Healthcare & Life Sciences Forum

Kenya

U.S. COMMERCIAL SERVICE
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Department of Commerce

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Kenya: Situation Analysis

- GDP: 6%; Pop: 44.3 million; GDP/capita $1800
- Life exp (WHO/2012): ♂ 59.8 Y & ♀ 63.6 Y
- Infant/Under-5 mortality: 48 & 73/1000 LBs
- CD burden: HIV/AIDS (29.3% OFADs); TB (14.4%); malaria (30% outpatient morbidity)
- Outbreaks: polio, viral hemorrhagic fevers (e.g. dengue)
- NCDs: CVD and Cancer (2nd & 3rd); 4.7% Diabetes prevalence (20-79 years)

Kenya: Healthcare System & Investments

- Hierarchical: Tier 1: Community
  Tier 2: Primary Care
  Tier 3: Secondary Referral
  Tier 4: Tertiary Referral
- No. of facilities: >6150; Public/Private/Mission (41%/44%/15%)
- No. facilities/100K pop(2013): Level 2 & 3/4 (19.9/1.3)
- No. health personnel/100K pop: Docs/Dents/Pharm /NOs/EN/COs (20.7/2.5/5.3/95.1/64.2/31.6)
- 2010: THE Private/Public/Donor - 37%/ 28%/35%
- 2014: $541 million - GoK healthcare budget

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Kenya: Healthcare SWOT

- **Strengths**
  - ✓ Largest pharma manufacturing base
  - ✓ No pricing regulation - private sector
  - ✓ No import tariffs - pharmaceuticals
  - ✓ EAC Common Medicines Regulation Policy
  - ✓ Extensive private healthcare provision
  - ✓ Devolution to Counties – reducing inequalities

- **Weaknesses**
  - ✓ Reliance on imported pharma raw materials/bulk drugs (APIs)
  - ✓ Significant counterfeit drug market
  - ✓ Inefficient/corrupt public procurement and distribution
  - ✓ Staff shortages
  - ✓ Low medical device per capita spending

- **Opportunities**
  - ✓ Potential pharma manufacturing base
  - ✓ Herbal medicine production for export
  - ✓ Large BoD - unmet pharma demand
  - ✓ Proposed Universal Social Health Insurance - improve access to healthcare
  - ✓ Managed Equipment Services- Feb 2014
  - ✓ Public-Private Partnerships (PPPs)

- **Threats**
  - ✓ Parallel pharmaceutical imports
  - ✓ UG & TZ – setting up pharma bases
  - ✓ Devolution to Counties negatively affected health budgets
  - ✓ Increasing HIPs - negatively impact healthcare access

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Kenya: Healthcare Sub-Sectors

- **Pharmaceuticals**
  - ✓ 2013 TMV - $642 M
  - ✓ U.S. imports - $16.7 M
  - ✓ Generic Px -63% = $400 M
  - ✓ Patented Px drugs – 9% = $60 M
  - ✓ OTC – 28% = $182 M
  - ✓ Top 5: India/Belgium/U.S./China/U.K. (42%/10%/6.4%/5.6%/5.1%)
  - ✓ **Best prospects:** affordable generics for HIV/AIDS, opportunistic infections, malaria, cancer, diabetes and hypertension

- **Medical Devices**
  - ✓ 2013 TEV - $129.9 M (95% IM)
  - ✓ Domestic – consumables <$10 M
  - ✓ Sub-sector + growth - 14.4% CAGR by 2018 – Consumables /Diagnostic Imaging /Dental Products/Orthopedics & Prosthetics/Patient Aids/Others (14.7%/12.4%/13.5%/14.7%/13.5%/15.6%)
  - ✓ Top 5: China, Germany, South Africa, U.S. and India
  - ✓ **Best prospects:** CT scanners, ultrasound units, X-ray, MRI, angiography, endoscopy, biochemistry, hematology, and immunology systems

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Kenya: Healthcare Sub-Sectors

- **Clinical Chemistry & Diagnostics**
  - ✓ 2013 TEV - $44.1 M
  - ✓ 2014-2018 – 15-25% growth (real)
  - ✓ U.S. exports (2013) - $9.4 M
  - ✓ Top 5: U.S./Japan/Germany/South Africa/Belgium (21.2%/18%/15.9%/7.8%/ 7.7%)
  - ✓ **Best prospects:** serology/hematology, immunochemistry, urinalysis, electrolytes analysis,

    diabetes testing and cardiac markers

- **Cosmetics**
  - ✓ 2013 TEV - $124.4 M
  - ✓ U.S. exports (2013) - $2.1 M
  - ✓ Top 5: Swaziland, Ireland, South Africa, India and U.K.
  - ✓ Growth (2013) – 16.3%
  - ✓ 2014-2018 growth: 15-20%
  - ✓ **Best prospects:** facial washes, shampoos, conditioners, body and skin lotions, toners, cold creams, moisturizers, perfumes, hair colors, dyes, powders, nail polishes, skin treatments, slimming treatments, depilatory products, anti-aging, skin lightening, sun-screen, massage products etc.

Kenya: Healthcare Sub-Sectors

- **Nutraceuticals**
  - ✓ 2013 TEV: $4.3 M (pro-vitamins and protein concentrates)
  - ✓ Growth (2013): 31%
  - ✓ 2014-2018 growth: 20-30% (real)
  - ✓ U.S. exports (2013): $1.46 M
  - ✓ Top 5: U.S. (33.9%), China (21.9%) and India (10.9%)
  - ✓ **Best prospects:** pro-vitamins and protein concentrates

Kenya: Healthcare Emerging Trends

- ✓ Strong GoK focus - total e-Government approach
- ✓ Defined e-Health policy – “Kenya National e-Health Strategy 2011-2017”
- ✓ 5 Pillars:
  1. Telemedicine
  2. HMIS (current focus)
  3. Information for Citizens
  4. mHealth
  5. E-Learning
- ✓ GSMA - 52-supported mHealth initiatives/services
- ✓ 2011: Safaricom/“Call-a-Doc” mHealth service “Daktari1525” – enables subscribers call doctors 24/7
- ✓ Kenya’s relatively high mobile penetration rate - over 31 million subscribers
- ✓ Other private sector-led initiatives: ZiDi™ - a total e-Health solution

Kenya: Healthcare & Life Science

Thank You!

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