



UAE HEALTHCARE: MAPPING GROWTH PATHWAYS AND OPPORTUNITIES

INOVA GLOBAL SOLUTIONS
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MESSAGE FROM THE TEAM

Welcome to our exploration of healthcare in the UAE, brought to you by INova Global Solutions.

The healthcare world in the UAE is really something special. It's all about top-notch infrastructure, quick responses to health challenges, and big plans for the future. With the Centennial 2071 Plan at the helm, the UAE is setting its sights high, aiming to be a top spot for medical tourism. The government here is all in, boosting budgets and making policies that bring in investment and improve care standards. Our research shows there's a big demand for healthcare services, thanks to more people living longer and facing health issues like never before.

The UAE's healthcare landscape is getting even better with partnerships between public and private sectors, plus cool stuff like digital health tools and plans to grow the healthcare workforce.

Here at INova Global Solutions, we're all about helping businesses expand, especially in places like the Middle East and beyond. With our expert advice and support, we're inviting companies to check out the exciting opportunities in the UAE's healthcare sector. Let's work together to build a future where great healthcare makes everyone's lives better!"

**TEAM INOVA GLOBAL
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HEALTHCARE LANDSCAPE IN THE UAE

The healthcare landscape in the UAE is characterized by its advanced infrastructure and effective pandemic response, positioning the country as a leader in the Arab world. Under the Centennial 2071 Plan, healthcare is a priority sector with a focus on meeting international standards and addressing lifestyle-related diseases. Initiatives to enhance accessibility and digitization aim to make the UAE a premier destination for medical tourism.

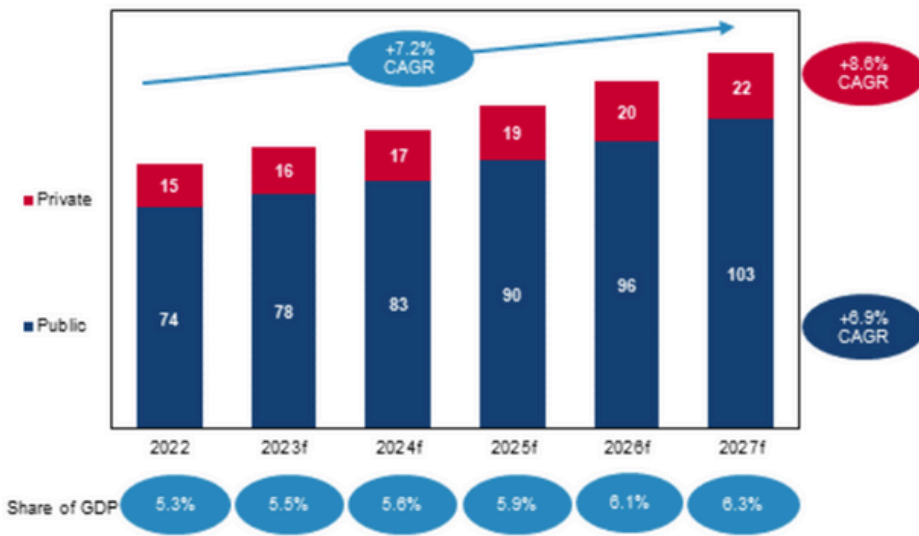
Government commitment is evident through increased budget allocations, rising from 6.9% in 2020 to 8.1% in subsequent years, with a focus on expanding and modernizing healthcare systems. Liberalized policies in key healthcare hubs like Abu Dhabi and Dubai attract foreign investments, raising standards of care.

Demand for healthcare services is driven by population growth, increasing life expectancy, and a high incidence of non-communicable diseases (NCDs), supported by the UAE's reputation as a medical tourism hub. The Compound Annual Growth Rate (CAGR) for Healthcare Expenditure (CHE) reached an impressive 12.3% between 2016 and 2020, totaling US\$19.7 billion by 2020.

“UAE advances healthcare with government initiatives, private investment, targeting medical tourism.”

The UAE government remains a significant investor in healthcare, funding around 69% of the total healthcare expenditure in 2019. However, the private sector's investment has been increasing, with projections indicating healthcare spending to reach \$26 billion by 2028, predominantly led by private initiatives.

Private sector involvement is crucial in realizing the UAE's healthcare vision, with plans laid out for the next 20-30 years



STATISTICS

Per capita health expenditure increased by 3.8% annually from 2012 to 2022, with the healthcare sector's contribution to GDP rising from 3.1% in 2012 to 5.3% in 2022. Moreover, there is expected growth of a CAGR of +7.2% by 2027.

