

Invest In Egypt

Healthcare

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Sector Overview

The Egyptian government has undertaken an ambitious reform of the national healthcare system, to build on a reputation as an excellent source of healthcare in the region and as a major destination for both health tourism and investment.

The country's strong GDP growth over the past few years and its impressive economic growth rate has put new demands on Egypt's infrastructure. As a result, the Egyptian government has pledged to involve the private sector in every aspect of the economic reform process, including healthcare.

Government spending on healthcare has increased by 200% over the past 15 years, bringing about tangible results. The country's disease profile increasingly resembles that of a developed country, with the majority of deaths caused by non-infectious diseases. Polio has been virtually eradicated through aggressive immunization programs. In addition, The infant mortality rate is down to 18 per thousand births, a radical improvement that is well below the world average of 47 deaths per thousand births.

Healthcare services is an important growth sector with total investments amounted to EGP 5 billion in 2008/2009. Investments in the sector grew by over 90% during the past 5 years. High demand for state-of-the-art, sophisticated healthcare services provides an opportunity for foreign investors and providers to penetrate the market. The most promising vehicle for healthcare investment in Egypt are public private partnerships (PPP). In effect since 2006, the PPP strategy aims to enhance the quality of services by encouraging investment in infrastructure projects, such as constructing, renovating and refurbishing healthcare centers.

Broad opportunities also exist in the promotion of health tourism, as underscored by the proliferation of small cosmetic surgery boutiques throughout the nation's capital. Opportunities also exist for providers of medical and diagnostic equipment and insurance products.

Competitive Strengths and Capabilities

Core Areas for Investment: Private hospitals, health tourism, elective procedures, pharmaceuticals, continuing education programs, platforms and software, rural healthcare

Largest Trained Workforce in the Region. With an annual average of 10,000 graduates from medical schools, Egypt produces more doctors and pharmacists than any other country in the Middle East. At 25.2 million, Egypt's workforce is the largest in the Arab world and the second largest in the MENA region, after Iran.

Ongoing Training and Networking. Egypt's healthcare workforce has an excellent reputation in the region for high quality standards and experience. Medical personnel have access to state-of-the-art training programs from such companies as Intel and Microsoft, while networking and chat sites allow knowledge sharing. Additionally, Egypt's doctors have access to online medical journals, allowing them to keep up-to-date on the latest medical innovations.

High Doctor to Patient Ratio. In 2008, Egypt recorded 6.86 physicians and 14.34 nursing staff per thousand patients, in addition to 1.18 dentists, and 1.59 pharmacists per 1000 citizen.

Increase in Investment Appeal. Private investments in health care amounted of EGP 2.4 billion in 2008/2009.

Upgrade of the National Healthcare System. The government's plan to overhaul the national universal healthcare system will drive new traffic to more than 4,500 health centers and will create additional opportunities for investment, particularly through the PPP program.

Sector Drivers	Egypt's Value Proposition	Investor Benefits
Labor Force	With 10,000 annual graduates from medical schools, Egypt provides a large pool of skilled labor to draw from.	Large potential talent supply with the skill sets necessary for a healthcare business to succeed.
Labor Costs	Wages in Egypt are considered amongst the lowest in the MENA region. The average wage in the health sector is comparatively low at US\$ 15.4 per week. In contrast, the reputation of Egypt's healthcare workforce is excellent.	Unique opportunities to minimize costs while offering high-quality services.
Diversity of Opportunities	Egypt offers significant opportunities for investment in primary, secondary and tertiary care centers; clinics catering to the growing global medical tourism sector; medical equipment and supplies distribution; and pharmaceuticals distribution.	Diverse range of opportunities Provides a wide range of options for players looking to enter the market.
High Healthcare Expenditures	About 4% of personal income is directed to healthcare services. Moreover, the GOE spending on healthcare in 2007/2008 amounted to over EGP 13.2 million, an increase of 100% as compared to 2003/2004.	Presents market opportunities for investment at all levels of the value chain.
Low Insurance Penetration Rates	There are few providers of health insurance in Egypt, and penetration rates remain very low by comparison with Brazil and Turkey. Insurance covers only 56% of total population, with most insurance covered by public-sector companies and few private firms.	Strong need for additional providers. This presents a significant market opportunity, although analysts note that major global insurers are now beginning to explore the local market, suggesting competition may be in the offing.

