

September 2021

# Kuwait Healthcare

Emerging Era of Advanced Care, Efficiencies, Market Prices  
and Infrastructure Enhancement

**Research Highlights:**

The report examines Kuwait's healthcare sector performance measured by healthcare indicators, its infrastructure and productivity, across time, ownership, and country's borders, assesses where it stands and where it is heading, which healthcare needs are growing, government initiatives to enhance private participation, and challenges to be addressed to reach the government's goal for universal quality healthcare coverage.



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Figure 10.1 Examples of Public/Private Division of Services

# Executive Summary

Kuwait healthcare sector has been nurtured for many decades by the government through the Ministry of Health (MOH) and Ministry of Defense and Petroleum Company hospitals. Though not at the top in global rankings, the country's healthcare sector has reached a fair degree of maturity whether it is the number of beds installed, the number of physicians, dentists or nurses available. The same can be said of other health indicators for the country's population like life expectancy at birth, child mortality rate, measures of eradication of communicable diseases, professional assistance available for childbirth, deaths due to injuries, and availability of health insurance (including insurance provided by private & government). The country compares favorably with its GCC peers on many counts. No doubt, scope for further enhancement exists.

World Bank categorizes Kuwait as a high-income country for comparing healthcare indicators globally. Comparison of Kuwait with its peers in North American and European countries shows that there is a need to address many challenges that leave gaps in its healthcare ecosystem. The country's healthcare system depends largely on services of expatriate doctors and nurses. The country's medical educational institutions require to be developed so that the national pool of medical professionals, that form the backbone of the country's healthcare needs, is sufficiently created and sustained.

While the country has successfully controlled fatalities from communicable diseases like malaria, tuberculosis, fatalities from non-communicable diseases like heart disease, stroke, and cancer are increasing due to lifestyle, dietary and genetic disorders. This point towards requirement of greater investment in the local hospitals to treat these diseases and deploying more specialized medical professionals to handle such treatment. In addition, the country provides large financial support for its citizens for healthcare treatment at overseas hospitals. This is done if the treatment cannot be administered within the country. This shows there is need for greater sophistication and expertise in the local hospitals.

# Executive Summary

Kuwait has several private hospitals due to the government's initiative for encouraging private sector participation. However, a lot needs to be done on this front, as about 80% of the health expenditure continues to be met by government. The government recognizes the need for action to reduce dependence of the sector on government finances. Experience shows that private sector hospitals are preferred over government hospitals by many nationals. This is despite nationals having access to free medical care at government hospitals. The government on its part has taken public private partnership for the sector seriously as demonstrated by forming Dhaman a partnership with private sector that is setting up 3 hospitals and several clinics exclusively for handling the healthcare needs of the over 2 million expat population employed in the private sector. Expatriates account for over three fourths of the country's population. The progress that has been made in private sector participation in the sector can be further taken forward by privatizing some of the government hospitals.

Health insurance is open to private sector and government sponsored health insurance schemes are also in place. The recent policy to restrict access for expatriates to government hospitals that were providing subsidized healthcare, has yielded greater interest in private sector health insurance schemes from the residents. Information & Communication Technology (ICT) has a big role to play in healthcare and this is at an infant stage currently in Kuwait.

Kuwaiti pharmaceutical and medical equipment industry are still very small and need to grow many times for a self-sustainable healthcare system in the country.

The MOH hospitals have in place arrangement with advanced healthcare institutions overseas for imbibing the spirit of research in its hospitals. However, research and development infrastructure for the sector may need to be enhanced and accelerated through both private and government institutions.

## Executive Summary

Overall, government's role in Kuwait's healthcare sector may be at a turning point, as it has set in place initiatives for greater public private partnerships in healthcare, and for adopting wider coverage of health insurance, and greater use of ICT in healthcare. If, funds are freed from lower investments in hospital infrastructure, the government can be expected to do more in other areas of healthcare. These are the likes of medical education, medical research and development of the pharmaceutical and building engineering skills required by medical equipment sector. The steps taken or being taken currently bode well for the sustainability of the sector and its transition to the next stage of enhanced quality, and higher productivity.