Graph 1. : Solid Growth for Public and Private Healthcare UAE - Health Expenditure By Payor Types, AEDbn

to guide investments where needed. The development in the medical sector has reduced reliance on seeking treatment abroad, with initiatives like medical tourism portals streamlining services for medical tourists.

The UAE's healthcare expenditure is poised for strong growth, driven by the expanding private sector. Projections suggest a five-year compound annual growth rate (CAGR) of 7.2%, with private expenditure expected to grow faster than public spending.

“UAE's healthcare thrives: investments, digital integration, workforce expansion, regional growth.”

Partnerships with global healthcare providers like The Cleveland Clinic Abu Dhabi and Johns Hopkins Medical School aim to enhance healthcare quality and accessibility.

The government's focus on digital health initiatives is expected to drive efficiency and improve patient outcomes, solidifying the UAE's status as a regional healthcare hub.

Challenges such as resource constraints and workforce shortages persist but strategic investments and innovation are key to addressing them.

The UAE's healthcare sector is experiencing remarkable growth, propelled by substantial government investments and a commitment to delivering high-quality medical services. With healthcare spending by UAE residents projected to surge by nearly one-third, driven by factors such as an aging population and the prevalence of lifestyle diseases, the government's allocation of GBP 1.1 billion (Dh4.9 billion) for healthcare and community protection in the 2022-2026 federal budget reflects a strategic shift towards knowledge-based economic development. Additionally, the GCC healthcare market is projected to reach \$243.6 billion in 2023, highlighting the region's significant growth potential.



**\$26
BILLION**

by 2028, with private sector initiatives leading the expansion.

**\$243.6
BILLION**

projected for the GCC healthcare market in 2023.

8.6%

of the UAE's total budget in 2022 was allocated to health expenditures, amounting to approximately AED 4.95 billion (\$1.35 billion).

DIGITAL HEALTH INTEGRATION AND FUTURE CHALLENGES

The UAE is rapidly advancing as a healthcare powerhouse, with a focus on integrating digital health technologies to elevate patient care standards and solidify its position as a leading medical tourism destination. The impending launch of the Smart Digital Health regulatory framework by the end of 2023 underscores the nation's commitment to leveraging technological advancements to enhance healthcare delivery.

To meet the escalating demand for healthcare services and address challenges posed by an aging population and rising chronic diseases, the UAE is intensifying efforts to expand its healthcare workforce. Initiatives like the National Strategy for Nursing and Midwifery Roadmap to 2026 aim to reshape the profession, enhance technology training, and optimize digital tools' utilization, ensuring efficient and effective healthcare delivery nationwide.

"Digital health transformation in UAE: Innovating patient care, driving economic prosperity."

Furthermore, the UAE is emerging as a key healthcare investment destination, with significant opportunities for growth. Initiatives such as the Dubai Industrial Strategy 2030 and the Abu Dhabi Vision 2030 prioritize the development of the pharmaceutical industry to drive economic impact and reduce reliance on imported pharmaceuticals.

The projected growth of Dubai's healthcare market, coupled with the increasing demand for healthcare professionals, underscores the pivotal role of the UAE in propelling the healthcare sector's growth in the Middle East and North Africa region.

The UAE's digital health market is thriving, with an estimated value of USD 619.3 million in 2023 and a projected CAGR of 23.3% from 2024 to 2030. Government initiatives are instrumental in driving this growth, fostering innovation and infrastructure development. The focus on preventive healthcare and patient-centric solutions reflects a shift towards holistic health management. Rising health expenditure underscores the country's commitment to advanced healthcare solutions, enabling the implementation of cutting-edge technologies and innovative services.

Key trends driving market growth include the adoption of telehealth, AI-powered diagnostics, and digital therapeutics, fueled by smartphone penetration and increasing awareness of digital health benefits. Digital health apps are gaining popularity in the UAE, offering personalized support, convenient monitoring, and improved disease management, particularly for chronic conditions like diabetes.

Mergers and acquisitions are shaping the market landscape, with strategic partnerships driving innovation and growth. Regulatory oversight by entities like the Department of Health ensures excellence in community health and quality healthcare services for all stakeholders in Abu Dhabi.

The UAE's long-term focus on reducing reliance on imported pharmaceuticals and developing the pharmaceutical industry locally aligns with its vision for sustainable healthcare growth.

