

# VISION 2030

## AND SAUDI ARABIA'S HEALTHCARE SECTOR:

From Challenges to Opportunities



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# Vision 2030 and Saudi Arabia's Healthcare Sector: From Challenges to Opportunities

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*In 2016, the Kingdom of Saudi Arabia has launched its Vision 2030, a comprehensive plan to transform and develop the economy by 2030. Healthcare transformation is a cornerstone of this Vision. While the sector faces several challenges, Vision 2030 provides multiple opportunities for transforming the sector into one with high quality care, patient satisfaction, efficiency, and financial sustainability.*

## KEY TAKEAWAYS

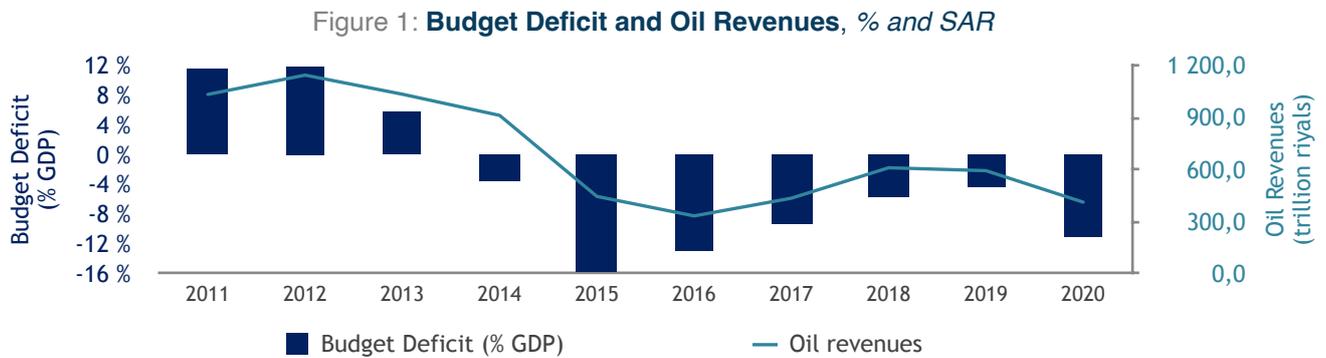
- Saudi Arabia has always maintained a universal health system, with healthcare viewed as a 'fundamental right.'
- While the Kingdom can offer such services, it is becoming increasingly difficult to sustain under the current unstable oil prices and global conditions.
- Several challenges face the Saudi healthcare sector, including a large and ageing population, fast population growth, and the rise in prevalence of chronic diseases, increasing the amount of expenditure needed to provide quality healthcare.
- Despite these challenges, Vision 2030 offers considerable opportunities for the transformation of healthcare.
- Digital transformation and private-sector participation will play a significant role in the future of healthcare.

## Introduction

Since the foundation of the Kingdom of Saudi Arabia (KSA) in 1932, healthcare has been viewed as a ‘fundamental right’ for all of its citizens. Two royal decrees in 1925 and 1950 established the public health system and the Ministry of Health (MOH), respectively, making the health sector a priority in National Development Plans.<sup>1</sup> Through its welfare policy, the Kingdom has provided free universal health services for its citizens since its establishment.

Historically, this has been possible given the Kingdom’s massive abundant oil reserves and revenues. Such a universal health system, however, is difficult to maintain under the current global conditions. Budget revenues, and hence maintaining priority expenditure, are highly dependent on external economic conditions and oil markets. According to data from the Saudi Arabian government, with fluctuating oil prices, Saudi Arabia has been experiencing a fiscal deficit since 2014 (see Figure 1).<sup>2,3,4</sup>

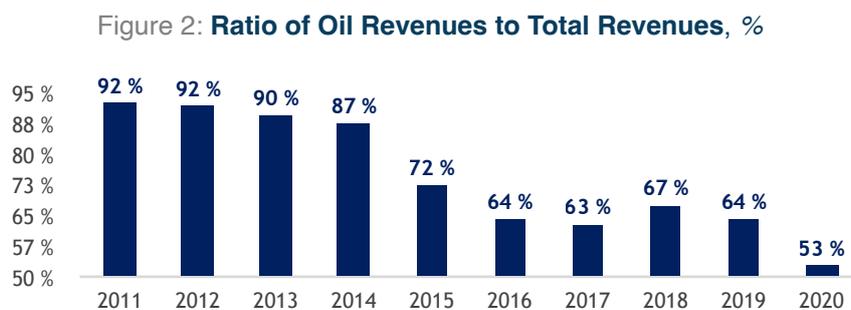
According to data from the Ministry of Finance, in 2015, the government had a budget deficit of almost 389 billion Saudi Arabian Riyals (SAR), which stood at 16% of the country’s gross domestic product (GDP). In 2020, the budget deficit was more than 290 billion SAR, accounting for 11% of GDP. As shown in the graph, budget balance has also been closely linked to oil revenues, which constitute the major source of revenues for the Kingdom.<sup>5</sup>



Source: Saudi Open Data, National e-Government Portal.

In addition to the dwindling oil revenues, the Saudi Arabian healthcare sector is facing challenges that require greater spending; including the rise in population growth, shift in age profile, and increase in chronic diseases. All this is putting a greater burden on the government to provide for citizens, making the current system unsustainable.

While oil prices, hence revenues, have been the main drivers of Saudi Arabia’s budget balance for decades, efforts to balance the country’s sources of revenues and reduce dependence on oil for budgetary purposes have been underway over the last 10 years. In 2020, oil revenues accounted for 53% of total government revenues, down from 92% in 2011 as shown in Figure 2 below.