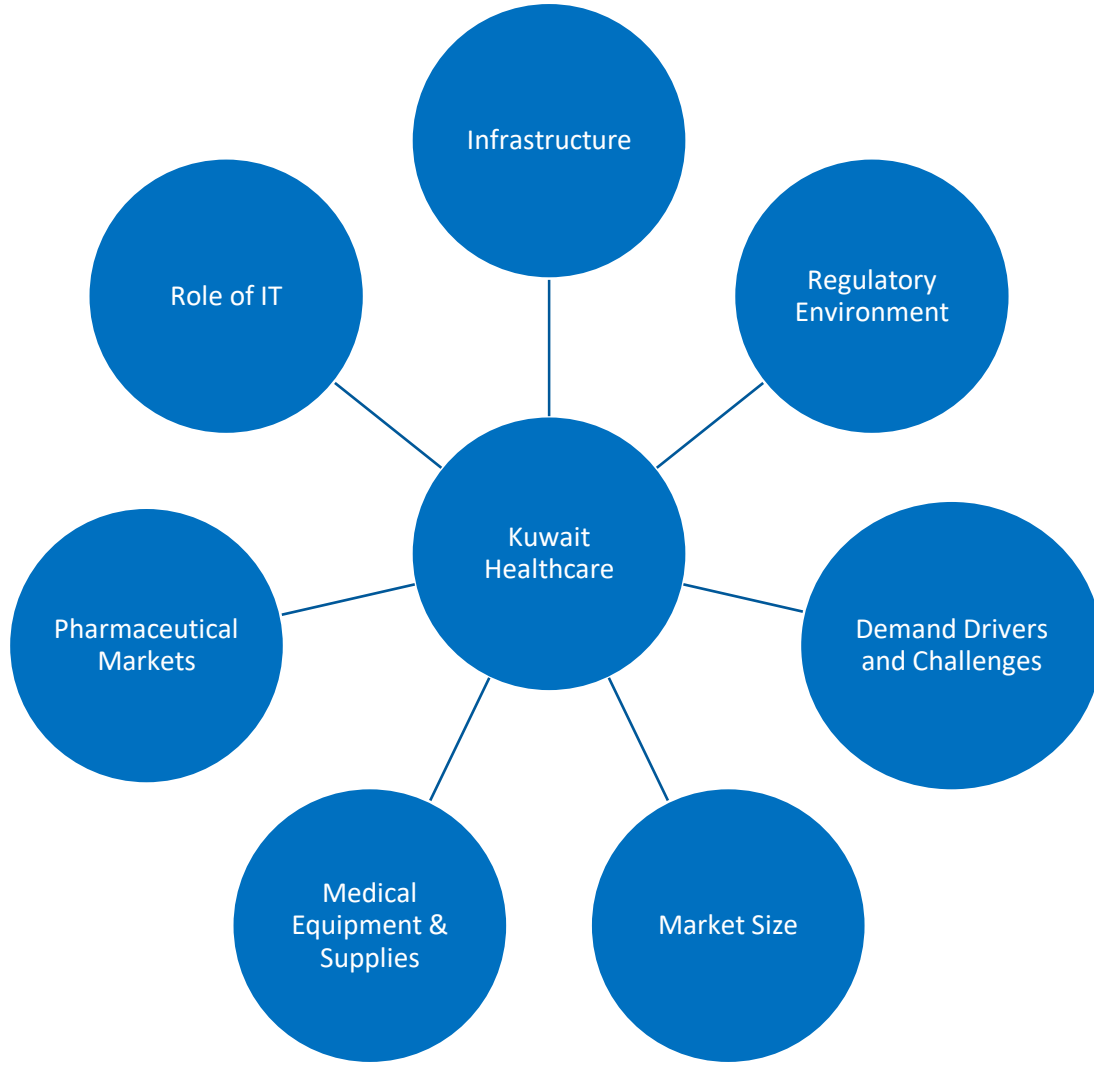
## Did you know?

- 80% of the health expenditure in Kuwait continues to be met by the government and Ministry of Health (MOH) Hospitals constitute 83% of total beds.
- Elderly people, say 65 and above, who are subject to non-communicable diseases like Alzheimer's disease are an estimated 163,000 by 2025.
- The principal risk factor that caused death in 2017 was Ischemic Heart Disease (IHD) which is same as Coronary heart disease and it accounted for 258 deaths out of 1000 deaths.
- Lower Respiratory Infections, the third largest risk factor in 2017 is the risk factor that witnessed highest rise in number of deaths (1.8 X increase) per thousand deaths over the period 2002-2017.
- Kuwait's R&D investment in healthcare sector is quite low at 0.06% of GDP in 2020
- The total health care expenditure increased from USD 1,358 million in 2002 to USD 5,039 million in 2018 at CAGR of around 8.0%.
- Productivity enhancement by private sector participation can be seen from higher annual discharges (inpatients discharged) for private sector hospitals of 73.2 per bed (including Oil companies' hospitals) versus only 30.5 per bed for MOH hospitals
- As per 2018 data, the beds per ten thousand population at 20.5 is 27% lower than 28.5 for US.