With Dubai alone projected to require an additional 8,300 physicians and 8,800 nurses by 2025, the healthcare market will play a pivotal role in catapulting the Middle East and North Africa healthcare sector's growth from US \$144 billion in 2020 to \$243 billion by 2023.

"UAE rapidly advances in healthcare, integrating digital tech for patient care, evidenced by the imminent Smart Digital Health regulatory framework".

The Dubai Industrial Strategy 2030 and the Abu Dhabi vision 2030, consider the pharmaceutical industry as one of the main subsectors to develop with its future growth prospects, export potential and mid-term to long-term economic impact.



However, along with the opportunities come certain challenges that need to be addressed for digital health integration to reach its full potential in the UAE. One such challenge is ensuring data security and privacy in an increasingly interconnected healthcare ecosystem.

With the proliferation of digital health solutions, safeguarding sensitive patient information from cyber threats is paramount.

Another challenge is the need for interoperability among different digital health platforms and systems. Seamless data exchange between healthcare providers, electronic health records, and wearable devices is essential to ensure continuity of care and prevent fragmentation of patient information. Furthermore, there is a growing need for regulatory frameworks to keep pace with technological advancements in digital health. Clear guidelines and standards are necessary to govern the use of digital health technologies, protect patient rights, and ensure ethical practices.

"Data security, interoperability, regulation, literacy, access: UAE digital health challenges."

.Additionally, addressing disparities in digital health literacy and access to technology is crucial to prevent exacerbating existing healthcare inequalities. Efforts to educate patients and healthcare professionals about digital health tools and their benefits must be prioritized.

Despite these challenges, the future of digital health integration in the UAE looks promising. With continued investment in technology infrastructure, regulatory frameworks, and workforce training, the UAE is poised to become a global leader in digital healthcare innovation, driving improved health outcomes and enhancing patient experiences for years to come.



KEY ASPECTS

Medical Tourism Magnet: Dubai alone hosted 630,000 international health tourists in 2022, demonstrating resilience amidst the pandemic. Notably, Dubai Healthcare City serves as a prime example of the UAE's investment in state-of-the-art healthcare infrastructure.

Technological Advancements: The UAE's Ministry of Health launched the Centre of Excellence for AI in healthcare in 2023 to drive digitalization and innovation. This initiative aims to develop a comprehensive digital service ecosystem, enhancing health capacities and offerings.

Opportunities for International SMEs and Exporters

- ✔ **Digital Health Solutions:** The UAE's digital health market is poised to reach GBP 638.7 million (AED 2.98 billion) by 2028. SMEs specializing in health tech, telemedicine, and health informatics can leverage this growth to introduce innovative solutions.
- ✔ **Medical Equipment and Devices:** The UAE's medical device market size reached approximately GBP 1.51 billion (AED 7.1 billion) in 2023, with a forecasted CAGR of around 8.87% from 2024 to 2030. This presents opportunities for exporters of cutting-edge medical technology.
- ✔ **Pharmaceuticals and Biotechnology:** The UAE is actively enhancing its pharmaceutical and biotechnology capabilities. Companies can explore collaborations and exports to meet the rising demand for high-quality medicines and biopharmaceuticals.

NAVIGATING THE FUTURE: UAE'S TELEHEALTH SECTOR SURGES POST-PANDEMIC

The UAE telehealth market has witnessed significant growth and evolution in recent years, driven by factors such as expanding privatization, substantial digital transformation, and favorable regulations. Key players in the market, including Doxy.me, Medcare, NextGen Healthcare, and OKADOC, are continuously developing new technological solutions and mobile applications to ensure high-quality care for patients in the UAE. However, increasing competition from entrepreneurs worldwide is expected to intensify in the forecast period due to the attractive regulations and lucrative prospects for telehealth services in the UAE.

The outbreak of the COVID-19 pandemic provided a significant boost to the telehealth industry in the UAE, accelerating the adoption of telehealth services such as remote patient monitoring, store-and-forward, and real-time interaction. This surge was driven by the need for alternatives to in-person visits to clinics and hospitals, which were restricted during the pandemic. Moreover, the pandemic presented immense opportunities for industry by highlighting the effectiveness and affordability of telehealth solutions alongside technological advancements existing software and devices

The UAE telehealth market is characterized by strengthening tech-enabled healthcare ecosystems, particularly in Dubai, which has emerged as an opportunistic area for telehealth advancements. The government's active promotion of telehealth care, such as the 'Doctor for Every Citizen' smart service by the Dubai Health Authority (DHA), has contributed to the rapid growth of telehealth in the region. Additionally, strategic partnerships aimed at extending remote monitoring programs across various healthcare domains present lucrative opportunities for market leaders.