Source: Saudi Open Data, National e-Government Portal.

In 2016, Saudi Arabia launched its Vision 2030 setting a plan to transform the health sector as well as other industries by 2030. The Vision is a comprehensive plan to improve and develop all the different economic and social segments of the Kingdom by 2030, while improving government effectiveness, unlocking opportunities for growth, and improving the citizens' quality of life.

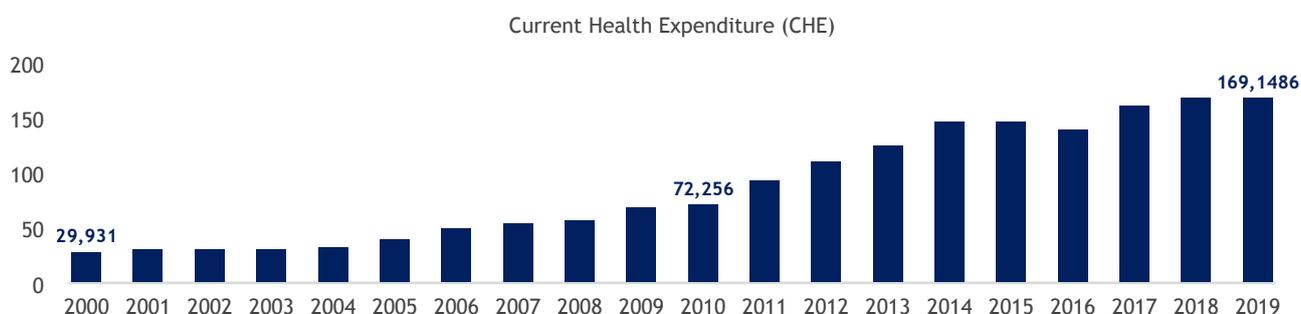
This article discusses some of the challenges facing the Saudi Arabian healthcare sector, while highlighting what Vision 2030 means for the transformation of healthcare in the Kingdom, its success stories, and opportunities that lie ahead.

## Challenges Facing the Saudi Arabian Healthcare Sector

### Healthcare Expenditure is Rising, Yet More is Needed

Over the course of the past two decades, health expenditure in Saudi Arabia has rapidly increased by an average annual growth rate of around 10%. According to data from the World Health Organisation (WHO), in 2019, health expenditure recorded a total of almost 170 billion SAR, which was double the value of health spending in 2010 and almost 6 times its value in 2000.<sup>6</sup>

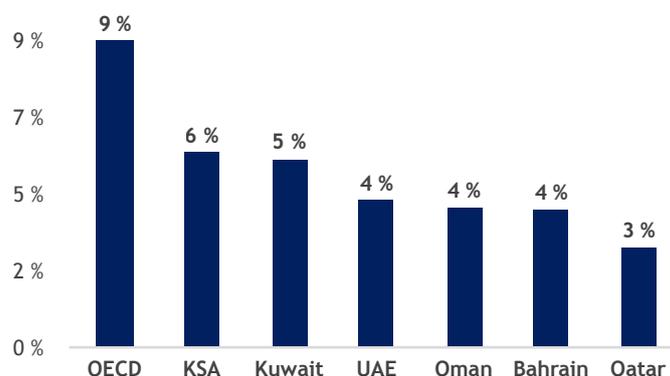
Figure 3: **Total Health Expenditure in Saudi Arabia, billion SAR**



Source: WHO Global Health Expenditure Database.

Overall, Saudi Arabia is the largest spender on health among the Gulf Cooperation Council (GCC) countries. In 2019, the Kingdom's total health spending was 2.5 times that in the United Arab Emirates (UAE), 6 times that in Kuwait, and almost 9 times that in Qatar. In proportion to GDP, 2019 healthcare spending accounted for 5.7%, 5.5%, and 4.3% in Saudi Arabia, Kuwait, and the UAE, respectively.

Figure 4: **Health Expenditure to GDP in GCC and OECD, %**

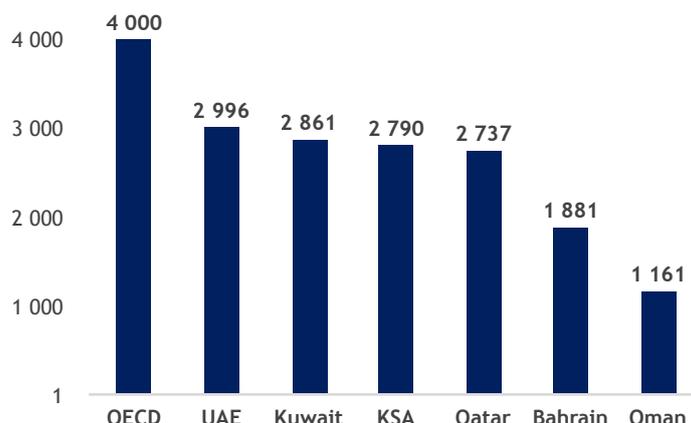


Source: WHO Global Health Expenditure Database and OECD Health Statistics.

Given that Saudi Arabia has the largest population within its GCC neighbours, its health expenditure is expected to be higher. Nevertheless, when compared to population figures, it is evident that Saudi Arabia underspends on healthcare. In 2019, healthcare spending per capita in Saudi Arabia was only \$2,790,

placing it in the third position among the GCC countries (see Figure 5). The UAE and Kuwait came first with per capita spending of \$2,996 and \$2,861, respectively.

