

Together for a healthier world

# Healthcare Industry – West Africa

Report by Medic West Africa

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## Healthcare in Africa - Overview

Africa's healthcare system exhibits a dynamic mix of public and private providers, showcasing diverse infrastructure levels and varying access to medical services. Encouragingly, substantial progress has been made. Life expectancy has seen a commendable increase from 46.5 years in 2000 to 61.7 years in 2023 (WHO).

Child mortality has witnessed a remarkable 46% reduction between 2000 and 2021 (World Bank), coupled with an achievement in measles vaccination coverage surpassing 70% in 2021 (WHO). Access to essential medicines has significantly improved and the continent's healthcare market is poised to

reach a USD 259 billion by 2030 (VEDP Industry Reports) and a moderate CAGR of 6%.

Despite facing the world's highest burden of infectious diseases, there is optimism as 58% of Africans now have access to essential health services. While acknowledging these gains, it is noteworthy that the average life expectancy in Africa, although showing improvement, is still below the global average, underscoring the ongoing commitment to overcoming healthcare challenges.





# The Emerging Healthcare Landscape – West Africa, the New Frontier

The healthcare landscape in West Africa is experiencing significant transformation driven by population growth, urbanisation, and rising healthcare demands. Understanding current sector conditions, key trends, technological advancements, and challenges is crucial for stakeholders capitalising on future opportunities amid growing demand for quality healthcare services. Analysing the legislative and regulatory environment, along with forecasting future developments, provides valuable insights into the potential impact on Nigeria's overall business landscape.

This healthcare evolution in West Africa will have profound consequences for the region's economy. A robust healthcare system not only enhances population health but also contributes to economic prosperity, attracting investments, creating job opportunities, and reducing healthcare expenses. Accessible and high-quality healthcare services play a vital role in poverty alleviation, reducing mortality rates, and elevating overall living standards. The government's enactment of laws and measures reflects a commitment to improving healthcare services and enhancing the sector's contribution to national development.

**Hospitals in West Africa are expected to see substantial growth, reaching USD 12.57 billion in revenue in 2023. This market is forecast to continue growing steadily at 8% each year, reaching USD 18.53 billion by 2028.**

Key trends include advancements like telemedicine, mobile health, and AI applications, along with an increase in public-private partnerships to improve infrastructure and access. Despite challenges such as limited infrastructure and a shortage of healthcare professionals, the region presents opportunities through investments, pharmaceutical industry development, medical tourism promotion, and community empowerment via decentralised healthcare models.

This transformation is poised to impact the economy significantly, attracting investments, creating jobs, reducing healthcare costs, improving population health, and contributing to overall economic and social development, supported by government initiatives like national health insurance schemes, public-private partnerships, and regulatory reforms.

Within the West African area, Nigeria's healthcare business provides great opportunities for growth with investment. As Nigeria prioritises the growth of its healthcare sector, the future outlook is optimistic, to make an exciting moment for entrepreneurs, investors, together with healthcare experts to contribute to Nigeria's health business.





### Nigeria

The Hospitals market in Nigeria is expected to generate USD 8.21 billion in revenue by 2023. It is predicted to increase at a 9.90% annual rate (CAGR 2023–2028), resulting in a market volume of USD 13.16 billion by 2028 (Source: Statista). As per the Nigeria Health Facility Registry (HFR), there are 22,978 licensed healthcare facilities in Nigeria. This includes 16,359 (71.19%) public healthcare facilities and 6,619 (28.80%) private ones.

The government has committed N1.17 trillion in the 2023 budget, an increase from 4.7% in 2022 to 5.75%, stressing its commitment to upgrading the healthcare system.

### Ghana

Ghana's Hospitals market is expected to reach USD 880 million by 2023 and continue growing steadily at 3.2% each year, reaching USD 1.03 billion by 2028. **As stated by Ghanahospitals.org, there are a total of 1,812 public hospitals, 1,356 private hospitals, with 204 mission healthcare facilities under the Christian Health Association of Ghana.**

### Benin

Benin's Hospitals market is expected to reach USD 183.1 million by 2023 and continue growing steadily at 5.8% each year, reaching USD 242.7 million by 2028. As reported by the World Health Organisation's (WHO) Global Health Observatory in 2022:

- **Public Healthcare Institutions:** Approximately 83% of all healthcare facilities in Benin are public healthcare institutions, with 1,298 located within the country. The government owns as well as runs these establishments that provide public healthcare services.
- **Private Healthcare Institutions:** Approximately 17% of all healthcare facilities in Benin are private, with 269 establishments. Private individuals or groups own and run these

facilities, which charge a fee for healthcare services.

### Niger

Niger's Hospitals market is expected to reach USD 426.5 million by 2023 and continue growing steadily at 6.08% each year, reaching USD 572.9 million by 2028. Based on estimates from the WHO Global Health Observatory for 2022, Niger's healthcare institutions are distributed as follows:

- **Public Healthcare Institutions:** Of all the healthcare facilities in Niger, 1,102 are public, making up roughly 78% of the total number. The government owns and runs these facilities that offer healthcare services to the general public.
- **Private Healthcare Institutions:** Approximately 22% of all healthcare facilities in Niger are private, of which 314 of it operate within the country. These clinics charge for the medical services it offers that are also owned or operated by private businesses or individuals.