# Why purchase the report

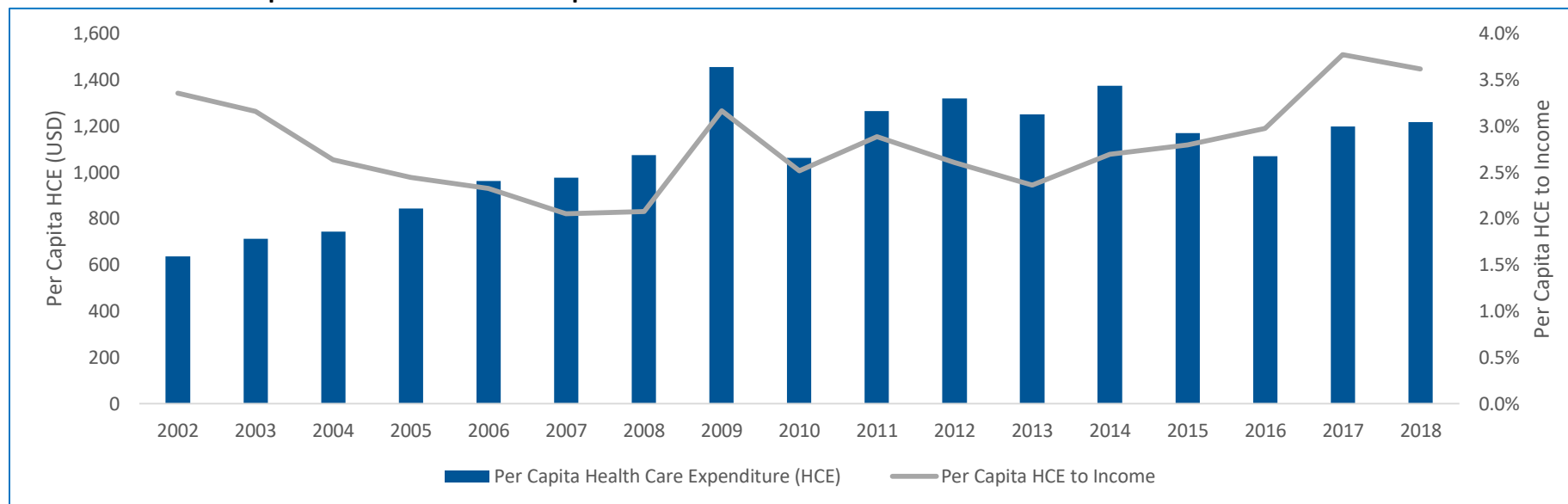
- **Timely report on a prime market:** COVID-19 has brought healthcare space to the spotlight, highlighting its importance, gaps and opportunities. Kuwait Healthcare report offers insights on how this key sector is placed in Kuwait and its prospects.
- **Wide Coverage and In-depth Analysis:** The report provides insights on a range of aspects pertaining to Kuwait's healthcare sector including infrastructure, market size, health insurance, equipment and pharma, medical professionals and patients' admission pattern, etc.
- **Key Data Points:** The report presents important data points such as,
  - Kuwait Healthcare spending
  - Major Health care indicators in both Government vs Private hospitals
  - Causes of Death that are highest and growing at highest rate
  - Forecast of expenditure on medical equipment
  - Market size by inpatient and outpatient
  - Major healthcare projects and M&As

# A 360. View



# Key Discussion Points

## Trend of Per Capita Healthcare Expenditure versus Income



- Healthcare Needs in Kuwait that are growing at faster pace
- Encouragement of Private sector in Healthcare to drive growth
- Technology adoption in healthcare
- Ongoing Investments in Kuwaiti Healthcare Sector
- Kuwaiti Government's HealthCare Policy and Goals

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# About Marmore

Marmore MENA Intelligence is a fully-owned research subsidiary of Kuwait Financial Center 'Markaz'. Since 2006, Markaz Research has been at the forefront in disseminating thought-provoking, hard-data backed research reports. Marmore continues that legacy with a focused approach to providing actionable solutions for business leaders and policymakers.

