



Health Check UAE: Challenges and Opportunities

Claire Malcolm reports how the developments in patient care as well as the pharmaceutical sector's potential and progressive healthcare policies are charting the growth of the healthcare industry in the UAE, while our 21st century lifestyle is offset by its own unique medical issues, and the opportunities in the horizon

Government investment and the surging demand are keeping the UAE healthcare concerns at the top of the development agenda of the country, spurred on by the prevalence of lifestyle diseases such as diabetes and obesity, population growth and rapid urbanisation.

Saudi Arabia and the UAE are leading the GCC healthcare market growth, with the industry expected to be worth USD 133 billion by 2018, according to a Frost & Sullivan mid-2012 healthcare report. The UAE government has spent 24% of its 2011 federal budget on social and healthcare development, with spend on medical costs related to diabetes alone expected to rise from USD 0.65 billion to USD one billion by 2020.

The total healthcare spending of the UAE is projected to nearly double by 2014, raising the sector's contribution to the GDP of the country from 2.8 to 3.4%, respectively, with the market expected to reach USD 14.6 billion by the end of 2014, reflecting a compound annual growth rate of around 16% since 2011.

From the recruitment of healthcare professionals and the launch of modern hi-tech facilities

to a growing pharmaceutical sector and investment into research and development (R&D), the UAE government and an increasing number of private sector participants are working to create a solid healthcare infrastructure that will be able to deliver world-class services across all aspects of the medical industry in the UAE.

Healthcare hub

The annual Arab Health exhibition and conference returns to Dubai, being held from 28 to 31 January 2013, for its 38th edition. The 2013 event will be the biggest to date, with a 20% growth in the exhibition space and a total of 19 conferences.

Organised by Informa Life Sciences Exhibitions, Arab Health has grown along with the UAE healthcare industry. According to Simon Page, Managing Director, Informa Life Sciences Exhibitions, the event reflects the increasing importance of the region as a global healthcare hub.

"We view the healthcare market in the MENA region to be one of the most sought-after markets for the healthcare investments in the world.

The healthcare market has experienced stellar growth over the last decade and is projected to maintain this momentum. We are seeing greater percentages of international visitors at Arab Health [with] healthcare dealers, distributors, purchasers and specifiers from across the globe," says Page.

"The largest majority of the visitors are from the Arab region, at just over 51.3%. In particular, we have seen growth in the attendance from Saudi Arabia and the other GCC countries. We have also seen an increasing number of visitors interested in the emerging healthcare sectors, such as e-health, from across the globe," he adds.



Arab Health Exhibition 2012



Visitor interest in the event also reflects the importance of the healthcare sector to the region, with a steady 15% growth per annum – and new opportunities for the healthcare sector, including medical tourism, and an escalating disease burden that is forecast to create a need for 90,690 hospital beds by 2018.

“This offers proof of the immense potential for all aspects of medical provisioning in the region, namely in the transfer of know-how, training, the building of clinics and hospitals and in the import and export of pharmaceutical products and medical supplies,” says Page.

Knowledge is power

In line with the government’s vision for a knowledge-based economy, the issue of recruitment in the healthcare sector – the need to recruit and develop world-class talent – is a key focus for the UAE.

Dr Nairouz Bader, CEO, Vision Executive Search, and a healthcare sector recruitment specialist, reports that the demand for professional expertise has picked up significantly in the last couple of years, with the UAE emerging from the downturn as a clear leader in the drive for talent.

Dr Bader is seeing specific and urgent demand for technical positions with regional coverage, as well as for professionals with ample leadership experience. “[Companies] want to attract achievers who instantly fit into the new company culture, are able to lead a diverse team, and who can build, execute and monitor a tailored strategy,” she says.

Medical professionals are also increasingly looking to the UAE as their next career step,

as Dr Bader explains, “The cultural experience and diversity of the country is something that appeals to candidates looking to work in a completely different environment. The UAE, in particular, is an attractive hotspot in the region as it offers a benchmark of living standard across the board.”

While the UAE is leading the region in certain areas of professional knowledge and healthcare initiatives, she notes that the region, as a whole, is catching up, as knowledge transfer becomes the norm, “Highly technical roles are still filled with candidates from countries other than the Arab world. However, whenever talent is transferred into the region, specific care is taken in ensuring that the knowledge transfer is engendered, as companies are aware of the fact that employing regional talent will result in greater benefits down the line.”