New Ventures and PPP Opportunities

Medical city Project - Alexandria

Project Description:

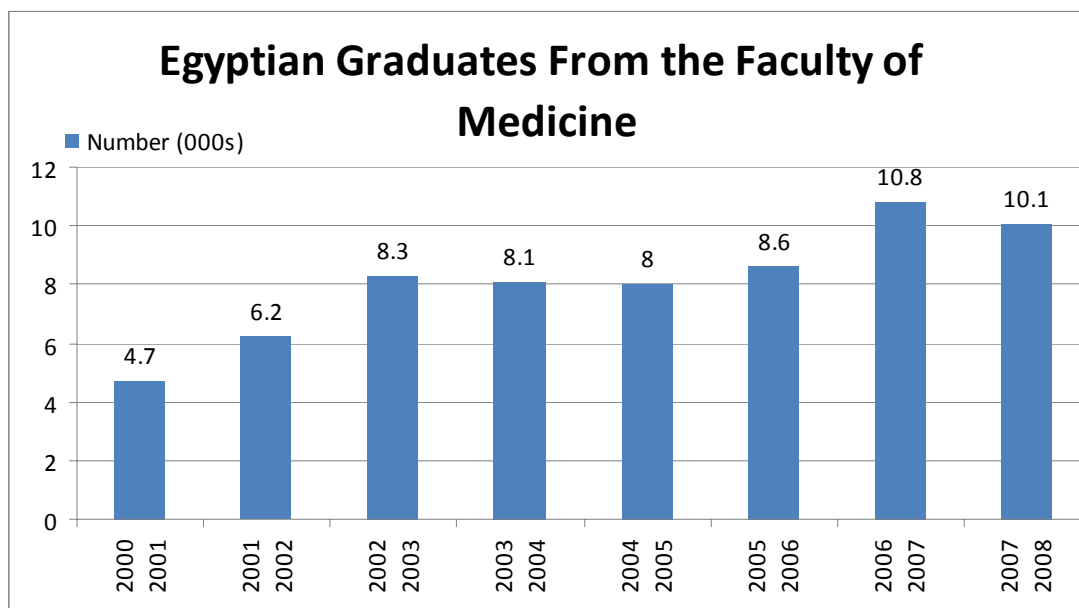
Establishing an integrated medical city over an area of 200 Feddan in Western Alexandria, behind Carrefour Hypermarket, containing hospitals and clinics, recovery centers, five star hotels, R&D centers and laboratories, and a center for medical education

Sponsor:

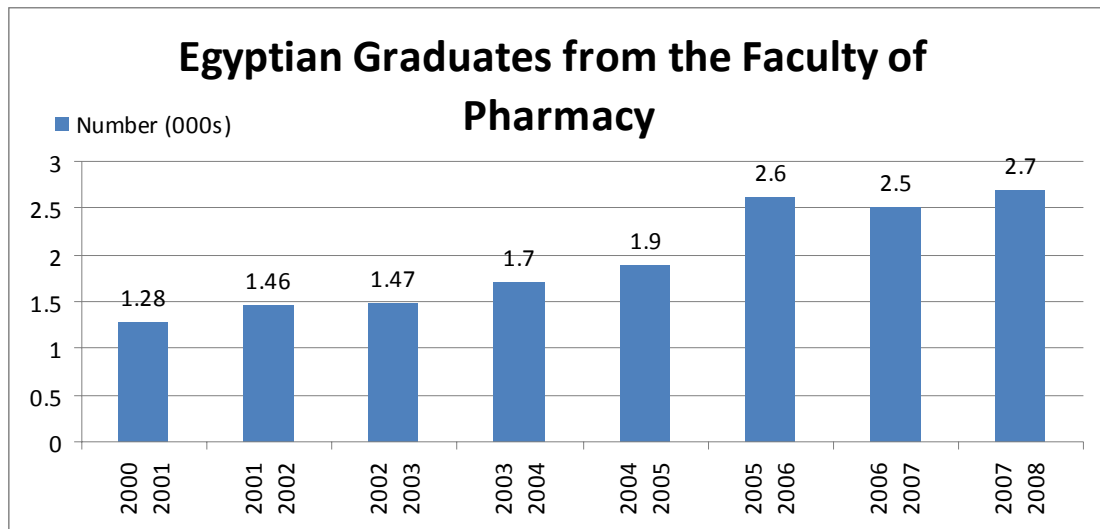
Alexandria Governorate and Ministry of Health

Investment Cost:

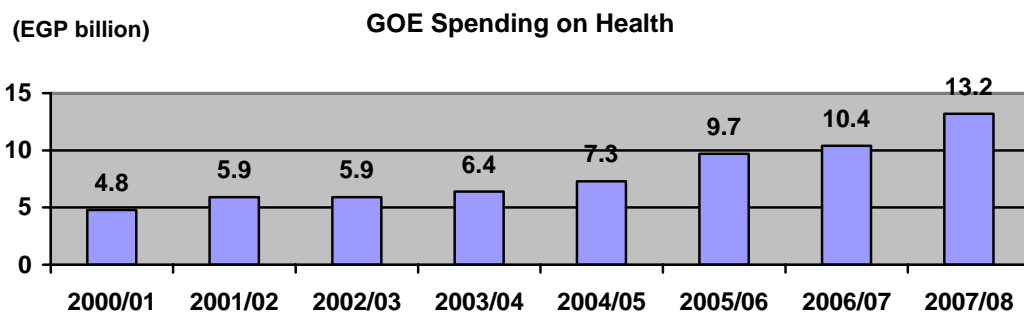
8000 Million EGP.



