

**Mental Health and Drug Addiction**  
INVESTMENT OPPORTUNITY  
**Healthcare Services**



# Healthcare Services

## Mental Health and Drug Addiction

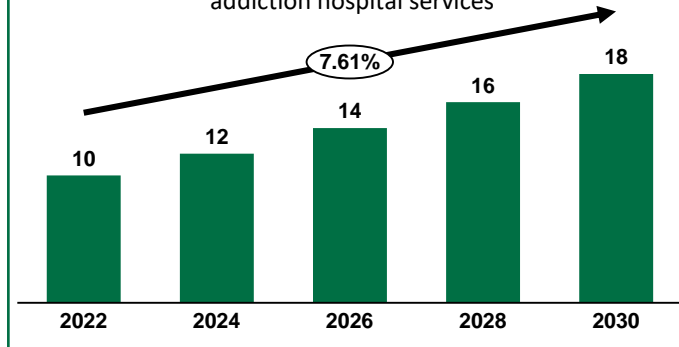
Non-PPP

**OPPORTUNITY DESCRIPTION:** Design, construction, operation and maintenance of a mental health and drug addiction facility. Activities upon start of operations include patient sourcing, delivery of inpatient services (e.g., psychiatric treatment) and outpatient services (e.g., cognitive behavioural therapies)

### DEMAND

#### MARKET SIZE (SAR B)

Projected total spend on mental health and drug addiction hospital services



#### INVESTMENT HIGHLIGHTS

- Facility Size: 27,500 - 40,000sqm (land area)
- Annual Outpatient Visits: 20,000 - 30,000 patients
- Number of Beds: ~100 Beds
- Investment Size: SAR 300M - 500M
- Jobs Created: 1,000 – 2,000 (10 years cumulative)
- GDP Contribution: SAR 5,000M – 8,000M (10 years cumul.)
- IRR: 10 - 20%
- NPV: SAR 700M - 1,000M
- Project Location: Multiple potential locations across west, east, south, north and central clusters

### INVESTMENT OVERVIEW

#### VALUE PROPOSITION

- Well developed and mature healthcare ecosystem with established entities (e.g., MoH, HHC, SHC) and largest healthcare budget in MENA (USD 36.7B in 2022) – supporting entities in place to address addiction e.g., MoI Narcotics Addict Self-Support Programme
- Strong existing efforts on improving care provision e.g., via HSTP with 2 initiatives on MH destigmatization and operationalizing a national mental program
- Dedicated national mental health strategy developed, with key themes incl. access to care and service quality

#### KEY DEMAND DRIVERS

- Key drivers of mental health issues include life stressors, traumatic events, unhealthy lifestyles and genetics – beside chronic physical illnesses that cause mental comorbidities and coping mechanisms
- Increased prevalence, esp. among youth, after COVID-19
- Target set of 0.2 mental health beds per 1,000 pop., driving growth of new facilities
- Demand for mental health beds growing rapidly, with additional requirement of 5,000+ beds by 2030

### MARKET OVERVIEW

#### EQUIPMENT/ HUMAN RESOURCE REQUIREMENTS

- Facilities for acute, long-term admission
- Human resource requirements include psychiatrists, therapists, care workers etc.
- Specialized equipment required to manage at risk individuals
- For more detailed requirements, please refer to > <https://www.moh.gov.sa/eServices/Licences/Documents/33.pdf>

#### GLOBAL TRENDS

- Prevalence of mental disorders in KSA comparable to other developed countries, 35%-50% of population experiencing at least one lifetime mental disorder (47.4% USA, 45.5% in Australia, 40.9% Netherlands)
- Key global trends include enhanced awareness and destigmatization, equitable access to care, family/ caregiver support and shift to community-based services
- Future advancements expected around trauma-informed care, blood tests to detect mental illnesses, use of AI in clinical settings, continued telehealth expansion and mobile apps (often with limited clinical proof to date), and a broader approach to prevention



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## Mental Health and Drug Addiction

