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# 2024 Healthcare Outlook for East Africa

Report by **Medic East Africa and Medlab East Africa**

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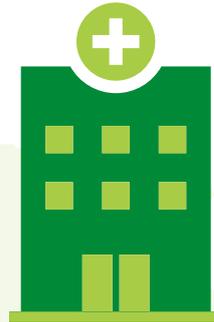
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# Topline healthcare stats for East Africa



**34%**

of the East African population has access to essential health services



The region has an average of **0.2 physicians per 1,000 people**



East African countries spend an average of **6-8% of their GDP on health, below the 15% Abuja Declaration target**



Under-five mortality rates in the region are at **49 deaths per 1,000 live births**



Health insurance penetration in the region is **less than 10%**



The maternal mortality ratio in East Africa stands at approximately **368 deaths per 100,000 live births**



Non-communicable diseases account for **over 27% of deaths in East Africa.**



Revenue from medical tourism in the region is projected to grow by **25% over the next five years**



The HIV/AIDS prevalence rate in East Africa varies widely, with some areas reporting rates **as high as 6%**



There is an average of **1.6 hospital beds per 1,000 people in the region**

## East Africa





## Healthcare market overview

The healthcare sector in East Africa is currently undergoing an immense transformation, with Kenya leading the way. Despite facing challenges such as inadequate infrastructure, a shortage of professionals, and costly services, the healthcare sector is seeing a surge in investment in infrastructure, evolving insurance models, and the rise of medical tourism due to digital innovations such as telemedicine. This presents a vast opportunity for growth, with both government and private investment playing a critical role.

According to a report from Equity Health Journal, equitable access and international partnerships are vital to the sector's development. By exploring the complexities of the healthcare systems, the interplay between the public and private sectors, and the impact of global cooperation, we can see a nuanced but robust developmental trajectory for East Africa's healthcare sector.

### 6 key trends expected to shape East Africa's healthcare in 2024

**Telehealth expansion:** Leveraging remote consultations to extend healthcare reach

**Patient self-care:** Digital tools enabling personal health management and autonomy

**Robotics and automation:** Enhancing precision and efficiency in medical procedures

**Artificial intelligence:** AI aiding in diagnosis and treatment for better patient outcomes

**Paperless data and e-health records:** Shifting to e-health records for improved care and data handling

Source: The Nation

# Navigating shifts in East Africa's healthcare landscape

As the healthcare sector in East Africa undergoes a transformative phase marked by both opportunities and challenges, it is essential to carefully navigate the shifts in the landscape. Digital health technologies, such as telemedicine, are set to play a crucial role in expanding healthcare accessibility in the region, according to McKinsey and IQVIA.

Kenya is leading the way in this regard, focusing on extending health insurance coverage, boosting local vaccine production, and positioning itself as a hub for clinical trials. The country's emphasis on mental health aligns with global initiatives, signalling a broader cultural shift towards prioritising mental well-being.

Meanwhile, Goldstein Research reports that key regional pharmaceutical players respond to market dynamics by strategically moving towards mergers, acquisitions, and speciality pharmacies. All these trends indicate an era of innovation and strategic collaborations to build a resilient, inclusive, and efficient healthcare ecosystem across East Africa. As the healthcare landscape continues to evolve, keeping a close eye on these trends and developments will be necessary to navigate the changing terrain successfully.

## The role of technology in healthcare

Technology is reshaping healthcare in East Africa, enhancing access and quality while connecting patients in remote areas to specialists via telemedicine.

Mobile apps are simplifying health management, and electronic records are making patient data more navigable.

Despite challenges such as digital literacy, these technological advances are paving the way for a healthcare system that is both scalable and cost-effective, uniquely adapted to local needs and setting the stage for improved healthcare outcomes in the region.

## Innovation in the medical device market

The medical device market in East Africa is on an upward trajectory, fuelled by a growing middle class, heightened healthcare demands, and infrastructural investments by governments and international bodies. The trend towards digital health technologies is influencing a surge in demand for advanced diagnostic and monitoring tools.

However, the market faces challenges such as varied regulatory landscapes, affordability issues due to high import duties, and quality assurance needs. There's a clear opportunity for growth through local device manufacturing, which could reduce costs and bolster economies. Partnerships with local entities and investments in R&D tailored to the region's unique healthcare requirements present fertile ground for international investors.





## Investment opportunities in the East African healthcare sector

- Increasing chronic non-communicable diseases are spurring demand for specialised medical treatments and services.
- Significant investment opportunities exist in the construction and modernisation of healthcare infrastructure.
- There's a growing market for advanced medical equipment and technologies.
- PPPs offer avenues for private investment and expertise to enhance public healthcare.
- Donors and NGOs are crucial in funding and delivering health programs, focusing on infectious diseases, maternal health, and education.
- New financing methods like micro-insurance and mobile health payments are emerging to solve healthcare funding challenges.

### In focus: Kenya's healthcare system

Kenya's healthcare landscape is witnessing positive change, characterised by strategic government initiatives and a rapidly growing health insurance market. The system, structured across multiple care levels, is becoming more accessible and

is poised to benefit from Kenya Vision 2030 and the Universal Health Coverage pilot, which seek to enhance the quality and affordability of healthcare. This proactive approach aims to elevate Kenya's status and ensure a higher quality of life for its citizens.

In a significant financial uptrend, Kenya's health insurance market, as per Insights 10, is forecasted to nearly double from \$1.42 billion in 2022 to \$2.77 billion by 2030, growing at a CAGR of 8.7%. This robust growth indicates the market's resilience and the potential for innovative healthcare solutions. With the private sector playing a crucial role, particularly in specialised care, Kenya's healthcare system is on track for an era of inclusive growth and enhanced service delivery.

### Harnessing opportunities on the horizon

The healthcare industry in East Africa faces numerous challenges but also holds substantial opportunities for growth and improvement. Strategic investments in infrastructure, insurance, and technology, coupled with a focus on capacity building and regional collaboration, can significantly enhance healthcare accessibility and quality across the region. Stakeholders can effectively together to realise the potential of these opportunities for the betterment of healthcare delivery in East Africa.

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