### Cameroon

Cameroon's Hospitals market is expected to reach USD 564.4 million by 2023 and continue growing steadily at 4.96% each year, reaching USD 718.9 million by 2028. Cameroon's healthcare facilities are classified as follows, according to the World Health Organisation's (WHO) Global Health Observatory in 2022:

- **Public Healthcare Institutions:** Cameroon features 2,910 public healthcare institutions, which represents around 82% of all healthcare facilities in the country. These facilities are government-owned and operated, catering to the healthcare needs of the general public.
- **Private Healthcare Facilities:** There are 643 private healthcare facilities in Cameroon that comprises approximately 18% of all healthcare facilities in the nation. These facilities are owned and managed by private individuals or organisations.



# Insights in the growth and business development of Dealers/ Distributors in West Africa

In navigating complex supply networks, West African nations, reliant on imports due to limited local manufacturing, face challenges such as inadequate forecasts, funding delays, and extended lead times in their health systems. Effective distribution systems are crucial that ensure seamless access, storage, and delivery of medical supplies. Seizing chances in West Africa's healthcare sector needs dealers and distributors to adapt to trends, invest in technology, and form strong relationships.

## Opportunities:

- **Medical Equipment:** Surge in demand for diagnostic and surgical instruments
- **Pharmaceuticals:** Increase in need for essential medicine and vaccines
- **Healthcare Products:** Rise in market for consumables, lab supplies, and hygiene products

## Key Factors:

- **Strong Partnerships:** Long-term relationships with local healthcare providers
- **Efficient Logistics:** Investment in distribution networks for timely product delivery
- **Regulatory Compliance:** Adherence to strict import and distribution regulations
- **Brand Reputation:** Build trust and a strong brand image among healthcare professionals
- **Market Size:** Estimated at USD 100 billion by 2030 (Africa Healthcare Market Report 2024)
- **Trends:** Digitalisation through e-commerce, focus on specialised care, and the rise of telemedicine

## Forecast and Outlook:

- More international players entering the market
- Surge in demand for cost-effective healthcare solutions
- Adoption of AI, Blockchain, and other technologies

## Dealers and Distributors - Leading the way

- **mPharma:** Ghanaian company that distributes pharmaceuticals and offers telemedicine services; valued at USD 1 billion
- **CFAO Healthcare:** Primary distributor of medical equipment and pharmaceuticals in West Africa; generated revenue of EUR 1.4 billion in 2022
- **Meda Pharma:** Nigerian company which distributed pharmaceuticals and medical supplies; generated revenue of NGN 25 billion in 2022
- 2024 Global Forecast for the West African Healthcare Industry – Business and Trade perspective





## 2024 Global Forecast for the West African Healthcare Industry – Business and Trade perspective

In 2024, West Africa's healthcare market is poised for robust growth with a projected CAGR of 6%, fueled by factors such as a growing population, rising income levels, and advancing technology. With a combined GDP of USD 700 billion in 2023 and a projected GDP growth of 4.5%, the region presents a substantial market for healthcare services, driven by increased disposable income.

The population of 420 million, coupled with a rapidly growing urban population, signifies a rising demand for healthcare services in urban areas. Key trade indicators include USD 15 billion in medical goods and services imports in 2022, accompanied by a growing foreign direct investment (FDI) in healthcare reaching USD 2 billion in the same year. Noteworthy trade partners encompass Europe, North America, China, and India.

Business plus trade opportunities are abundant, which ranges from healthcare infrastructure along with technology investments to pharmaceutical manufacturing, distribution, and the provision of healthcare services.

Research together with development focuses on tropical diseases which align with the region's health challenges.

Global partnerships are crucial, that necessitates collaboration between governments, international organisations, and the private sector. Knowledge with technology transfer from developed countries can support capacity building and innovation in West Africa, while international trade agreements can facilitate access to essential healthcare resources. The healthcare market in West Africa stands at the intersection of challenges, opportunities, and global collaboration, poised for transformative growth.



# Up and Coming Products – The future of West Africa Healthcare Industry

Even though digital health is still in its early stages in most African regions, innovations such as smartphone connectivity, data management rules, and data infrastructure have started to transform the way African health systems operate.

According to Statista, the digital health industry is expected to generate USD 5.37 billion in revenue by 2023. Among the West African countries, The widespread use of digital health in Nigeria is expected to increase from USD 700 million to USD 3.3 billion by 2030 (4 to 10% of total predicted healthcare spending). These profits might be spent in other high-priority areas to improve overall health outcomes and fund the deployment and upkeep of digital health solutions.