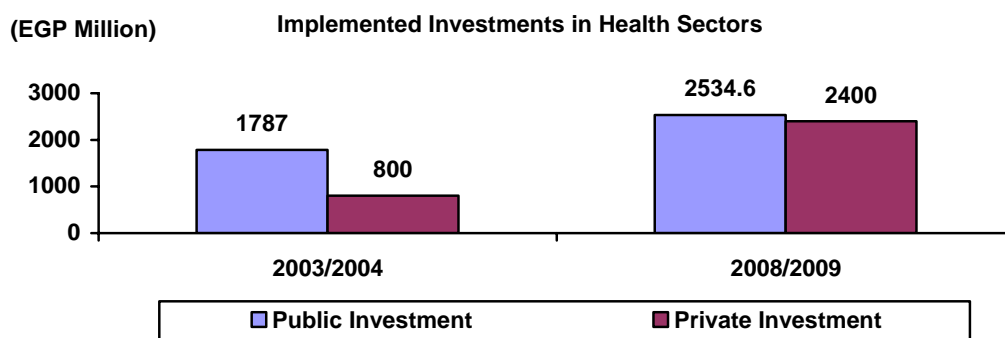
Source: CAPMAS



Source: CAPMAS



Source: Ministry of Health, CAPMAS



Source: Ministry of Economic Development

Success Stories

The private Alexandria-based Dar Al-Shefa hospital is considered to be among the top healthcare centers in Egypt. Other highly reputable hospitals include Al-Salaam International Hospital, Wadi Al Nil Hospital and New Kasr Al Aini Hospital in Cairo, as well as Alexandria Medical Center and Moustafa Basha Military Hospital in Alexandria.

Magrabi Hospitals & Centers Egypt

Founded in 1995 by Dr. Akef Magrabi as a private eye care center, Magrabi Hospital has since grown into a network of three eye hospitals, treating more than 130,000 patients and performing over 15,000 eye-related surgeries each year.

Since 1999, the company has provided free community healthcare services to low-income, rural populations through the charitable Magrabi Al-Noor Foundation.

Magrabi recently received USD 45 million in financing from the International Finance Corporation for the construction of three new low-cost eye hospitals and four eye referral centers in Egypt. The new hospitals are expected to provide an additional 500,000 examinations and 50,000 operations per year.

Dar Al Fouad Hospital

Dar Al Fouad Hospital was founded in 1995 and specializes in a number of fields, including cardiothoracic surgery, oncology and organ transplants. The 42,000 square meter hospital in Sixth October City was built in collaboration with Cleveland Clinic International and is renowned for providing high-quality care in state-of-the-art medical facilities.

Nile Badrawi Hospital

Established in 1985, Nile Badrawi Hospital is a private hospital in Cairo with a highly reputable medical staff. The hospital hosts 138 beds, seven operating rooms, a complete radiology department and a state-of-the-art unit for renal transplantation, haemodialysis and peritoneal dialysis.

The hospital was also the first Egyptian healthcare center to open an Infertility Unit, which is equipped to offer IVF services.

Al Borg Laboratory

Al Borg Laboratory was established in 1991 as a shareholding company and is now the largest private laboratory in the Middle East. The company has opened 60 labs throughout Egypt and 14 labs in the Middle East. Throughout the years, the company has served 11 million patients and performs more than 12,000 tests daily. It was recently the subject of a highly profitable private equity investment.

GE Healthcare

Since 1974 GE Healthcare has partnered with Egyptian government entities and private businesses on healthcare projects across the country. GE's expertise in medical imaging and information technologies has facilitated earlier diagnosis and improved treatment of cancer and heart disease.

Recently, Egypt became one of the first countries in the region to successfully launch a breast cancer screening program using GE's digital mammography mobile solution.

Siemens Medical Solutions Group

Siemens Medical Solutions Group supplies the Egyptian market with the most advanced medical devices and systems. Since expanding its business in 1999, Siemens has built alliances with both public and private health providers, who benefit from Siemens' integrated solutions for diagnosis and therapy.

Siemens has provided healthcare equipment to public hospitals such as the Egyptian Universities' hospitals of Cairo and Mansoura in addition to private hospitals, such as Al Salaam hospital and Cairo Scan.

Leading Healthcare Providers in Egypt

Al Borg Laboratory

www.alborglab.com

Alexandria Medical Center

Tel: 03-4272663/03-4242659

Alico

www.alico-measa.com

Allianz

www.allianz.com.eg

Al Salaam International Hospital

Tel: 02-25240250

British United Provident Association (BUPA)

www.bupa.co.uk

Dar Al Fouad Hospital

www.darfouad.org

Egyptian Insurance Supervisory Authority

www.eisa.com.eg

GE Healthcare Egypt

www.ge.com/eg

Magrabi Hospitals

www.magrabihospitals.com

New Kasr Al Aini Hospital

www.newkasrelaini.org/default_eng.htm

Nile Badrawi Hospital

www.nilebadrawi.com/home-english.htm

Siemens Medical Solutions

www.siemens.com.eg