



Exploring the Middle East Healthcare Opportunity

Healthcare & Life Sciences ITS

Market Report – August 2017: Complimentary Abstract / Table of Contents

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Background and scope of the research

Background of the research

The healthcare market in the Middle East is gaining significant traction on account of various factors including government initiatives to encourage medical tourism, evolving health insurance policies, and growing propensity among the local population to consume digital health services. Global healthcare enterprises see this as a major growth opportunity and are trying to figure out the right business model.

As the growth strategies for healthcare enterprises evolve, so do their relationships with IT service providers, especially as technology has become an integral part of healthcare financing and delivery. As market stakeholders try and explore various options, we felt the time was ripe to synthesize our perspective on this emerging opportunity. Hence, we have leveraged our HLS ITS market experience and research capabilities to analyze the market across five key dimensions. These are:

- Key growth drivers
- Key markets and major players
- Market opportunities
- Market challenges
- Role of IT service providers

Scope of this report

- **Industry:** Healthcare (payers and providers)
- **Geography:** Middle East

Overview and abbreviated summary of key messages

This report provides a comprehensive evaluation of the Middle East healthcare market. Apart from identifying the key trends, opportunities and challenges, it also assesses the market attractiveness of various countries in the Middle East region. It also identifies the areas that service providers should focus on to achieve commercial success in this market.

Some of the findings in this report, among others are:

Key trends and opportunities in the Middle East healthcare market

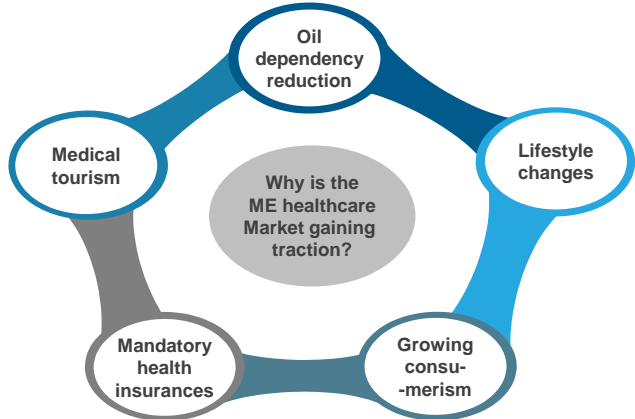
- Middle East healthcare market is growing at 10% which is twice as fast as the global healthcare market
- The healthcare market is primarily dominated by five countries; Saudi Arabia, Iran, Israel, Egypt and UAE together cover more than 85% of the Middle East market
- Multiple factors are contributing to the growth of the healthcare market:
 - The governments in Middle East are prioritizing healthcare in their annual budgets with healthcare spending comprising 5.5% of the GDP in 2015 as compared to 4% in 2011
 - Increasing instances of life style-related diseases combined with growing consumerism has further fueled the growth of healthcare market in Middle East
- Everest Group has developed a framework to evaluate the attractiveness of the Middle East healthcare market
 - Saudi Arabia, Israel and UAE have the most attractive healthcare market in the Middle Eastern region
- With government providing various initiatives such as tax free zones, business benefits, and mandatory insurance coverage many foreign entities are also investing in the Middle East market
- The major opportunity areas in this market are investment in medical tourism, development of specialty care hub, expansion of long-term facilities and adoption of technology-powered healthcare
- Though the growth prospects look promising, there are still a few challenges in this market that need to be overcome – geopolitical instability, regulatory & cultural differences and lack of talented professionals

Implications for service providers

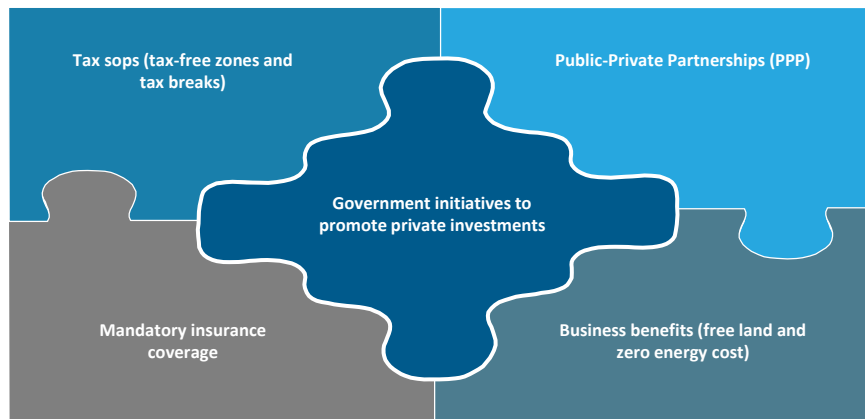
- Given that technology-related healthcare investments are a key priority for healthcare providers, IT service providers stand to gain a significant opportunity
- Since the healthcare data standards and processes are following the U.S. formats, IT service providers with the U.S. healthcare experience are in an advantageous position
- They must partner with a local player and leverage PPP model as the governments in the region are already promoting it