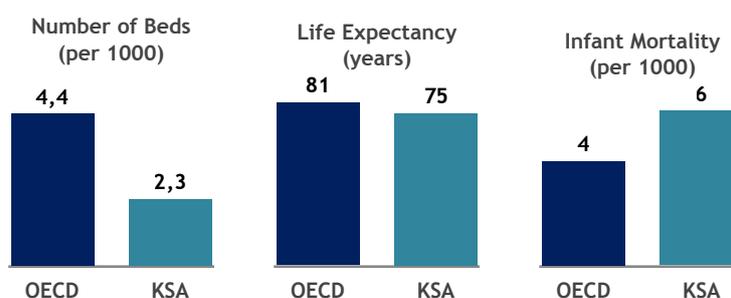
Figure 5: **Health Expenditure Per Capita in GCC and OECD, USD**



Source: WHO Global Health Expenditure Database and OECD Health Statistics.

When compared to the Organisation for Economic Co-operation and Development (OECD) average, healthcare spending in Saudi Arabia is comparatively low (see Figures 4 and 5). On average, the OECD countries spend 9% of their GDP on healthcare and \$4,000 per person – compared to only 5.7% and \$2,790 per person in Saudi Arabia.<sup>7</sup> While in some cases excessive spending could be an indicator of inefficient healthcare management, higher health spending is positively correlated with higher quality of health outcomes. Indeed, Saudi Arabia underperforms on basic health outcomes when compared to the OECD average (see Figure 6). For example, in 2019, the average number of beds available per 1,000 persons in the OECD countries was 4.4, almost double the 2.3 beds in Saudi Arabia. Moreover, average life expectancy at birth for OECD citizens is 6 years longer than Saudi Arabian citizens’ – 81 and 75 years, respectively. In Saudi Arabia, 6 infants died per 1,000 births in 2019, compared to only 4.2 infants in OECD countries.<sup>8,9</sup>

Figure 6: **Health Indicators in KSA and OECD**



Source: WHO Global Health Observatory, OECD Health Statistics, and Ministry of Health.

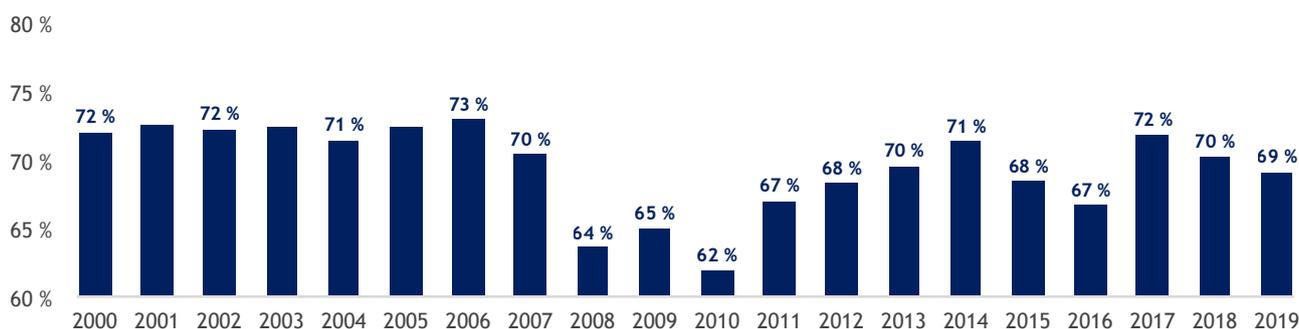
This indicates that more room exists for the Kingdom to increase its healthcare spending if it is to improve further on its outcomes and development. This, however, might prove difficult under the current publicly dominated healthcare funding, which brings us to the second challenge facing the Saudi Arabian healthcare sector.

### **An Increasing Burden on the Government’s Budget**

The Saudi Arabian healthcare system is predominantly a public sector that is funded through the government’s budget, mostly out of oil revenues. In 2019, general government health expenditure accounted for almost 70% of the country’s total health spending, compared to only 30% of private funding, according to data from the WHO (see Figure 7). The proportion of government funding in total health expenditure has

been stable over the last two decades. Between 2000 and 2006 government spending hovered around 73% of total health spending. Over the period of 2007-2010, government health spending slightly dropped to a minimum of 62% in 2010, before it started rising again to reach its current levels.

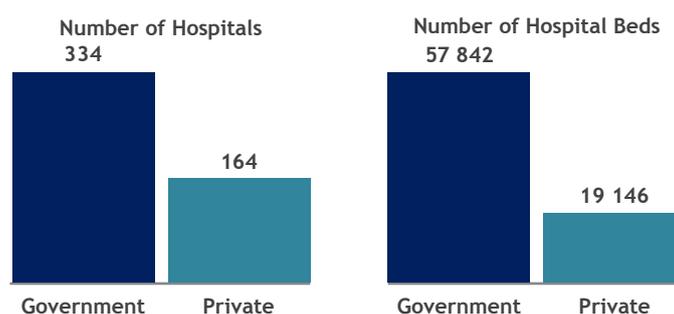
Figure 7: **Proportion of Health Expenditure Funded by the Government, %**



Source: WHO Global Health Expenditure Database.

The public sector plays a major role in the funding and provision of services in the Saudi healthcare sector. In 2019, there were only 164 private hospitals and 19,146 private hospital beds in the Kingdom, compared to 334 public hospitals and 57,842 public hospital beds (see Figure 8). The private sector thus accounted for 33% of hospitals and 25% hospital beds in the country.

Figure 8: **Government and Private Hospitals and Beds**



Source: Ministry of Health.