“But, one of the main challenges is the evolution of the other emerging markets and the scarcity of suitable talent. The Middle East is now at war with the world for talent – it is also competing intra-regionally, and highly talented executives are aware of this fact and they think twice before making a move,” she adds.

Insuring a healthy future

Health insurance is an often-debated topic in the UAE, where initiatives to implement compulsory health insurance have solely been at individual emirate level, to date, with Abu Dhabi starting the ball rolling in 2006.

Compared to the US, medical care is comparatively cheaper in the UAE, however, the increased medical costs in 2012 in the country is prompting a rise in healthcare expenditure, and



Dr Nairouz Bader, CEO,
Vision Executive Search

the income levels preclude private healthcare plans for many low-income residents. A 2010 Dubai Health Authority (DHA) survey of 5,000 UAE residents reported that 75% of the Arab and Asian residents had no health insurance.

There is also a dizzying array of insurance packages and companies to choose from, with well over 20 health insurance providers vying for business.

However, the introduction of compulsory health insurance is slowly moving towards becoming a reality, following the (temporary) online publication of a draft Federal Health Insurance Law and the launch of a Federal Health Insurance Authority, reportedly on the cards.

The draft law would make health insurance coverage mandatory for both nationals and expatriates in the UAE with employers required to provide basic health insurance cover for their employees, and continued state provision for the UAE nationals not covered under their companies. The establishment of systems for the authority to collate data on the health of the population has also been mooted.



Dr Sven Rohte, Chief Commercial Officer, Daman

In Abu Dhabi, the national health insurer Daman was the first to address the needs of a growing population with diverse health issues.

“We maintained an average membership growth rate of 20% year-on-year within the first five years of operation and reached one million members in the first two years alone,” says, Dr Sven Rohte, Chief Commercial Officer, Daman.

The company has since expanded its operation with offices in Dubai, a programme dedicated to the UAE nationals (Thiqa), and a strong commitment to public awareness campaigns and activities, including the region’s first health support initiative for diabetes.

“Since we began operations, we have supported the development of the healthcare sector by supporting the implementation of the health insurance law and, as a result, 98% of the Abu Dhabi population is now insured,” remarks Rohte.

Focus on pharma

A hugely profitable industry sector, the opportunity for the UAE’s pharmaceutical companies is being led by Ras Al Khaimah-based Gulf Pharmaceutical Industries (Julphar).

In 2010, the UAE pharmaceutical imports were valued at USD 817 million, with exports worth USD 109 million. According to Dubai Chamber of

Commerce and industry (DCCI), in 2010, the UAE was the MENA region’s third highest importer of pharmaceuticals after Turkey and Algeria.

Legislation to reduce the cost of 115 drugs was introduced in 2011, following the publication of a DCCI report, which found that drug prices in the UAE were 23 times higher than the World Health Organization recommended levels.

Multinational presence in the market is also solid, with companies attracted by the promise of a fairly healthy patented drug market, preference for the latest medicines and treatments, and the rise of local manufacturing capabilities.

With local production capabilities offering a potential home-grown alternative to the expensive imports, and a high per capita spend on medication, the UAE is perfectly placed to drive pharmaceutical trade forward and Julphar predicts that the GCC’s health expenditure will grow at a rate of 9.1% per annum, from USD 34.7 billion in 2009 to USD 53.5 billion by 2014.

In 2011, the company partnered up with Saudi Arabia’s Cigalah Group for the construction of a USD 40 million manufacturing plant in the kingdom’s western region. Due for completion in 2014, the plant will manufacture Julphar’s branded tablets, capsules and syrups.

With an estimated 20% of the region’s inhabitants living with diabetes, and this figure set to potentially double by 2030, Julphar’s focus on insulin production with the imminent launch of its new USD 150 million facility is being positioned as both socially responsible and commercially savvy.

“We have a social responsibility to secure medicines for the people of this region. We have already committed more than half a billion dirhams to this product, which the market desperately needs. We think we will be able to serve areas where other companies have not reached,” says His Highness Sheikh Faisal Bin Saqr Al Qasimi, Chairman, Julphar.