"Telehealth Revolution in UAE: Innovators Lead High-Quality Care Pathways Amid Global Competition"

Quality care and innovative telemedicine solutions have positioned the UAE as one of the prominent medical tourist destinations in the world. The nation's priority on quality care is reflected in initiatives such as the virtual audit by JAWDA, which awarded high scores to telemedicine centers for their excellence. Furthermore, continuous care models and remote monitoring technologies offered by companies like Mubadala Health have attracted medical tourists, shaping the telemedicine industry in the UAE. In terms of market segmentation, services, including remote patient monitoring and real-time interaction, have captured a significant share of the UAE telehealth market.

Government initiatives to implement telehealth projects, along with the launch of innovative apps like the DOH RemoteCare app by the Department of Health – Abu Dhabi, have accelerated the adoption of teleconsultation and telemedicine services.

Telemedicine applications, including patient monitoring and medical education, have gained popularity due to their potential to provide patient-centered care and reduce hospitalization rates. Initiatives such as the 'Doctor for Every Citizen' service by the Dubai Health Authority have further propelled the adoption of telemedicine in the UAE, particularly during the COVID-19 pandemic.

Recent developments in the UAE telehealth market include collaborations between healthcare companies like Mubadala Health and BioIntelliSense to utilize remote monitoring solutions and enhance the healthcare ecosystem in the UAE. These developments

underscore the growing importance of telehealth in the region and its potential to revolutionize healthcare delivery.

"Government-backed initiatives and innovative apps drive telehealth growth, reshaping healthcare delivery in the UAE."

In conclusion, the UAE telehealth market presents significant growth opportunities driven by technological advancements, government support, and increasing demand for remote healthcare services. Market players need to stay abreast of evolving trends and regulations to capitalize on the expanding telehealth landscape in the UAE.



KEY FINDINGS



Accelerated digitalization, increasing usage of data and analytics, more empowered consumers, and proactive wellness policies have transformed healthcare.



Healthcare spending in the GCC is forecast to grow at a CAGR of 4.9% to USD 99.6 billion in 2023 from USD 86.2 billion in 2020.



DHCC's total economic contribution to the GDP of Dubai – including the direct and indirect impact of its operations – was AED 2.8 billion in 2021.



With manufacturing as an area of focus, the UAE's medical device market is forecast to grow to USD 1.5 billion by 2025 at a CAGR of 4.4% from 2020.



In the wider Middle East and North Africa (MENA) region, the HealthTech start-up ecosystem is valued at over USD 1.5 billion, a 22x increase since 2016.



Despite pandemic-related restrictions on global travel, Dubai doubled the number of health tourists in 2021. Spending by international patients reached nearly USD 198 mill.



Latest research estimates that the combined digital health market in Saudi Arabia and the UAE is likely to reach USD 4 billion by 2026.



The entry of non-traditional players in healthcare improved operational efficiencies, amplified affordable care, and strengthened clinical innovation and data security.



During the pandemic, regulatory agility led to more efficient and future-proof regulatory systems. Expedited reviews and approvals increased clarity and led to special programs.



Direct and indirect impacts of the pandemic include heart, lung, kidney, and diabetes related problems, after a mild or even asymptomatic case of the coronavirus.

OPPORTUNITIES IN HEALTHCARE AND HEALTHTECH IN THE UAE



Growing Demand: The UAE's population is expanding, with an increasing proportion of elderly individuals. This demographic shift creates opportunities for healthcare providers and technology companies to offer innovative solutions to meet the rising demand for medical services and elder care.



Government Initiatives: The UAE government is investing heavily in healthcare infrastructure and technology as part of its vision to become a global leader in healthcare. This includes initiatives such as the UAE Vision 2021 and the UAE Centennial 2071, which present opportunities for companies to partner with the government and contribute to the development of the healthcare sector.



Medical Tourism: The UAE is a leading destination for medical tourism in the region, attracting patients from around the world seeking high-quality healthcare services. There are opportunities for healthcare providers to capitalize on this trend by offering specialized treatments and services tailored to international patients.



Digital Health: There is a growing emphasis on digital health solutions in the UAE, including telemedicine, remote patient monitoring, and health data analytics. With the government's support for digital transformation in healthcare, there are opportunities for technology companies to develop and implement innovative digital health solutions to improve patient care and outcomes.