Given the diminishing oil revenues and the fluctuating oil prices, the current health system is increasing the burden on the government’s budget to fund the universal health structure. Not only does this make the health status of Saudi Arabians vulnerable to uncontrollable external economic and market conditions, but it also competes with other important priorities on the government’s budget such as education and social services. The problem is further exacerbated, as will be explained in the following sections, by the changing demographics of the Kingdom, the increasing prevalence in chronic diseases, and the rapid population growth, all of which require greater spending from the side of the government to maintain the current state of healthcare.

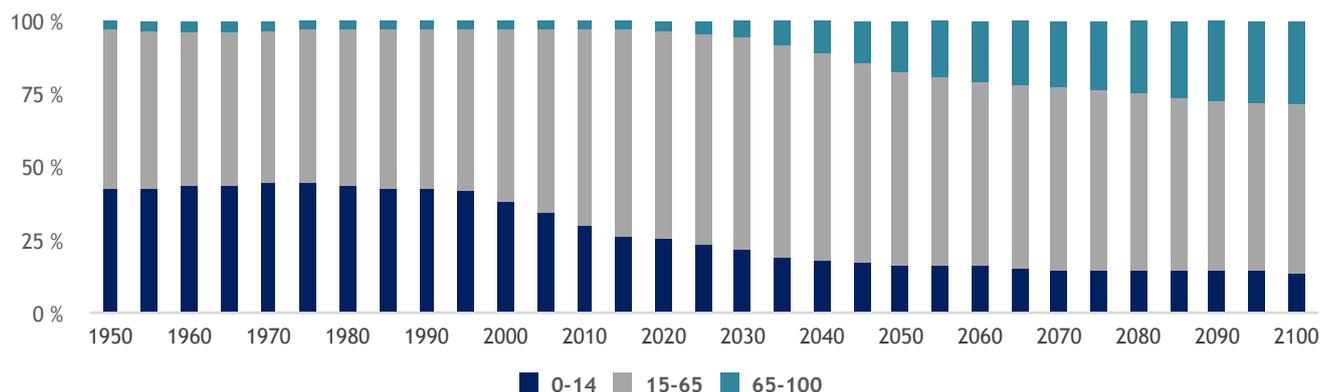
### Rapid Population Growth and the Changing Age Profile

The Kingdom of Saudi Arabia is the largest economy by GDP in the Middle East and North Africa region and the sixth largest by population size. In 2020, the total population in Saudi Arabia stood at around 35 million. With the dynamic economic development and expansion in the country, the population has been growing at a fast pace over the last decades. Between 2000 and 2021, the population in Saudi Arabia grew at an average annual rate of 2.5% compared to a global rate of 1.1%. If this growth rate persists over the coming 30 years, the total population is estimated to more than double, surpassing 70 million by 2050. Even with a more conservative growth rate, the United Nations (UN) expects the population to reach almost 45 million over the

next three decades. This rapid increase in population will fuel an increasing demand for healthcare services in the country, putting a greater burden on the government and public spending.

Population growth is not the only demographic challenge that is facing the healthcare system. The structure and age profile of the population is changing, which will in turn affect the demand for healthcare in the future, in terms of quantity, quality, and the type of health services and facilities.<sup>10</sup> Today, the majority of the Saudi Arabian population is youth. In 2020, of the total population, 23%, 72%, and 4%, were in the age groups of below 15, 15-64, and above 65 years, respectively. In 1990, proportions were 42%, 55%, and 3%, respectively, implying that the population age profile is deviating towards older ages over time. Population over 65 is estimated to represent close to 30% of the total by 2100 (see Figure 9).<sup>11</sup>

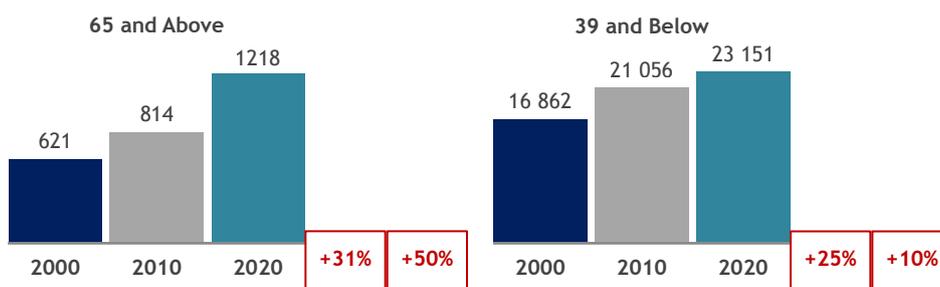
Figure 9: **Shares of Each Age Group in Total Population, %**



Source: UN Department of Economic and Social Affairs, Population Division.

As seen in Figure 10 below, the oldest population group is growing at the fastest rate. The population aged above 65 years grew by 31% between 2000 and 2010, then escalated by a rate of 50% over the following decade (2010-2020). On the other hand, the population below 39 years, grew at a rate of 25% over 2000-2010, then grew by only 10% over 2010-2020. Looking at both decades, those older than 65 years increased by a massive 166% since 1990, compared to only 68% for those younger than 39 years.

Figure 10: **Population by Age Groups, above 65 and below 39, thousands**



Source: UN Department of Economic and Social Affairs, Population Division.

Thus, although, the current Saudi population is mostly youth, trends show the older population is growing exponentially, while the growth rate of the younger population is slowing down. This implies a future shift in the Kingdom's population age structure, where the proportion of youth will start to shrink and that of older citizens will take over.