With its roots in the local market and more than three decades of experience, CEO of Julphar Ayman Sahli believes that Julphar has the perfect distribution network to service the region. Julphar produces over 800 drugs, distributed in more than 40 countries, with Saudi Arabia accounting for in excess of 32% of the sales in 2011.

Diversification is on the cards for Julphar. So is diabetes management and investment into biotechnology. The company is also turning its attention to women’s health with hormone replacement therapy (HRT) medication as the key area of interest, according to Sahli.



Daman Insurance customer office

The Ras Al Khaimah Perspective

Dr Yasser Easa Hamad Al Nuaimi, Director General, RAK Medical Zone, talks about the development of healthcare in the emirate

How has the healthcare sector in the emirate of Ras Al Khaimah evolved over the last few years?

Since the establishment of the UAE, there have been many developments in all areas. The

healthcare service was one of the major priorities for the government, extending to all the emirates including Ras Al Khaimah. From having just one small medical centre in Al Nakheel, providing only the basic primary healthcare services,

we now have four hospitals and 18 primary healthcare centres, in addition to preventive medicine initiatives, school health programmes and other support facilities.

What are the main health issues of Ras Al Khaimah residents?

The nature of the community is changing rapidly and we are increasingly facing the ‘civilised world health problems’,



Dr Yasser Easa Hamad Al Nuaimi,
Director General, RAK Medical Zone

like chronic diseases (diabetes mellitus, hypertension, strokes, etc.), RTA, youth health problems and breast cancer. Apart from this, the elderly population is growing fast with their challenging special health problems needing specialised healthcare services. RAK Medical Zone has established elderly healthcare hospitals and has also started an elderly healthcare programme to cope with the increasing demand of the community. We are reaching out to all schools, providing the needed curative and preventive healthcare services. We have ongoing continuing medical education programmes for all our medical and paramedical staff for their continuous professional development, within the UAE Ministry of Health facilities and outside the country. We are also conducting a lot of healthcare awareness campaigns and programmes.

With four hospitals and 18 medical centres under the RAK Medical Zone banner, are you building a network of complementary locations with distinct specialities?

Our healthcare system is focusing on providing comprehensive healthcare within the primary healthcare centres. Each primary healthcare centre is providing basic curative and preventive services onsite, for example, maternal and child health services, including antenatal care, vaccinations and child developmental assessment. It also has other services such as dental care, emergency care and chronic disease care, in addition to other support services like basic radiology and laboratory. There is also a well-established referral system, connecting the primary healthcare centres with the hospitals.

Is Ras Al Khaimah also attracting in-bound patients seeking the best quality treatments that may be unavailable in other emirates?

Certain specialities are attracting people from the other emirates, such as urology with well-developed lithotripsy services, vascular, thoracic surgery, neurosurgery and nephrology, where we have a well-equipped dialysis unit.

How does Ras Al Khaimah compare against other established destinations in terms of healthcare facilities and practitioners?

The facilities in RAK Medical Zone are designed as per the international standards. The Ministry of Health is equipping all the facilities in the emirate with the latest technology from international companies. Healthcare professionals with different backgrounds and recognised qualifications are coming from different parts of the world, each of whom goes through standardised evaluation procedures to ensure that we get the very best professionals to run our healthcare services. Moreover, many of our local doctors are sent overseas to the world's most renowned medical institutes for post graduation studies.

Do you have a teaching programme in place at any of your facilities in conjunction with the programmes at RAK Medical and Health Sciences University (RAKMHSU)?

The Nursing Institute, which is part of RAK Medical Zone, was established some years ago, and is now under the remit of RAKMHSU. We also offer family medicine speciality programmes in conjunction with the Arab Board. In addition, we are in the process of getting recognition to start other Arab Board programmes, covering paediatrics, internal medicine, and obstetrics and gynaecology. Our general surgery department has already been recognised by Royal College of Surgeons in the UK as an official training centre. There is a memorandum of understanding between RAK Medical Zone, through Ministry of Health, and RAKMHSU for training their students in different departments. The availability of these training programmes has attracted many local students to join the medical and para-medical professions. Family medicine and obstetrics-gynaecology are two areas of preference for the Emirati students.