Since its inception, Marmore has published over 700 research reports and covered more than 25 varied industries and infrastructure segments; all focused primarily on the GCC economies. (To view our Research Library, please [click here](#))

With over 30 policy and regulatory research studies published, Marmore has partnered with renowned regional think-tanks and opinion-leaders to publish some of these intellectually provoking policy research papers. These research studies aim to initiate dialogue and propose better solutions to existing economic conundrums. (To view our Policy & Regulatory research report, [click here](#))

Marmore provides research-based consulting solutions to help understand current market conditions, identify growth opportunities, assess supply/demand dynamics, and make informed business decisions.

Almost on a weekly basis, Marmore publishes thematic economic, industry, policy and capital market reports. Marmore has been recently conferred "Research Provider of the Year - 2018" award by Global Investor, a Euromoney Group company. To learn more, visit [www.marmoremna.com](http://www.marmoremna.com)

## OUR JOURNEY SO FAR

- Over **700** reports/insights published
- Over **63** Client projects executed
- Frequent media citations and conference participation
- Active social media presence



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# Business Verticals



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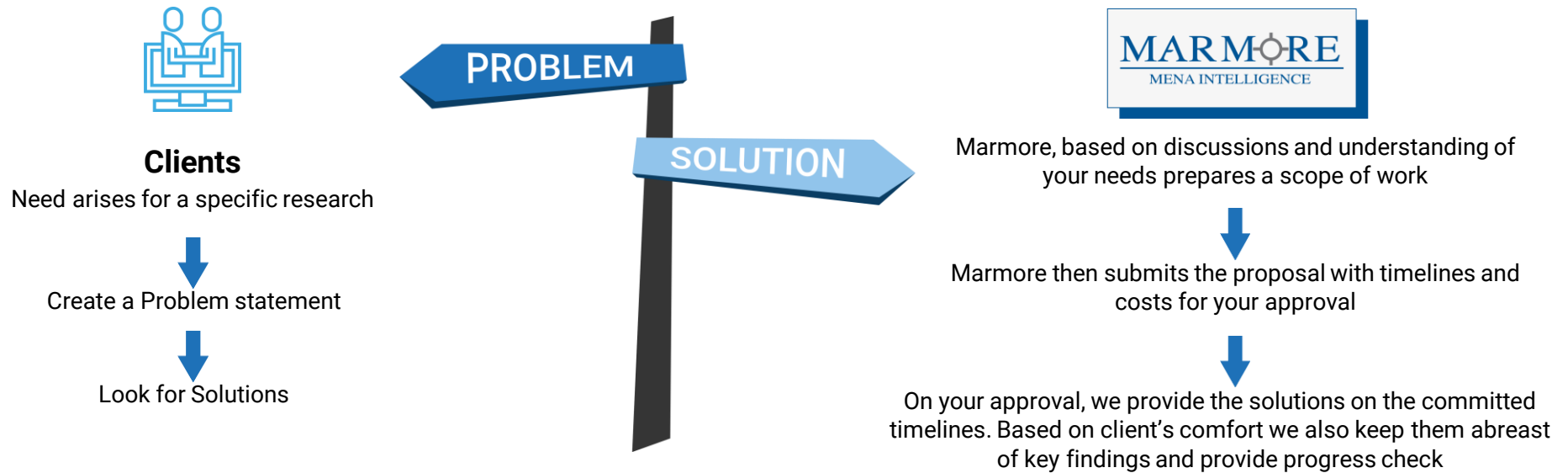
Our GCC focus enables us to provide bespoke consulting services based on clients requirements



## PUBLISHED RESEARCH

We provide GCC focused research on demand or subscription

# Customized Research Offerings – You ask we Deliver



## MARMORE CREDENTIALS

### Case 1:

**Problem:** A leading Venture Capital firm wanted to establish itself as a thought leader in the VC space in Saudi Arabia for which it needed a customized research on Venture Capital industry

**Solution:** Marmore prepared a very comprehensive report for the client and also supported in popularizing the report on Digital platforms

**Impact:** The client received very positive response for the report and would be engaging with Marmore for more reports subsequently

### Case 2:

**Problem:** A leading Kuwaiti Bank, set up its economic research desk, for which it needed support for creating very insightful reports in the Economic domain.