West Africa's healthcare sector is undergoing a digital transformation with impactful innovations poised to revolutionise healthcare delivery:

- **Virtual Interactions:** Tele-consultations provide efficient solutions for minor health concerns. Remote monitoring empowers proactive care for chronic diseases.
- **Paperless Data:** Interoperable Electronic Health Records (EHRs) enhance efficiency. AI-powered virtual assistants streamline communication and support physicians.
- **Patient Self-Management:** Prescription adherence systems and patient education programs empower those with chronic conditions.
- **Intelligent Decision-Making Systems:** Data-driven tools and machine learning algorithms support physicians plus enhance care quality. Patient genomic analysis personalises medication dosages, which minimise side effects.

These innovations promise to enhance healthcare access, improve outcomes, and drive economic growth in West Africa. Digital health tools could enable the realisation of healthcare expenditure efficiency gains: Virtual interactions (Teleconsultation, Remote Monitoring etc) account for approximately 35 percent of potential efficiency gains in Nigeria (up to USD 1.2 billion). Paperless data accounts for 30 percent of the potential efficiency gains in 2030 in Kenya (up to USD 700 million), 26 percent in Nigeria (up to USD 900 million), and 30 percent in South Africa (up to USD 3.3 billion) (source: Mckinsey Report)

## Real-time examples of newly invented products and services which shape the region's healthcare landscape include:

### Telemedicine:

- mPharma's platform served over 14.2 million patients, generating USD 200 million in 2023
- According to Market Data Forecast, the Middle East and Africa Telemedicine market is expected to grow from USD 4.28 billion to USD 7.14 billion by 2028, at a CAGR of 10.8% during the following five years

### Electronic Health Records (EHRs):

- eHealth Ghana digitised records for over 10 million patients
- EHR market in Africa projected to reach USD 2.4 billion by 2027

### AI-Powered Diagnostics:

- Helium Health's Doctoora processed over 1 million patient cases
- AI-powered diagnostics market by 2030, if widely adopted, the increased efficiency could save Nigeria between USD 700 million to USD 3.3 billion, representing 4 to 10 percent of the total projected healthcare spending

### Medical Drones:

- Zipline's network delivered 40,000 blood units and 2 million vaccines in Rwanda and Ghana
- According to Fortune Business Insights, Global Medical drone delivery market is valued at USD 1.05 billion in 2022 and is projected to reach USD 3.62 billion by 2030

### Personalised Medicine:

- 54gene raised over USD 50 million, developing personalised treatments for prevalent diseases





# International investments and benefits for the region

**The Global Fund** unites global resources to combat AIDS, TB, and malaria, foster collaboration among governments, civil society, and the corporate sector.

**Transform Health Fund**, features partners like Royal Philips and Merck, aims to attract investors to enhance healthcare in Africa.

**U.S-Africa Partnership** focuses on bilateral programs, which complement significant investments in global health organisations to improve health outcomes in Africa. Nearly 200 D2C healthcare innovators are active in Africa, While USD 1.6 billion was invested in D2C solutions (62% of all African supply chain funding), most went to e-commerce giants with limited product offerings.

## Nigeria's healthcare sector has attracted significant private equity investment in the past three years.

Transactions that stand out are Ohara Pharmaceutical's acquisition of 21.75% of Fidson Healthcare, Nigerian healthtech start-up Reliance Health's series B capital raise of USD 40 million and Mpharma's acquisition of the majority stake in Healthplus, a leading pharmacy chain in Nigeria.

- AfDB approves USD 150 million loan for Nigeria's NHIS, enhancing health insurance coverage and access to quality healthcare
- Nigeria's Sovereign Investment Authority (NSIA) allocates USD 100 million to healthcare investments via its Healthcare Development Fund, targeting crucial infrastructure, pharmaceutical manufacturing, and HealthTech start-ups
- AstraZeneca to invest USD 10 million in Nigeria's healthcare through its Africa Innovation Hub, focusing on innovative solutions for infectious diseases and prevalent health challenges
- Nigerian government launches Telemedicine Policy Framework to regulate and promote the use of telemedicine services across the country. This policy aims to improve access to healthcare services in rural and underserved areas
- Ghanaian health tech startup mPharma raised USD 35 million in a Series D funding round in January 2022 and overall raised USD 74.87 million over 10 rounds

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## West Africa's Healthcare Market: A promising landscape with obstacles and opportunities

West Africa's healthcare market is dynamic, that presents significant growth prospects. Overcoming challenges plus embracing emerging trends that establish a resilient along with sustainable healthcare system to meet the region's budding population needs. International collaboration with investments is essential for improved health outcomes and economic prosperity in West Africa. Despite limited infrastructure and healthcare professional shortages, opportunities arise in telemedicine, personalised medicine, medical tourism, along

with increased investments. International collaborations as well as acquisitions are crucial for growth, that enhance healthcare access and drive economic development in West Africa. The region's healthcare industry, with diverse contributors and critical players, offers an evolving landscape with immense potential for business development, investment, and global partnerships.



## The gateway to access the west african healthcare market

Medic West Africa is the leading healthcare event platform in the West African region. Established as the primary healthcare event in West Africa that brings together healthcare professionals from across the globe.

Save the date for the next live edition:  
17-19 April 2024 at the Landmark Centre, Lagos, Nigeria

For more information, visit [medicwestafrica.com](https://www.medicwestafrica.com)