What are the biggest challenges and hot topics for Ras Al Khaimah and the UAE as regards healthcare?

The biggest challenges are chronic non-curable diseases, RTA, the provision of critical care, attracting and retaining specialised staff, and benchmarking our services with international institutes. There are several hot topics and these include Emiratisation, gaining accreditation through international organisations, and decreasing the risk factors of cardiovascular disease through increased lifestyle health awareness.

What can we expect to see from RAK Medical Zone in 2013 and beyond?

In the near future, and in a major development for local community healthcare services, Sheikh Khalifa Hospital will be inaugurated. This is extremely important as it will also be a tertiary care hospital including specialities like oncology, neurosurgery, vascular surgery and paediatric surgery. It is planned to be positioned as a 'reference hospital' for the Northern Emirates. Going one step further, Bin Omran Hospital will serve as an obstetrics-gynaecology and childcare specialised hospital. Also, a new general hospital is being established in Shaam to provide specialised services to the people living in the northernmost areas of the emirate, while a new clinic will open in Shooka next year.

RAK MEDICAL ZONE

RAK Medical Zone, which is overseen by the UAE Ministry of Health, is developing modern, world-class healthcare facilities and services with four hospitals and 18 healthcare centres currently under its remit, including the new 250-bed Sheikh Khalifa Hospital. The district also includes RAKMHSU, home to a student body with 41 nationalities currently represented, and international standard, state-of-the-art facilities and hi-tech facilities including an advanced library, laboratories, demonstration rooms, an auditorium, a gym and halls of residence.

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From the Hospital Front Line

Dr Jean-Marc Gauer, CEO of RAK Hospital, talks about the services and the latest developments at the hospital

Dr Jean-Marc Gauer, CEO of the 65-bed Sonnenhof Swiss Health-managed RAK Hospital, the flagship facility of Arabian Healthcare, a joint venture company between the Government of Ras Al Khaimah and Dubai's ETA Star Healthcare, has seen the hospital's services and reputation grow at a steady pace in the five years since its 2007 launch.

"The hospital has rapidly established itself as a well-accepted tertiary care centre, and has introduced new facilities and services not previously available to the local population, including neurosurgery, spine surgery, advanced minimally invasive surgery, cardiac interventions and even open heart surgery," he says.

Dr Gauer credits the Swissness of the Sonnenhof brand as adding an extra level of quality, as well as hospitality into what is traditionally a rather sterile experience. "We strongly believe in improving outcomes by making our patients feel welcome and 'at home' in a clean and hospitable environment, combined with the human touch that comes from truly motivated and dedicated staff," he adds.

An award-winning healthcare facility, RAK Hospital was named the Best Healing Environment in the Gulf region at the 2011 Hospital

Build Awards and, according to Dr Gauer, is positioning itself as a leader in various fields, not only in the UAE but also across the region.

Teaching and community care programmes are also an important facet of the operation, as Dr Gauer explains, "[We] actively contribute by organising frequent basis public awareness and teaching campaigns in the hospital itself, as well as in local malls, social clubs and companies. Many of our senior doctors are also directly involved in teaching activities in RAKMHSU."

For Dr Gauer, the main challenges facing the UAE healthcare industry revolve around the supply and demand gap. "Looking at the WHO standards, one bed for every 250 persons is the benchmark, whereas, in the UAE we are looking at one available bed for every 650 to 700 people," he says.

"Health insurance is also not yet available for everyone. Abu Dhabi has made health insurance mandatory, thereby giving everyone access to healthcare. This has resulted in even small hospitals attending to as many as 2,000 patients per day in the outpatient department, and contributing to the lack of beds for in-patients," he adds.

He also echoes statistics reported by the DCCI, with only 25 to 30% of the population in



Dr Jean-Marc Gauer,
CEO, RAK Hospital

Dubai and the Northern Emirates holding private health insurance, with the majority of people still dependent on subsidised government healthcare or treatment back in their native country.

But things are about to change, as Gauer explains, "Based on our discussions with the Ministry of Health and different health authorities in the UAE, it seems very likely that during the next year, insurance will be made mandatory. There will obviously be a gap in the supply, thereby creating tremendous opportunities for the private sector."

