

Trends & Opportunities in Healthcare in Africa: a Regional Snapshot

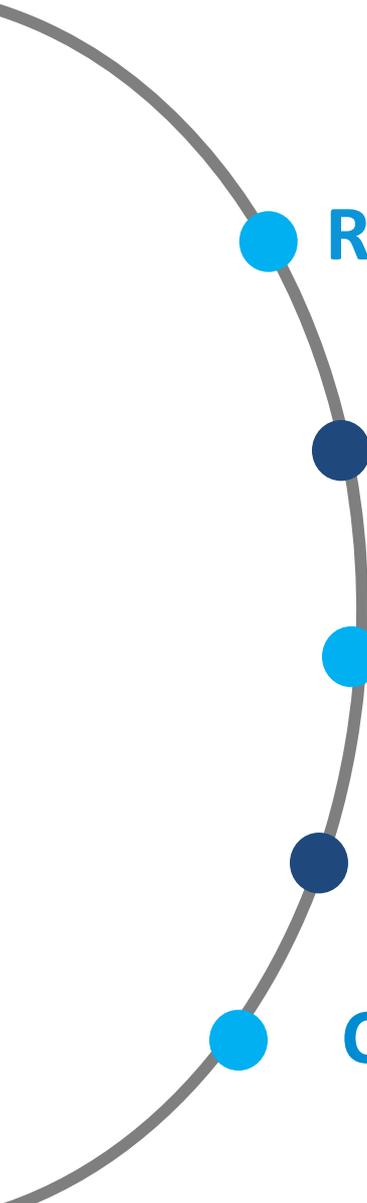
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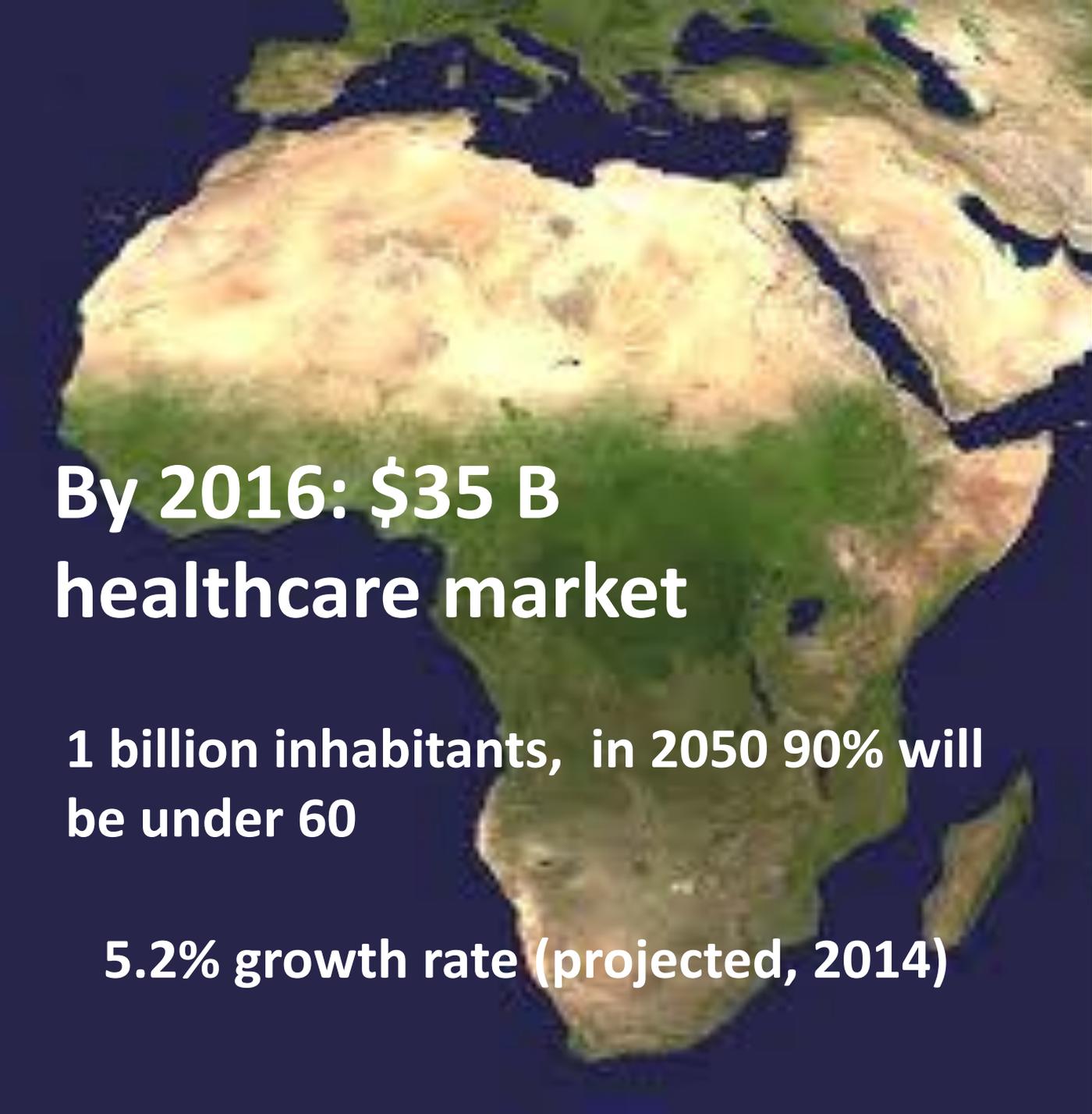


