



# TradeServices

## SAUDI ARABIA FACT SHEET: 4

### Health and Medical Products and Services

Between now and 2016, the population of Saudi Arabia is expected to grow by more than 20%, from 23 million to 30 million, which, in turn, will create an unprecedented demand for healthcare services. Over the same period, demand for hospital beds is likely to grow from 51,000 to 70,000, demand for physicians is likely to rise from 40,000 to 54,000 - and the number of hospitals is likely to rise from 364 to 502. The introduction of compulsory healthcare insurance, the gradually aging population, and greater material wealth along with an upsurge in lifestyle diseases all combine to boost demand for healthcare services.

The Saudi Government accounts for 75% of the demand for healthcare capital and operating expenditures. The government has allocated \$13.9 billion for the healthcare sector in the 2009 budget, 17% more than in 2008. The Government's spending on the healthcare sector is expected to grow to over \$20 billion by 2016. The Kingdom's health services are heavily dependent on expatriates, who are estimated to provide about 80% of medical staff.

#### Medical

There is very little domestic production beyond basic healthcare and medical supplies, therefore the market is heavily reliant on imported products. Medical resources and recent research reveal that 50% of the Saudi population above the age of 45 is diabetic and \$1.1 billion is spent annually on diabetes treatment. Furthermore 22% of the population are regular smokers (a major cause of respiratory diseases). There also exists a high prevalence of hepatitis C and B (around 30% of the population is afflicted). Additionally heart diseases are increasing at an average annual rate of 5.3%; whilst over 11,000 Saudis are enduring kidney failure and 40% of them are in urgent need of kidney transplantation.

#### Best Products/Services:

The following sectors and sub-sectors provide excellent potential for Australian companies:

- Patient beds
- Monitoring equipment
- Hospital disposables
- Operating theatre instruments
- Oxygen generators and related components
- Rehabilitation equipment and accessories
- Diagnostic equipment and components
- Hospital maintenance, cleaning, catering, laundry services
- Infrastructure development and refurbishment
- Health insurance

Note: There exists a strong need for highly skilled and experienced head nurses. Usually floor nurses are recruited from neighbouring Arab countries, India and the Philippines.



Affluence has also brought about lifestyle diseases including obesity, diabetes and coronary diseases. A large and growing population of smokers - compounded by desert climatic conditions - has led to a rise of pulmonary and breathing diseases, as well as lung and throat cancers. Other major diseases of concern include breast cancer.

Another potential area for development will be in establishing medical training institutes to enhance technical education, especially for paramedics. This could assist to bridge the gap between supply and demand for qualified medical personnel.

Equipment and parts for diagnostic imaging, kidney and heart transplants operations, dialysis equipment and parts, pulmonary diseases, intensive care unit, emergency and traumatic care, ambulatory care, pediatric and neonatal care, cancer and leukemia therapy are among some of the equipment regularly upgraded and/or replaced.

Healthcare and medical device imports are strong for the following categories: syringes; needles and catheters; electro medical equipment; general medical, surgical and X-ray equipment. Also in high demand are bandages, specified sterile products; medical, surgical or laboratory sterilisers; non-mechanical carriages for disabled persons; compound optical microscopes; optical devices; medical, surgical, dental or veterinary devices; therapy appliance, oxygen devices; breathing devices, orthopedic appliances and artificial body parts.

Note: Saudi Arabia imports most of its medical equipment needs, therefore, different types of products are used in the Kingdom, however, all are compliant with Saudi standards.

## Barriers and Considerations

Assuming the **certificate of origin** and goods list is made accordingly to the Saudi customs guide, there should be no problems.

**Pharmaceuticals:** The Saudi Ministry of Health (MoH) requirements and time frame are the main hurdle to overcome. Australian pharmaceutical companies have to be GMP certified. A delegation from the Saudi MoH has to visit the factory in Australia for inspection. The registration process might take up to two years.

**Pricing policy:** The Saudi MoH applies an obligatory pricing policy which sets up the price for the newly registered medicine at 10% less than similar drugs in the market.

**Disposables:** The only barrier is pricing. Australian made disposables cost three times as the Chinese made. The Saudi market is price driven when it comes to disposables.

Competition from Germany, USA and UK is fierce.

Note: English is the main language used in Saudi hospitals. Should the patient not speak English, an interpreter will be assigned to translate between the doctor/nurse and the patient.

\* All prices are quoted in Australian Dollars \$AUD