"Medical tourism is another area that will very soon have a big impact on the UAE healthcare sector, and become a multi-billion dollar industry in the region. The UAE is an ideal location, fulfilling the list of requirements for medical tourists, which include good quality healthcare, good infrastructure and good hospitality."

RAK Hospital has already started translating its potential into actual business by catering to a steady flow of international patients for high-end investigations and procedures. "We have also opened RAK Hospital Patient Communication Centres in Nigeria, Ghana, Kenya, Ethiopia, Russia and Pakistan to further attract international patients," comments Gauer.

The next 12 months will see increased focus on what Gauer calls the company's most important 'product' – the patient. "In the coming year, we will consolidate our tertiary care services and focus on a healthy and satisfied patient. We also plan to bridge the gap between illness and wellness by further development of our recently launched plastic and reconstructive surgery department, in union with the newly opened Spa at RAK Hospital, which offers wellness and obesity management under medical supervision," he concludes.

UAE Health Stats

According to a DCCI study, the UAE has the highest prevalence of diabetes in the Arab region at 19.2% of the population with a staggering USD 5.5 billion spend on the disease.

Cardiac disease currently accounts for one in four deaths, equivalent to a mortality rate of 22% if diagnosed with heart problems. Reports suggest that heart disease also occurs approximately 15 years earlier for patients in the UAE than in the rest of the world, affecting people as young as 45 years old.

Lack of exercise is also a major issue for the UAE population and a major

contributing factor in the high rate of child obesity, which is believed to affect one in every three kids in Dubai alone.

According to Abu Dhabi Chamber of Commerce, the UAE residents spent USD two billion on overseas medical treatment in 2009, giving rise to new opportunities for the healthcare providers in the GCC to capitalise on the USD 50 billion global medical tourism sector.

Medical tourism revenues for the UAE reached USD 1.7 billion in 2010, according to Business Monitor International, with growth pegged at 15% per annum.

International Viewpoint

Dr Rubin Minhas, Clinical Director of the British Medical Journal Evidence Centre in the UK, and Editor-in-Chief of Clinical Evidence and Best Practice, is a frequent visitor to the region, and an international conference speaker. Here, he talks about the healthcare sector in the UAE

What has been the most significant milestone for the UAE healthcare sector in recent years?

Investment in healthcare has been ongoing, and there is no doubt that access to premium technologies is high by international standards.

How does the UAE compare to other established markets?

The UAE benefits from a diverse workforce, which enjoys access to the latest technologies and leading facilities. One area for further strategic focus is the development of intellectual property to drive the benefits of technology forward, as human capital flows mean that the status of the health sector in the knowledge economy relies on medium- to long-term commitment.

How does the UAE rank among its GCC peers?

The UAE compares favourably with the other Gulf countries and its close proximity to a natural laboratory of innovative delivery systems and reforms in this region mean that it is ideally placed to contribute and learn from advances made elsewhere in the GCC.

How important is it for the UAE healthcare sector to develop and invest in human capital?

The race for competitive advantage is all about developing one's knowledge-based assets. Having acquired the physical infrastructure, the UAE really needs to focus on developing its human capital strategy to ensure that it delivers on the hard asset investments made to date.

Is investment in R&D an opportunity for the UAE?

The UAE should set itself an ambitious goal such as becoming the Silicon Valley of the GCC, and ensure this is matched by its investment in human capital.

What are the biggest challenges for the UAE with regards to healthcare?

Establishing a high-quality healthcare system that delivers improved outcomes that are the best, not only in the region but also around the world, is the benchmark that it needs to set itself. This needs to be twinned with a credible and effective public health policy that addresses some of the key factors that undermine health such as the rise in obesity and diabetes.

What are the 'hot topics' for the UAE healthcare sector right now?

Public health trends together with an aging population and the likelihood of greater numbers of older people requiring more expensive and intensive chronic care, underline the need for the UAE to develop the human capital to ensure that the infrastructure investments are leveraged. ■



Free Spirit is the official publication of Ras Al Khaimah Free Trade Zone Authority (RAK FTZ).

The bi-monthly magazine, which is distributed widely in the region as well as in selected European and Asian countries, features local and international business news, views of industry experts and in-depth articles on various local and global business and trade developments. It also connects the public to the business community in the region and acts as a platform for communication between the RAK FTZ management and its existing and potential clients.

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