**Solution:** Once the topic was finalized and approved by the client Marmore prepared a very insightful report in the committed timeline.

**Impact:** The report was very well received by stakeholders. Marmore's effort in the creation of the first report resulted in subsequent report awards by the client. Marmore got into a long term agreement with the client to provide research support on a continuous basis.



# Consulting - GCC region imposes a unique set of challenges



The GCC governments are increasingly recognizing that the global outlook and economy are swiftly changing, and this poses



Demographic challenges



Shift in economic powers



Energy markets

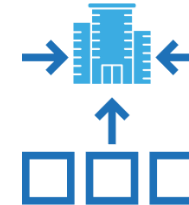


Investment



Employment opportunities

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## Unique challenges companies face in GCC



### Challenges faced by foreign consultants

- ✓ Understand the Cultural fit
- ✓ In-depth regional awareness and capacity to provide real time solutions
- ✓ Ability to validate and overcome the information gap
- ✓ Ability to deal with data paucity



### Challenges faced by local companies

- ✓ Ability to analyze the big picture and find opportunities
- ✓ Ability to connect findings with global developments

# Consulting - We only win when our clients win

We at Marmore thrive on overcoming all the challenges and create value for our clients



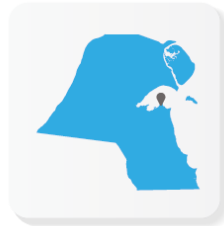
Our breadth of coverage and deep dive research capabilities enables us to be preferred partners



Our experienced team is adept in data validation



We conduct channel checks to authenticate information



Having our Parent in Kuwait, we are well verse with cultural aspects of the region and attune our findings in accordance



We have the ability to come up with a solution which actually works for the region

# Why partner with us?



Dealing with GCC region requires immense experience to understand the nuances and deliver:

*Marmore's experienced and qualified Team is an asset to have*



What differentiates us with others is the ability to provide solutions on a spectrum of topics like Industries, Economies, Policy and Technology -

*We take pride in our breadth of research*



In a region with lack of appropriate data, ability to collaborate with relevant stakeholders is a key strength –

*Our presence in Kuwait and connection with relevant stakeholders across GCC region gives us advantage over competition*



We believe in good actionable work and serve our clients to the best of our ability –

*Our work speaks for our clients and our clients speak for us*

# Consulting Experience:

## Case Study 1: Study on Fintech Adoption in Kuwait (2019)



### BACKGROUND

Advent of modern and disruptive technologies means that the world of finance and money is undergoing several momentous changes. This presents both opportunities and threats to the existing financial order. In this context, a quasi government institution in Kuwait engaged us to understand the state of FinTech adoption in Kuwait.



### KEY CHALLENGES

Coordinating the interview schedules of over two dozen key personnel in Kuwait within a short span of time. Synthesizing the information collected into useful insights that could help in the development of FinTech related policy within the set deadline was a challenge.



### MARMORE APPROACH

Marmore conducted extensive meetings and interviews ranging from government entities, corporate professionals, entrepreneurs and start-ups in Kuwait to understand the developments in FinTech space. In the Kuwait banking sector, Chief Executive Officer (CEO) and Chief Information Officer (CIO), or equivalents, were personally met and discussions were held to gain insights into their strategies and their work related to FinTech.

By factor analysis, self-constructed indices and analytical efforts the collected data was used to identify the ability of FinTech to impact Kuwait bank profits



### KEY PROJECT BENEFITS / SUCCESSES

Recommendations for Government agencies, private sector (banks and other financial institutions) and the FinTech sector to help cement Kuwait as a serious FinTech player were provided. The recommendations covers a mix of long- and short-time line actions that will help shape the Kuwaiti ecosystem in terms of skills or talent, critical investments and infrastructure that will help better balance risk and innovation

The report findings were also presented by Marmore to a wide member of distinguished audience at the FinTech Forum held in Kuwait.

# Consulting Experience:

## Case Study 2: To conduct a valuation study (2019)



### BACKGROUND

An Egypt-based asset management company approached Marmore to conduct a independent valuation study on one of the largest Egyptian consumer utility companies in the energy sector. The project required us to value the company by also ascertaining the fair valuation of all the non-listed investments of the company.



### KEY CHALLENGES

The energy sector company had investments in many private companies which were reported on a historical book value basis and didn't represent the fair value of these investments. Diverse nature of these investments, cross ownerships and limited availability of data were key challenges in ascertaining their fair value.