This study provides a detailed assessment of the Middle East healthcare market; below are few charts to illustrate the depth of the report

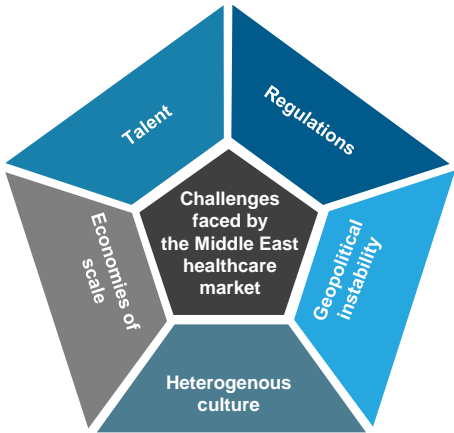
Primary drivers of market growth



Government initiatives taken to promote private investments



Challenges faced by the Middle East healthcare market



Evaluating market attractiveness within the Middle East healthcare market

Low □□□□ High ■

Country	State of healthcare operations		Level of market maturity			Ease of doing business	Overall rank
	Healthcare provider market size (US\$ billion) ²	Healthcare spend as a share of GDP ²	Level of healthcare investments	Level of technology involvement	Level of talent supply	Economy Rankings ³	
Country 1	xyz	xyz	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■	xyz	1
Country 2	xyz	xyz	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■	xyz	2
Country 3	xyz	xyz	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■	xyz	3
Country 4	xyz	xyz	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■	xyz	4
Country 5	xyz	xyz	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■	xyz	5

Source: Everest Group (2017)

HLS ITS research calendar

Published
 Planned
 Current release

Flagship HLS ITS reports

Release date

Healthcare Provider Annual Report: The Big Bang MACRA-Economic Theory of Provider IT Transformation	November 2016
EHR IT Services in Healthcare Provider Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2016	November 2016
Healthcare Provider IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016	November 2016
Healthcare Payer Annual Report: Acing Uncertainties in the Payer Market: The Trump Cards	April 2017
Life Sciences IT Application Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	May 2017
Life Sciences Clinical and R&D Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	July 2017
Healthcare Provider Annual Report	Q3 2017
Life Sciences Clinical and R&D Products and Solutions – Service Provider Landscape with PEAK Matrix™ Assessment 2017	Q3 2017

Medicare/Medicaid Version 2.0: Exploring the Next Growth Wave in the Market	November 2016
Exploring GICs in the Life Sciences Industry	February 2017
Hot Life Sciences Startups: Friends, Foes, and Frenemies in the Innovation Ecosystem	March 2017
Internet of Things (IoT) in Medical Devices	March 2017
Automation Playbook for Healthcare Payers: The Ultimate Guide to the Next Big Treasure Hunt	April 2017
Using Blockchain to Address Interoperability Concerns in Healthcare	June 2017
Exploring the Middle East Healthcare Opportunity	August 2017
Healthcare Analytics: Hot Product Vendors 2017	Q4 2017

Note: For a list of all HLS ITS reports published by us, please click [here](#)

Additional HLS ITS research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest

1. **Healthcare Payer IT Services: Outsource (Offshore) or Perish** ([EGR-2016-12-R-1928](#)); 2016: This report provides an overview of the IT market for the healthcare payer industry. Analysis includes market size & growth, forecasts (up to 2020), demand drivers, adoption & scope trends, key areas of investment, and implications for key stakeholders. The report also talks about service provider landscape evolution, sourcing priorities, location advantages, and key differentiators
2. **Healthcare Provider IT Services: The Big Bang MACRA-economic Theory of Provider IT Transformation** ([EGR-2016-12-R-1978](#)); 2016. This report provides an overview of the IT market for the healthcare provider industry. Analysis includes market size & growth, forecasts (up to 2020), demand drivers, adoption & scope trends, MACRA rules analysis, and implications for key stakeholders
3. **Healthcare Start-ups: State of Innovation** ([EGR-2016-12-R-1882](#)); 2016. Cost, access, and quality problems have plagued the U.S. healthcare market. Stakeholders are trying to tackle endemic industry issues through technology. Consumer expectations from their healthcare experience are undergoing a fundamental shift. Start-ups have a fertile ground to reap benefits through innovative solutions, which address these challenges through a fresh approach combining the elements of user experience (UX), design, and digital channels. Hence, even though the overall funding climate has begun to show signs of correction, healthcare is witnessing a sustained resurgence in investment activity. Service providers, enterprise buyers, and investment firms alike have varied reasons to better understand this exciting landscape and unlock opportunities in a fast evolving market. From a long list of over 200 start-ups, we selected start-ups in five primary areas of investments – care financing, care management, EHR, practice management, and telehealth. This report provides an overview of the challenges these start-ups are trying to address how they are disrupting the status quo, and hyper-catalyzing the innovation mandate. It also covers the five hot start-ups in each of the five areas with spotlight on business overview, leadership details, funding trail, and disruption across technology & business, as well as market buzz

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