



CEO MONTHLY

DR. MOHAMAD HAMADE



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In my July monthly letter, I share my view on Medical Tourism and ways in which we can repatriate patients back to the region and support governments healthcare agendas in the UAE and GCC. Key highlights:

- Regional healthcare demographics and repatriation of medical tourism
- The UAE's medical tourism at the global forefront
- Amanat's role to support the advancement of medical tourism and repatriation

Friends,

Demand for healthcare services across the world is on the rise given the demographic drivers, primarily increased longevity and rising birth rates. The percentage of the overall population aged 80 and above will more than double from 4 percent in 2010 to nearly 10 percent by 2050, according to the Organization for Economic Cooperation and Development. In this month's letter I will share my views on a solution to repatriate medical tourism regionally, UAE's advancements and how Amanat is positioned to play a key role in contributing to the provision of specialized care and repatriation locally and regionally.

Regional healthcare demographics and repatriation of medical tourism

Historically known as a region with a large young population, the Gulf's elderly population is increasing rapidly. According to UNFPA, the UN's population agency, GCC countries witnessed the lowest percentage of ageing in 2000 and 2015, but this is expected to rise by 11 percent by 2030. By 2050 the GCC's ageing population is expected to reach an all-time high of 21 percent, the highest in the Arab region. The elderly are the heaviest users of healthcare. As they form an ever-larger portion of the population, the **GCC will see an increase in demand for specialist healthcare** services such as specialized oncology, cardiovascular, neuro-spinal, pediatric surgery, and rehabilitation.

However, the specialists needed to care for these conditions are limited. The GCC boasts a broad range of hospitals and clinics available to GCC populations. But in reality, **while the supply of general healthcare services is adequate, specialist services are undersupplied**. Despite the rapid growth of the GCC healthcare sector, a large number of patients living in the region still choose to travel abroad for specialized treatment. Attracting a greater number of specialized healthcare professionals to the GCC will help repatriate this care, as well as strengthen the region's healthcare systems in response to pandemics.

This is partly due to a lack of medical research centers and academic affiliations which are the foundation to attract specialized physicians. Specialist physicians tend to build their careers in markets with larger centers of excellence because they provide access to a greater volume of patients to build their experience and access to prestigious academic affiliations to further their specialisms. The **GCC's medical research sector is burgeoning yet nascent**. The majority of healthcare professionals in the region complete their education abroad before moving to the region to work. In fact, studies have shown that up to 80 percent of medical staff in some hospitals and clinics in the GCC are from outside the region and have been trained in more than 50 different countries.

One solution to creating more centers of excellence in the Gulf is through multi-asset integrated healthcare platforms. **Platforms are well placed to nurture specialist environments** due to their scale. By aligning several operating units under a common strategy or culture, investment platforms are able to connect healthcare businesses across the entire healthcare cycle, from primary care to general hospitals, tertiary and specialized care facilities. The advantages of this connectivity are wide-ranging. For example, platforms offer the scale needed to secure academic affiliations and conduct research with large volumes of data. They maximize physician experience by placing employees on rotation across different clinical environments. The **mobility of physicians across an integrated network of medical facilities** enables the platform to offer highly specialized services across a network of hospitals or clinics with **adequate patient volumes per medical specialty**.

This model creates distinct advantages for the broader healthcare sector. For one, **the expected rising demand for specialist treatments can be addressed quickly and efficiently** as platforms can tap into a whole network of operating units for the medical resources and know-how needed to deliver in-demand treatments. Secondly, outbound specialist medical treatment will be repatriated to the GCC as expatriate and local populations place more trust in the specialist capabilities on offer from healthcare professionals in the GCC, improving patient quality of life if they are able to remain at home rather than travel abroad for specialty services. Finally, businesses that sit under the platform model are likely to be far more resilient when forced to face challenging market dynamics because they can preserve costs through building economies of scale – such as through collaborative purchasing or physician rotation. They are better prepared to respond to rapidly evolving health crises such as the one we are experiencing now.

The UAE's medical tourism at the global forefront

On a more granular level, **the UAE is at the forefront of many global indicators in the field of health** having ranked first in 7 global indicators, according to a report issued in 2020 by the Federal Competitiveness and Statistics Centre. The UAE also ranked first globally in terms of number of accredited health facilities with 221 accredited hospitals, medical centers and health facilities, according to the Joint Commission International (JCI) which categorizes, measures, and shares best practices in quality and patient safety data with the world.

Medical Tourism has been an area of focus for the UAE and according to the Medical Tourism Index (MTI), **Dubai and Abu Dhabi both sit in the top ten destinations for medical tourism in the world**

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and expected to grow at a CAGR of 10.7 percent for the next five years and earn the country 19.5 billion dirhams by 2023. The primary areas of emphasis for medical tourism in the UAE are dermatology, orthopedics and ophthalmology.

The UAE also approved a policy of providing comprehensive health care for all citizens and residents alike, through its preventive and curative programs, through the health services network at all levels, and providing health care on a global level, one of the 6 pillars of the **UAE National Agenda 2021**.

The **UAE demonstrated its world class healthcare system during the COVID-19 crisis** having administered vaccines to more than 70 percent of UAE residents in addition to starting to manufacture the Sinopharm vaccine during 2021 and promoting free vaccinations, the UAE has elevated its healthcare status globally and have positioned themselves at the **forefront of medical advancement**.

Low cost and the existing tourism infrastructure contribute to the UAE's growing medical tourism industry. While the costs of certain treatments and procedures are far more reasonable in the UAE when compared to countries like the United States, when compared to more emerging countries like India, the costs still remain higher, leading to local patients seeking treatment elsewhere. In this case, once again **the platform model incorporates scale and has better potential at attracting global physicians** that will inevitably help reduce costs further and **enable the UAE to compete with other emerging medical tourism destinations**. Nonetheless, when compared to other regional healthcare destinations, **the UAE is far more advanced from a governance, regulatory and infrastructure**

Amanat's role to support the advancement of medical tourism and repatriation

It is clear that the platform model that integrates scale, synergy and expertise can lead to significant operational efficiencies and can improve the quality of healthcare delivery by bringing more specialist care to the region in response to market demand. Simultaneously, **public private partnerships will enable entities like Amanat** to join forces with the government and support the growth of the healthcare mandate locally and regionally.

Amanat continues to steer its investment mandate towards creating the platforms that will become **enablers of growth** when it comes to the provision of specialist healthcare. We have already started developing such infrastructures with **our post-acute care and rehabilitation platform** which acts as our first window to begin attracting international talent as well as **repatriating those who seek such treatments abroad**. Similarly, we anticipate other specialist services can also play a similar role in the advancement of medical tourism by **supporting the UAE's agenda while contributing to the region's medical tourism** positioning in general.

These are the ingredients needed to **bring outbound medical treatments back home**, create a better healthcare experience for all GCC residents and strengthen our response to sudden health crises. **The opportunity is great – not just for healthcare business but for society as a whole.**

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