Non-PPP

### SUPPLY

#### SCALABILITY AND LOCALIZATION

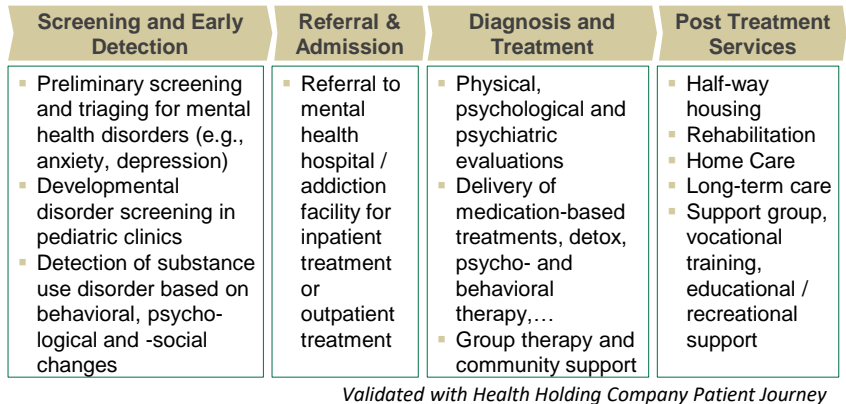
Grade: Low Medium High

- Potential to scale mental health hospitals further via increased footprint (physical expansion of facility to incl. additional capacity) or development of additional facilities to fulfill demand gaps
- Potential to increase hospital service portfolio to advanced therapies e.g., hypnotherapy, transcranial magnetic stimulation and others
- KSA's competitive advantage (e.g., ~15% lower costs for specialized staff, ~10% lower costs for rentals and purchase of land and ~15% lower CAPEX for healthcare equipment against Qatar and UAE benchmarks)

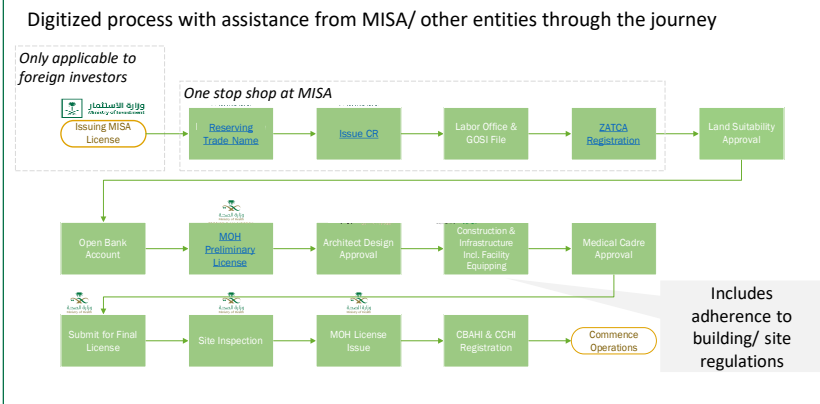
#### PROPOSED PROCUREMENT MODEL



#### VALUE CHAIN



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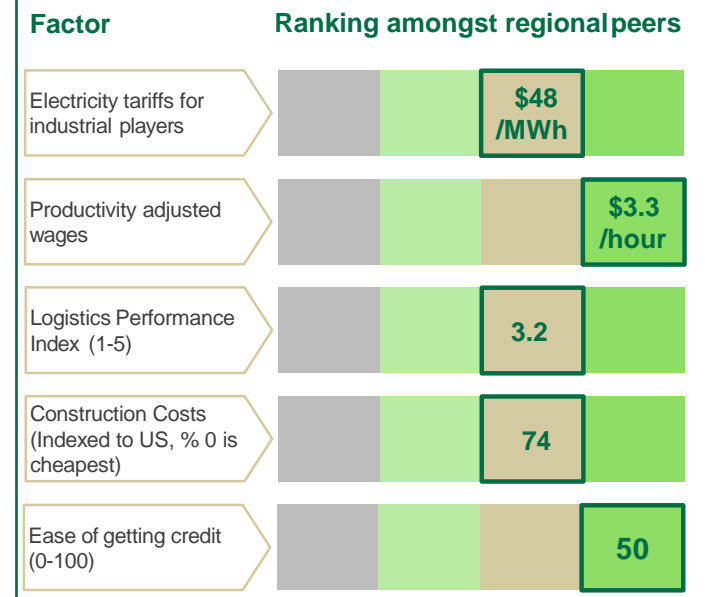


### ENABLING FACTORS

#### ENABLERS & INCENTIVES

- Up to 50% tax credit on KSA national worker payroll and training cost for 10 years
- HRDF covers monthly salaries for 30-50% of Saudi employees (extra 10% for females) for 2 years, provided cost <USD 4,000
- On-the-job training program for KSA nationals under Tamheer program
- Potential for development of tailored incentives

#### COST OF DOING BUSINESS IN KSA



#### KEY STAKEHOLDERS



Primary ecosystem stakeholders listed. In addition, MISA will facilitate investment promotion whilst other gov. entities will support to further catalyze opportunity

# DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	<b>Market size</b>	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	<b>Business drivers</b>	A select number of factors that will influence future demand for the related product/service
3	<b>Investment highlights</b>	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	<b>Value proposition</b>	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	<b>Market readiness</b>	An overview of KSA market structure, market maturity and level of participation by local and global players
6	<b>Global trends</b>	Latest business developments within the sector/product category
7	<b>Scalability and localization</b>	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
8	<b>Import dependency</b>	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	<b>Value chain analysis</b>	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	<b>Key stakeholders</b>	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	<b>Enablers</b>	Factors that enable investment in the underlying opportunity
12	<b>Cost of doing business in KSA</b>	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of \$1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

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