*The question then is what does this imply for the Saudi healthcare system?* As the population ages, there will be greater demand for long-term care services and facilities. More focus will have to be on geriatric care, rehabilitation, and home healthcare services. The challenge then is to plan the future healthcare system to serve a larger elderly population, while not compromising the healthcare of the younger population, which are still and will remain the majority.

According to Omnia Health, close to 19 million babies will be born during 2015-2050, creating further demand for services and facilities related to maternal and childcare. Moreover, the middle-aged population of 20-39 years is a critical factor in the planning of the healthcare sector as their health will determine the rate of development of chronic diseases in the future. Hence, a careful planning of the healthcare system that ensures the effectiveness of prophylactic care, not just curative services and facilities is essential.

### High Prevalence of Chronic Diseases

Saudi Arabia is a country with a relatively high prevalence of chronic diseases. The prevalence of chronic diseases has been increasing in Saudi Arabia and globally and is estimated to have caused almost 60% and 73% of all premature deaths in 2016 and 2020, respectively. Diabetes and hypertension are the most common forms of such diseases. The Kingdom has a 6% prevalence rate of coronary heart disease and over 25% for hypertension.<sup>12</sup>

According to WHO, Saudi Arabia has the second highest rate of diabetes in the Middle East, and the seventh highest globally.<sup>13</sup> In another 2017 study that compared the prevalence of Type-2 diabetes in Arab countries, Saudi Arabia led the ranking with a prevalence rate of 32%, followed by other GCC countries, including Oman, Kuwait, Bahrain, and the UAE (see Figure 11 for the Arab countries' rankings).<sup>14</sup>

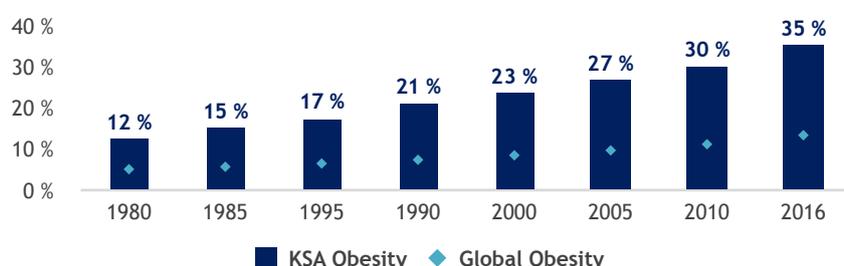
Figure 11: **Prevalence of Type-2 Diabetes in Arab Countries, %**



Source: Meo, Usmani and Qalbani, 2017.

Figure 12 below presents the probability of dying from chronic diseases — including cardiovascular disease, cancer, diabetes, or chronic respiratory disease — between the ages of 30 and 70. The probability in Saudi Arabia stands at almost 22%, much higher than that in the United Kingdom and United States, and is among the highest in the GCC countries.

Figure 12: **Probability of Dying from Chronic Diseases, ages 30 to 70**

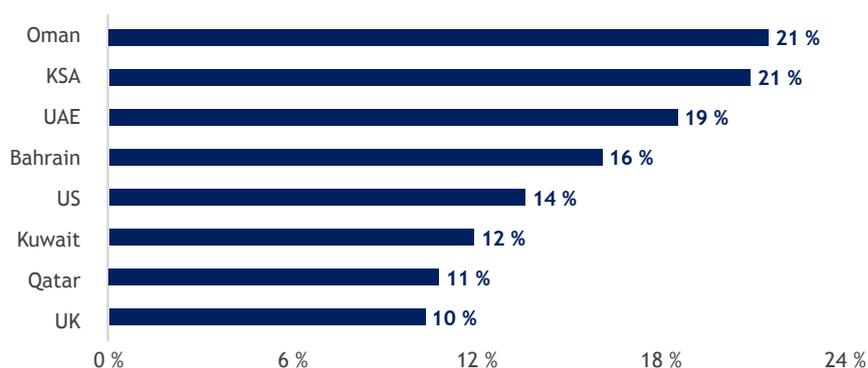


Source: WHO Global Health Observatory.

Many of such chronic diseases have been labelled as lifestyle diseases linked to rising industrialisation and income, which are usually associated with poor lifestyle choices. The level of physical activity and consumption of fruits and vegetables are both very low among the Saudi Arabian population. According to the latest WHO data, the rate of obesity in the Kingdom has increased substantially, reaching 35% in 2016,

almost 1.5, 2, and 3 times the rates in 2000, 1990, and 1980, respectively (see Figure 13). The global rate of obesity, on the other hand, was only 13% in 2016, much less than in Saudi Arabia.

Figure 13: **Obesity Rates in Saudi Arabia and Globally, % Adults**



Source: WHO Global Health Observatory.

Obesity is proven to be associated with a myriad of diseases, including diabetes, hypertension, hypercholesterolemia, lung diseases, rheumatoid arthritis, sleep apnea, colon, and thyroid disorders.<sup>15</sup> Preventive medicine and the control of chronic diseases will be a crucial step for the Saudi Arabian health system moving forward, especially with the changing demographics in the nation. As the population ages, so will the prevalence of chronic diseases that are more common among the elderly.

### **Vision 2030 and Healthcare Transformation**

Under the leadership of His Royal Highness the Crown Prince, Mohammad bin Salman bin Abdel-Aziz Al Saud, Vision 2030 was launched in 2016, to mark a new milestone in Saudi Arabian history and the road to economic reform and development. Vision 2030 was put in place as a comprehensive plan to improve and develop all the different economic and social segments of the Kingdom by 2030. Laying the foundation for success in the future, the vision is expected to improve government effectiveness, unlock opportunities for growth, and improve the citizens' quality of life.