### MARMORE APPROACH

Marmore developed the valuation report by performing an in-depth financial analysis of the company while relying on the information provided by the client and publicly available data. Extensive research was carried to find out greater details for all the non-listed investment companies, and reasonable assumptions were taken to arrive at the fair value. A detailed valuation model was prepared with three scenarios. Two prominent methodologies in the form of discounted cash flow and trading comparable (using local and foreign peers) methods were used to conduct the sum of the parts valuation of the company



### KEY PROJECT BENEFITS / SUCCESSES

The valuation report provided actionable insights to the client and also helped them to understand the fair value of all the non-listed investments of the company.

Marmore received very encouraging feedback from the client, as our report was also presented to the board of the company for consideration to re-classify its investments as 'available for sale' using fair value approach instead of cost approach.

### *Client testimonial*

*Marmore services were very useful and their team have provided a timely and reliable service in a challenging task. We are definitely looking for more cooperation in the future*

# Consulting Experience:

## Case Study 3: To develop market penetration strategy (2020)



### BACKGROUND

One of the leading regional bank in the GCC region aspiring to expand its market beyond its home country required to develop market penetration strategies for a specific target market. Marmore was engaged by the Bank to conduct the study and provide optimum solutions.



### KEY CHALLENGES

The Bank was looking to enter the market by establishing a digital presence in the target market. As the concept is still relatively new for the GCC region, we had to rely on trends and patterns that existed in the developed markets. The problem was confounded due to paucity of data in both regional and international markets.



### MARMORE APPROACH

In order to build effective strategies we created a lot of case studies to better understand the pain points in entering the market with digital only presence and also prepared competitive landscape for GCC region. We evaluated the potential target market with the help of third party surveys and segmented the market into different categories. For each of the customer category, strategies were proposed in terms of preferred product, features that they must sport and relevant marketing activities to capture that segment. Marmore also helped the bank with a detailed financial break-even model for the proposed digital presence.



### KEY PROJECT BENEFITS / SUCCESSES

Marmore compiled all the findings in an effective manner and prepared a detailed report with multiple market penetration strategies for the client

The client has presented the findings to their Board to pursue the path with greater conviction

# Select Client Testimonials

*We were fortunate to work with Marmore on our project recently. The team was always professional, efficient and attentive to all our requests. They were prompt in addressing any concerns raised and we felt at ease approaching the team with our needs. We were pleased with the end result and would not hesitate to highly recommend Marmore for their business*

*intelligent services*  
**Dr. Fatma Al Awadhi**  
Founder of Kuwait-based Aesthetic Clinic

*Marmore team is very professional, from day one I saw that when they replied to my first email. We had our first project and they did a great. Many changes have been done and they were very flexible with us. It will not be our last project for sure, thanks*

*Marmore team*  
**Abdullah Mota**  
Head of Communication & Business Development, Riyadh Valley Company

*Marmore has provided both timely and reliable and services in the provision of market data. This service has proven valuable in supporting the research activities of Acreditus across all our client focus areas of credit, rating and Islamic finance advisory. I sincerely hope to continue to engage them on more advanced projects soon.*

**Khalid Al-Hamad**  
Managing Director and Founder of Acreditus

*The experience of working with Marmore has been very positive. A precise understanding of our requirements and high quality deliverables were the key takeaways. The turnaround time for the tasks was excellent, without any delays and the tasks were handled in a professional*

*manner.*  
**Nigel Sillitoe**  
CEO, Insight Discovery - UAE

*We have worked with Marmore in many occasions and are impressed with their in-depth research approach, quality analysis, and best of all, timely delivery. The team at Marmore also understands the regional business dynamics and provides exact, tailored solutions.*

**Ahmad Khamis**  
CEO, Bloovo.com

*Marmore services were very useful and their team have provided a timely and reliable service in a challenging task.*

*We are definitely looking for more cooperation in the future.*

**Mrs. Rana Adawi**  
Chairperson and Managing Director of Acumen Asset Management



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| <input type="checkbox"/> Technology (all)                | <input checked="" type="checkbox"/> Technology (all)          | <input type="checkbox"/> Technology (all)                    |
| <input type="checkbox"/> Economy (all)                   | <input checked="" type="checkbox"/> Economy (all)             | <input type="checkbox"/> Economy (all)                       |
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### Country Package

-  Kuwait
   Saudi Arabia
   United Arab Emirates