Healthcare Education and Training: As the healthcare sector grows, there is a need for skilled healthcare professionals. Opportunities exist for educational institutions and training providers to offer programs and courses in healthcare management, medical technology, and specialized medical fields to meet the demand for qualified personnel in the industry.



Research and Development: The UAE is investing in research and development in healthcare and biotechnology to drive innovation and advance medical science. There are opportunities for companies and research institutions to collaborate on research projects and develop new treatments, drugs, and medical devices.

Dubai, with its cutting-edge medical infrastructure and a burgeoning healthcare industry, stands at the forefront of innovation in the region. The city is home to a growing number of public and private healthcare entities, including globally renowned hospitals and diagnostic laboratories. These institutions not only cater to the local population but also attract medical tourists from around the world, contributing significantly to Dubai's reputation as a medical tourism hub.

The Middle East and North Africa (MENA) region's healthtech startup ecosystem is thriving, with a valuation exceeding \$1.5 billion. This figure underscores the immense growth potential of the sector, driven by key trends such as artificial intelligence (AI) in healthcare and the Internet of Medical Things (IoMT). Startups specializing in these areas are well-positioned to capitalize on the region's increasing demand for innovative healthcare solutions.

Dubai's data-centric approach extends to the healthcare sector, where Big Data is expected to play a pivotal role in driving investments and innovation in the coming years. By harnessing the power of data analytics, healthcare providers

can enhance patient care, optimize operational efficiency, and develop personalized treatment plans. The Dubai Chamber of Digital Economy actively collaborates with stakeholders to promote innovation and investment in the digital healthcare space, solidifying Dubai's position as a leading hub for healthtech innovation.

Opportunities abound for startups and companies looking to enter or expand their presence in the UAE's healthcare market. With government initiatives aimed at bolstering the sector's growth, there is a conducive environment for innovation and entrepreneurship. From AI-driven diagnostics to wearable health devices and telemedicine platforms, there is a diverse range of opportunities for companies to disrupt traditional healthcare models and address emerging market needs.

Moreover, Dubai's strategic location and business-friendly environment make it an attractive destination for startups and investors alike. The city's status as a global financial hub provides access to capital, talent, and networking opportunities, further fueling the growth of the healthcare and healthtech sectors.



IN CONCLUSION

The healthcare landscape in the UAE embodies a paradigm of progress, marked by advanced infrastructure, proactive pandemic responses, and a strategic vision for the future. Rooted in the Centennial 2071 Plan, healthcare emerges as a linchpin sector, prioritizing international standards and combating lifestyle-related diseases while fostering accessibility and digitalization to position the UAE as a premier medical tourism destination.

Evident government commitment, exemplified by increased budget allocations and policy liberalization, propels the expansion and modernization of healthcare systems, attracting foreign investments and elevating standards of care. The surge in healthcare demand, fueled by population growth, longer life expectancies, and the prevalence of non-communicable diseases, underscores the UAE's status as a medical tourism hub, with robust Compound Annual Growth Rates (CAGR) in Healthcare Expenditure (CHE) signaling substantial investments and opportunities.

Public-private partnerships drive healthcare innovation and infrastructure development, with the private sector increasingly taking the lead in investment, guided by long-term strategic visions. Noteworthy initiatives,

such as the integration of digital health technologies and workforce expansion plans, augment the UAE's healthcare landscape, enhancing patient care standards and bolstering its position as a regional healthcare hub.

Furthermore, the convergence of government initiatives, technological advancements, and demographic dynamics propels the UAE's healthcare and Healthtech sectors into a realm of promising opportunities. From digital health solutions to pharmaceutical advancements, the UAE beckons international SMEs and exporters to partake in its burgeoning healthcare ecosystem, underpinned by growing demand, robust government support, and a commitment to innovation.

In essence, the UAE's healthcare landscape stands as a beacon of growth and innovation, poised to harness the transformative power of technology, demographics, and governmental imperatives to shape a future where quality healthcare is not just a necessity but a cornerstone of national prosperity. As companies navigate this dynamic landscape, those adept at leveraging its manifold opportunities are primed to thrive amidst the UAE's rapidly evolving healthcare terrain.

RESOURCES

- ✔ ["Emerging Opportunities in Middle East Healthcare", Dubai Healthcare City Authority, January 2023](#)
- ✔ ["Investing in Healthcare in the UAE", United Arab Emirates Ministry of Economy](#)
- ✔ ["Sector Updates: The UAE Healthcare Sector", January 2024, Business Council Report](#)



THANK YOU!



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