At its core, vision 2030 is set to rejuvenate the Saudi Arabian economy and reduce its dependence on oil by diversifying it and encouraging more private investments in the major industries, such as healthcare. The private sector is expected to play a significant role in the development up to 2030, acting as the main engine for growth and helping to reduce the burden of public services on the government's budget.

The Vision is built around the three main strategic themes of achieving an "*Ambitious Nation*", a "*Thriving Economy*", and a "*Vibrant Economy*". Under those three themes come the six central objectives of:

1. Enhancing government Effectiveness,
2. Enabling Social Responsibility,
3. Growing & Diversifying the Economy,
4. Increasing employment,
5. Strengthening the Islamic and National Identity,
6. Offering a fulfilling & healthy life.

To effectively implement the Vision, the government launched a number of Vision Realisation Programs (VRPs), which each came with strategic goals and objectives, key performance targets (KPTs), and key performance indicators (KPIs) to assess and ensure progress. Each of those VRPs were outlined for the responsible ministries to manage. Most notable is the National Transformation Programme, the first launched

VRP. In its first phase, the programme specifically targeted the transformation of the health sector, a pillar that was later developed into its own VRP known as the Health Sector Transformation Programme.

### **Launching the National Transformation Program**

The National Transformation Program (NTP) was launched in 2016 as the first VRP to enable the implementation of Vision 2030. The NTP aimed at achieving governmental operational excellence, improving economic enablers, and enhancing standards of living through the proper establishment of primary and digital infrastructure and engaging all relevant stakeholders in identifying challenges and solutions.

In its first phase, lasting between 2016 and 2020, the NTP had eight strategic themes, the first being “Transform Healthcare”. This theme aimed to contribute to the “Vibrant Society” objective of Vision 2030, through reforming the healthcare sector into one that is more effective, comprehensive, and inclusive. At the heart of the healthcare transformation strategy were three strategic objectives, which directly addressed the major challenges in the sector.

- 1. Ease Access to Health Services:** This entailed improving access of citizens and residents to healthcare services at the right place and time, through capacity expansion (number of beds and medical staff), better geographical distribution (distance from healthcare provider), timely access, and affordable access to health services.
- 2. Improve the Quality and Efficiency of Healthcare Services:** This included enhancing the overall value of provided health services by improving their quality and efficiency, as well as improving the safety of healthcare facilities. This objective also meant that adequate health coverage was ensured while safeguarding financial sustainability.
- 3. Promote Prevention Against Health Risks:** This third objective aimed to ensure that healthy living was made possible through promoting preventive healthcare, minimising health risks, and reducing communicable and non-communicable diseases. Efforts included, among others, raising awareness, vaccinations, and reducing traffic accidents.

A total of 70 initiatives were launched to achieve the objectives of the health sector transformation. Some of the most notable initiatives were:

**E-Health:** Aiming to enhance healthcare efficiency through digital transformation and the use of information and communications technology to facilitate access to healthcare services. This included the use of telemedicine, teleconsultations, and mobile health services.

**New Model of Care:** This introduced a new approach to healthcare, which focuses on prevention rather than merely curative services and disease treatment.

**Partnership Between Public and Private Sectors:** Aiming to build partnerships between the government and private sector, enabling it to finance capital and operational projects and invest in healthcare. This initiative is expected to raise the efficiency and capacity of healthcare, reduce waiting time, and decrease the burden on government expenditure.

Other notable initiatives included the Health Insurance Program and Purchase of Health Services, the Healthcare Sector Transparency, Community Participation, and the privatisation of several hospitals, such as King Faisal Specialist Hospital.

### **Remarkable Achievements of Healthcare Transformation**

When the Healthcare Transformation theme was established under the NTP, a number of KPIs and KPTs were put in place to track and assess progress by 2020, with respect to 2016/2017 (see Figure 14 below).<sup>16</sup>

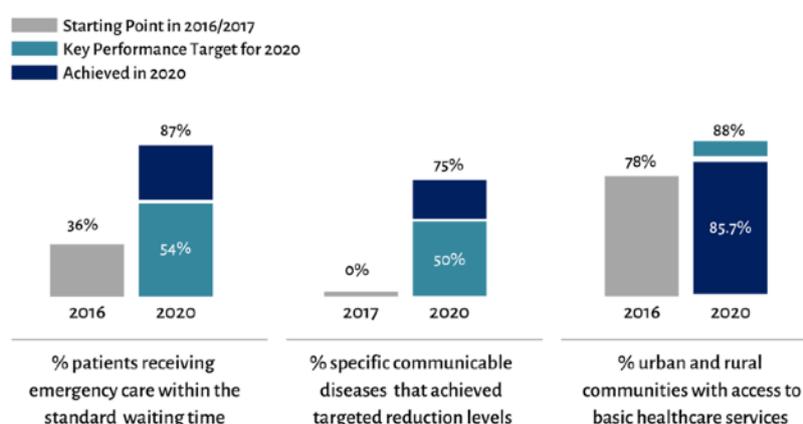
Figure 14: **Targets**

Strategic Objective	Key Performance Indicator	Baseline	2020
Ease Access to Health Services	Percentage of basic healthcare services coverage available geographically (including remote areas)	78% (2016)	88%
	Percentage of referrals where the patient was examined by the specialized consultant within (4) weeks of the request	38% (2016)	55%
	Percentage of patients receiving treatment (discharged or admitted) in emergency department within 4 hours.	36% (2016)	54%
Improve Quality and Efficiency of Healthcare Services	Beneficiary satisfaction rate for inpatient experience	79.9% (2017)	85%
	Percentage of specified communicable diseases that achieved targeted reduction levels	0% (2017)	50%
Promote Prevention of Health Risks	Percentage of health zones prepared for health crisis risks	33% (2017)	75%

Source: National Transformation Programme, Delivery Plan 2018-2020.

