U.S. COMMERCIAL SERVICE

DISCOVER GLOBAL MARKETS

BUSINESS FORUM SERIES

The Business of Health

SOUTH AFRICA

U.S. COMMERCIAL SERVICE
United States of America Department of Commerce

@DiscoverForums

Health Status

Some Facts and Stats

- Population: 52.8 million (2013); skewed towards the young
- Life Expectancy: ♂ 54 years / ♀ 55 years
- Under 5 mortality rate: 45 per 1,000 births (2012)
- Maternal deaths: 140 per 100,000 (2013)
- Heavy disease burden: HIV/AIDS and TB
- Rise in chronic disease, e.g. Cancer and Diabetes

@DiscoverForums

Health Status
Some Facts and Stats

- DOH formulates/implements health policy for SA
- Total health spend = $31.2 bn (WHO; 2013)
- Public health expenditure just under half of total spend, but caters for 80% of the population
- Remaining 50% financed privately; 80% from private health insurance and 14% out of pocket
- 20% of population has private health insurance

@DiscoverForums

Healthcare System
Public Sector

- Nine provincial health departments that receive funding from DOH
- 415 public hospitals – being decentralized
- Five categories of public hospitals: District; Regional; Tertiary; Central; Specialized
- Consumes ± $7.5 bn of annual health budget
- Suffers from chronic staff shortages, under-funding, crumbling infrastructure

@DiscoverForums

Healthcare System

Private Sector

- Around 215 private hospitals with ± 32,000 beds
- Predominantly owned by three major groups:
  - Mediclinic: 49 hospitals in SA; 3 in Namibia
  - Netcare: 55 hospitals in SA
  - Life Healthcare: 55 acute care hospitals; 7 rehab units (stroke, brain, spinal trauma)
- Standards and infrastructure comparable to Europe
- Centers of Excellence

@DiscoverForums

Health Pulse
SWOT

Strengths

- Wealthy African economy
- Best healthcare system in SSA
- Strong, sizeable private sector
- Highly trained
- Centers of excellence
- Well-trained health workers

Weaknesses

- Poor infrastructure in rural areas
- Chronic shortage of personnel
- Poorly organized
- Rural facilities grossly under-used
- HIV/AIDS overburdening system
- Private healthcare out of reach for majority of population
- Purchasing procedures complex and fragmented

Source: BMI

@DiscoverForums

Health Pulse SWOT

Opportunities

- Public-Private Partnership growth
- Imports = 95%
- Rising Black middle class
- NHI = further investment in public health system
- SAG health funding set to increase in real terms by 1% per year FY 2016 – 2017
- HIV treatment expansion should reduce pressures on public healthcare system

Threats

- Public health policy vs. Politics
- Cronyism and corruption
- Brain Drain
- Depreciating Rand makes imports less affordable
- Draconian regulations and very slow registration process

Source: BMI

@DiscoverForums

Industry Trends

- Imports have grown by 1.6% to $1,115.6 mn
- USA dominant supplier (28%), followed by Germany (14%) and China (9%). China imports doubling
- Diagnostic Imaging leads growth (+11%); Patient aids (+7%)
- Consumables, orthopedics & prosthetics negative growth
- National Health Initiative (NHI) = more health spend by SAG to improve infrastructure
- Government seeks to promote public-private partnerships to upgrade public facilities

@DiscoverForums

The New Frontier
mHealth & Telemedicine

- SA ideal platform – excellent telecoms infrastructure; mobile penetration rates very high
- SA world-leader in using mobile for mass health messaging – BabyInfo, YoungAfricaLife
- Next trend – electronic self-monitoring of blood pressure, sugar and fitness levels, e.g. Fitbit and Zip
- Telemedicine a national priority,
- UKZN a leader
- Funding remains a problem
- Ethical questions

@DiscoverForums

More Questions?

Drop me a line!

Felicity Nagel

Commercial Specialist

Commercial Service South Africa, U.S. Consulate General

☎+27 11 290 3332

Felicity.Nagel@trade.gov

@DiscoverForums