of 200 countries globally in terms of obesity among adult males, 14th globally in terms of obesity among for adult females, 9th globally in terms of obesity among male children, and 14th globally in terms of obesity among female children.<sup>2</sup>
- The Kuwaiti healthcare system caters to people with specific ailments or medical conditions that require specialized treatment. Some of the specialty hospitals in the country are<sup>3</sup>:

Government Specialized Hospitals

Names	Specialty	Bed Capacity
Al Razi Hospital	Orthopedic	467
Physical Medical & Rehab Hospital	Physical Medical and Rehab	71
Maternity Hospital	Maternity	406
Chest Disease Hospital	Chest Disease	327
Infectious Disease	Infectious diseases	173
Psychological medicine Hospital	Psychology	607
Ibn Sina Hospital	Spinal	355
Kuwait Cancer Control Center	Cancer	218

Palliative Center	Life threatening illnesses	22
Sabah Al Ahmed Urology Center	Urology	96
Zain Center	ENT	96
Addiction Center	Addiction	270
National Bank Hospital	Pediatrics	67
Total		3,178



- The government spends a substantial number of resources to sponsor medical treatments for Kuwaitis with life threatening ailments. Kuwaitis can seek treatment for diseases in designated Arabic and foreign countries, the costs of which are covered by the government upon approval of treatment abroad by the General Medical Council.

- A number of private hospitals in the country have departments that cater to specialized diseases. In fact, private hospitals have witnessed a tremendous rise in the number of outpatients seeking consultancy related to cardiology, neurosurgery, and gastroenterology.<sup>4</sup>
- A number of specialty hospitals are being developed to provide quality healthcare in Kuwait that include<sup>5</sup>:

Names	Bed Capacity	Cost (USD Mn)	% of GDP
Children’s Hospital	792	863.8	0.73%
Maternity Hospital	780	727.6	0.62%
Communicable Disease Hospital	224	188.4	0.16%
New building at Kuwait Cancer Center	618	584.4	0.50%
New building at Ibn Sina Hospital	296	332.2	0.28%

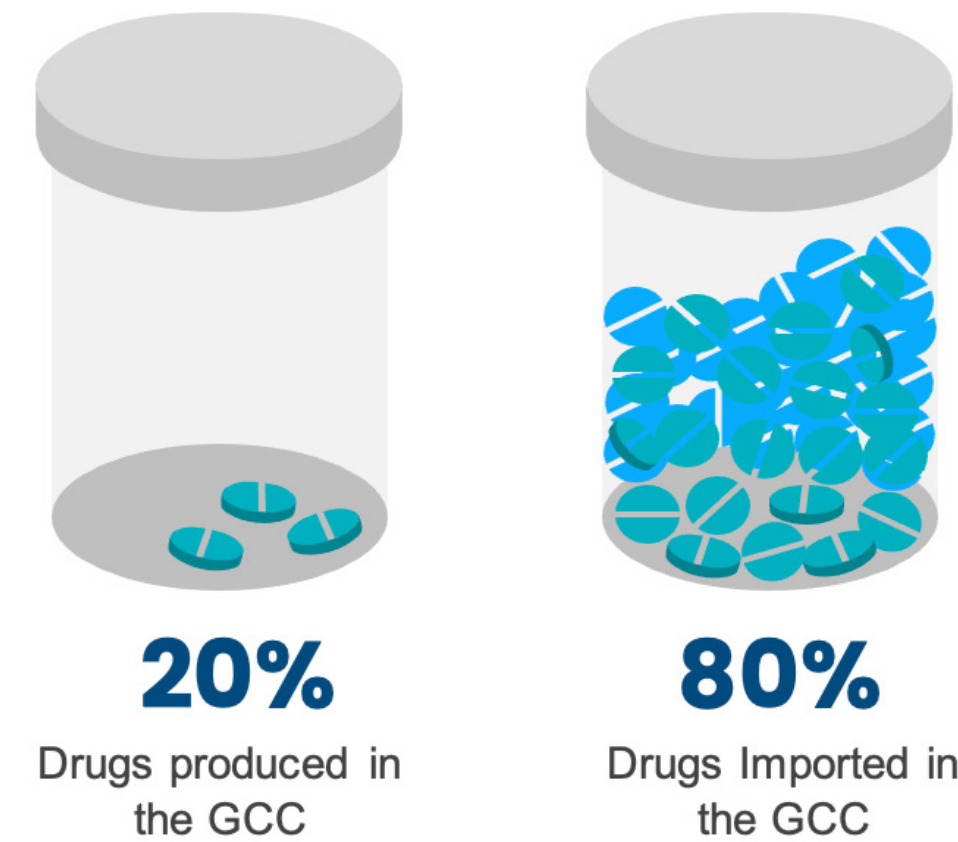
Sources: <sup>1</sup>WHO, <sup>2</sup>Global Obesity Observatory, <sup>3</sup>CSB, <sup>4</sup>OBG, <sup>5</sup>Kuwait Vision 2035.



## Pharmaceutical Manufacturing

### MARKET FACTORS

- The GCC market for pharmaceuticals is forecasted to grow to USD 20 Bn by 2025.
- The nature of the pharmaceutical markets among GCC members is identical and it is characterized by a huge demand for patented drugs that make up almost 75% of the total pharmaceutical market size in the GCC. It is estimated that around 80% of the drugs in the GCC are imported mainly from the USA and the EU.<sup>2</sup>



- Kuwait has one local manufacturing company operating namely the Kuwait Saudi Pharmaceutical Industries Company. This company was formed based on a partnership with the erstwhile Astra Pharmaceuticals (Swedish Company). The Company makes around 120 generic products that revolve around painkillers and antibiotics. These products are distributed locally and exported to the GCC and MENA region.

- A number of international pharmaceutical giants have a presence in the country including Pfizer, AstraZeneca, Bayer, Novartis and Johnson and Johnson. However, they are only able to distribute drugs in the country through partnerships with local distributors under their current licenses.
- The government usually retains control on the pricing of the drugs in the market through the Ministry of Health (MOH) and all private hospitals and pharmacies must abide by the pricing prescribed by the MOH.
- Kuwait Direct Investment Promotion Authority (KDIPA) issued investment licenses to a number of companies to establish legal investment entities in Kuwait in the health sector of which Roche for the Trade in Medicines, Equipment, Devices and Medical Supplies that will support the local pharmaceutical industry.

Sources: <sup>1</sup>Globe News Wire, <sup>2</sup>OBG.