During the first phase of the programme (2016-2020), major accomplishments were realised on the healthcare front and key milestones towards the 2030 goals were achieved. Some of those achievements are portrayed in Figure 15 below. For example, while one of the targets was to increase the percentage of patients receiving emergency medical care within the standard four hours of waiting time at main hospitals from 36% in 2016 to 54% in 2020, this percentage was more than doubled to 87% by 2020. Moreover, the percentage of specific communicable diseases that achieved targeted reduction levels increased from none to 75% in 2020, markedly surpassing the target of 50%. The share of urban and rural communities with access to basic healthcare services in their locations also increased from 78% in 2016 to 85.7% in 2020, almost hitting the target of 88%.

Figure 15: **Major Health Transformation Achievements in First Phase of NTP**



Source: National Transformation Programme, 2016-2020 Delivery Plan.

Major achievements have also been reached with respect to the digital transformation of the health system. When it comes to digital transformation, Saudi Arabia is, definitely, a pioneer in the region. The Kingdom was ranked as the top digital riser among G20 countries and ranked the first in WHO’s e-monitoring system among the Eastern Mediterranean countries. During the first phase of the NTP, an additional 1.6 million medical consultations were provided virtually through the eHealth mobile app “Sehaty”. By the end of 2020, the app had 1.2 million registered beneficiaries. Moreover, 6.7 million appointments were booked through the “Mawid” service. On telehealth, additional 7.6 million medical consultations were provided, 3.2 million appointments booked, and 24.6 million calls received through the “937” call centre.

Figure 16: **Major Digital Health Achievements in the First Phase of NTP**



Source: National Transformation Program, 2016-2020 Delivery Plan.

### A Dedicated Health Sector Transformation Programme

Following the NTP’s major achievements in its eight pillars, especially health, the “Transforming Healthcare” theme was extended and transitioned into its own dedicated VRP, known as the Health Sector Transformation Programme (HSTP). Being part of Vision 2030 and a transition from the NTP, the HSTP worked to complete the implementation of the three original strategic objectives of healthcare transformation: improving access to health services, improving the quality and efficiency of health services, and promoting prevention of health risks, with specific focus on enhancing traffic safety as a fourth pillar.<sup>17</sup>

Figure 17: **Transitioned Pillars of the Health Sector Transformation Programme**



Source: Health Sector Transformation Programme, Delivery Plan.

In addition, the new dedicated programme was set to develop a national strategy for the transformation of the health sector as a whole, while cooperating with all associated parties. The HSTP was to establish a more comprehensive plan for healthcare transformation that involves, at the national level, all the relevant bodies, while considering their specific responsibilities and previous successes.

The HTSP program has the aim of restructuring the health sector in the Kingdom into one that is comprehensive, effective, and integrated. This will be a value-based system, centred on the health of the individual and society (including citizens, residents, and visitors). A value-based care system would ensure transparency and financial sustainability, through promoting public health and disease prevention.

The new transformed health system will ensure the provision of optimal health services, with comprehensive and equitable coverage across all geographical areas. Digital health will play a crucial role in ensuring such access, through the expansion of e-health services and digital solutions.<sup>18</sup>

### **The Way Forward: From Challenges to Opportunities**

The success of the new system of health in the Kingdom was most evident during the COVID-19 pandemic. The Voice of the Healthcare Industry Market Outlook 2021, an annual survey by Omnia Health, which looks at healthcare organisations worldwide, identified Saudi Arabia as the most effective country handling the pandemic worldwide.<sup>19</sup> The pandemic contributed to introducing new protocols and accelerating digital transformation in the Kingdom at an unprecedented rate, opening the door for further opportunities. With the Vision 2030 in place and the momentum from the COVID-19 pandemic, several opportunities lie ahead of the Saudi healthcare system.

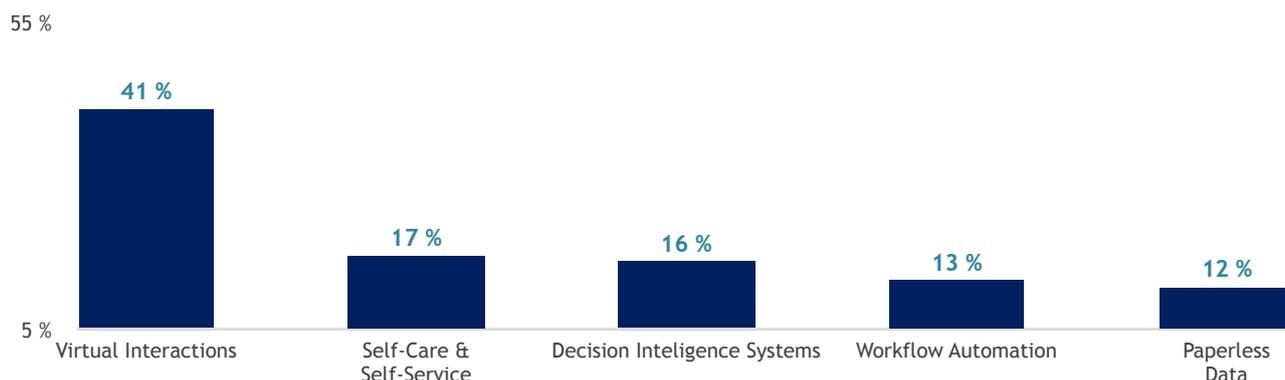
### **Digital Transformation**

Consumers in Saudi Arabia are increasingly adopting digital technologies. The Kingdom has one of the highest smartphone penetration rates in the world, around 93%, with many of its citizens using them to access digital public services. This puts the country in a unique position to reap the benefits of digital transformation in the healthcare sector.<sup>20</sup>