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Snapshot

- 
- **Regional Opportunity - Overview**
 - **Follow the Money (all sources)**
 - **Financing deals**
 - **Key trends**
 - **Country highlights: Ethiopia**



**By 2016: \$35 B
healthcare market**

**1 billion inhabitants, in 2050 90% will
be under 60**

5.2% growth rate (projected, 2014)

**Growing
demand
for
health
services
in Africa**

FOLLOW THE MONEY



USAID
FROM THE AMERICAN PEOPLE



The Global Fund
To Fight AIDS, Tuberculosis and Malaria

DFID Department for
International
Development

\$10.3 B
health funding
to the region in
2012

many others....

FOLLOW THE MONEY: A CLOSER LOOK

Snapshot: **World Bank** and **African Development Bank** healthcare sector
(excludes Ebola crisis response funding)



- \$3.5B+ active health portfolio
- \$950M+ health pipeline

East Africa Spotlight



\$333M in capital intensive projects



FINANCING DEALS

Beyond donors: additional options to finance public / private customers

Export Credit Agencies (ECAs)

- \$500M+ in ECA deals for public hospital / healthcare projects in SSA over past 3 years

Local financing

- Mechanisms, e.g. USAID DCA, Medical Credit Fund)

Private equity

- Health in Africa Fund – Abraaj
- Investment Fund for Health in Africa

CRITICAL TRENDS: HIGHLIGHTS

1

Medical tourism market

- Specialty care (NCDs rising)
- Diaspora-led efforts (Ethiopia, Nigeria)

2

Asking cash up-front won't cut it

- Leasing / deferred payment essential
- Managed service contracts

3

Beyond being a supplier

- Training
- Service
- Value proposition vs. lower-cost manufacturers



MEDICAL TOURISM: NIGERIA CASE STUDY

- **47%** NIGERIANS
VISITS TO INDIA FOR
HEALTH SERVICES
- **18-20K / YR**
- **MARKET:
\$250M-\$1B
(SOURCES VARY)**

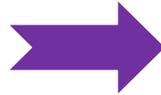
CRITICAL TRENDS: MARKET CHALLENGES GRADUALLY IMPROVING

CHALLENGES

Lack of sound data



Sustainable financing: what happens after donor \$ ends?



Demand (base of pyramid): access, awareness and stigma



Capacity gaps: human, infrastructure



Political will varies



OPPORTUNITIES

Pilots

More government ownership / \$ capability (Lancet)

Primary health build out, vouchers, leveraging ICT

Donor investment in HRH (\$130M MEPI program), telemedicine, etc.

High in key countries (Eth., Rwanda), state / county levels (Nigeria, Kenya)

COUNTRY HIGHLIGHT



- 90M citizens
- 10-12% growth
- Planning: Health Sector Transformation Plan 2020 & growth vision through 2035
- Focus: enhancing quality of primary care, specialized / tertiary services build-out
- Growing private sector, esp. in Addis

ETHIOPIA, A MARKET NOT TO BE MISSED





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