Saudi Arabia has already started digitising its healthcare system, improving the quality of care, efficiency, and patient experience. According to McKinsey & Co, digital healthcare could play a crucial role in raising the Kingdom's healthcare efficiency and outcomes, unravelling economic benefits of between 15 to 27 billion SAR (4-7.2 billion USD) by 2030.<sup>21</sup>

Saving sources are divided into five value pools as shown in Figure 18. First, virtual interactions account for almost 41% of the total potential savings, around 6 to 9 billion SAR (1.6-2.4 billion USD) by 2030. Those include the remote monitoring of chronic diseases, electronic triaging, and virtual consultations. Second, patient self-care and self-service are estimated to provide benefits of around 2.6-6.6 billion SAR, or 17% of total savings. Self-service and care are especially key for disease prevention in the Saudi new model of care. Third, decision intelligence systems are projected to provide savings of up to 16% of the total, or 2.3-3.8 billion SAR (0.6-1 billion USD). Opportunities here include performance dashboards, which are already being adopted by multiple providers, in addition to advancements in genomic profiling and machine learning algorithms to identify patient patterns and recommend health management plans. Fourth, workflow automation accounts for almost 13% of the benefits leading up to 2030, with 2.1-4.7 billion SAR (0.6-1.3 billion USD) in savings. Finally, paperless data alone can save up to 1.9-2.7 billion SAR (0.5-0.7 billion USD), accounting for 12% of total savings.

Figure 18: **Economic Benefits of Healthcare Digital Transformation in KSA**



Source: McKinsey & Co.

### Opportunities for Private Sector Participation

One of the core fundamentals of Vision 2030 is facilitating and encouraging private sector participation in the healthcare sector. Through healthcare service privatisations and effective public-private partnerships, Saudi Arabia's quality of healthcare can be further improved, while removing a large chunk of the burden on the government's budget, allowing for a more efficient and sustainable system. While more private entities have started to play a role in the Saudi health sector over the last decade, private sector participation is set to improve further.

Based on demand and supply analysis in the Saudi healthcare sector, several opportunities lie ahead for investors and providers. As identified by Omnia Health, those include:

1. **Primary Care:** With the large Saudi Arabian population, increasing population growth rate, changing age profile on one hand, in addition to the high hospital occupancy rates on the other, a large demand exists for more primary care clinics and medical centres. This is where a huge potential exists for the private sector to materialise.
2. **Day-care Surgical Centres:** Due to the rise in the prevalence of chronic diseases, such as diabetes, obesity, and hypertension, the demand for day-care surgical centres has increased significantly in Saudi Arabia and the region. Those do not require traditional hospital treatment provision but are rather dedicated for specific purposes. Given the advancements in healthcare technologies, such as laparoscopy, such day-care facilities have become easier to provide and set up.
3. **Maternity and Paediatrics:** High demand exists in Saudi Arabia, particularly in Riyadh and Jeddah, for maternity and paediatrics facilities. Those can either be provided in specialised stand-alone hospitals or as part of larger hospital complexes.
4. **Laboratory and Diagnostic Centres:** High demand exists for standalone laboratory and diagnostic centres in Saudi Arabia that could support the increasing volume of outpatient facilities.
5. **Long-term Care Facilities:** With the changing age profile, as the population gradually ages, demand is rising for long-term care and rehabilitation, which is a growing opportunity for the private sector to invest in.
6. **Other Specialised Service Facilities:** As the country develops and its healthcare transforms, demand will rise for specialised facilities and centres of excellence, such as in the fields of ophthalmology, cosmetic surgery, in vitro fertilisation (IVF), and orthopaedics. Those are expected to grow further, especially in Riyadh and Jeddah.

## Conclusion

Since its establishment, the Saudi Arabian healthcare system has maintained a universal health structure, providing health services as a 'fundamental right' for citizens. The Kingdom has always depended on the plentiful oil revenues to fund its budget, and hence its health sector. However, with the recent global instabilities and the fluctuating oil prices, it is becoming more difficult to maintain such streams of revenue. Moreover, with the large population size, rapidly growing and ageing population, and the rise in the prevalence of chronic diseases, the country is facing multiple challenges that will require larger spending on the health sector. All those factors make it hard to sustain the universal health system in its current form, which is mostly funded by the government. Under the leadership of His Royal Highness the Crown Prince, Mohammad bin Salman bin Abdel-Aziz Al Saud, Saudi Arabia launched its Vision 2030 in 2016, marking a new milestone in the road to economic reform and development. The Vision is a comprehensive plan to improve and develop all the different economic and social segments of the Kingdom by 2030, which includes improving government effectiveness, unlocking opportunities for growth, and improving the citizens' quality of life. Since its start, healthcare sector transformation has been a cornerstone of the Vision and is gaining greater importance with time. Despite the challenges, Vision 2030 is expected to provide considerable opportunities for the transformation of the healthcare system, turning it into one with better quality of care, greater efficiency, more patient satisfaction, and financial sustainability. Digital transformation and private-sector participation will especially play an important role in the future of healthcare in Saudi Arabia.

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