

Primary Health Centers (PPP)
INVESTMENT OPPORTUNITY
Healthcare Services



Healthcare Services

Primary Health Centers

Expected Launch Date for first project (74 PHCs) & Second Project (150 PHCs): Shortly will be announced

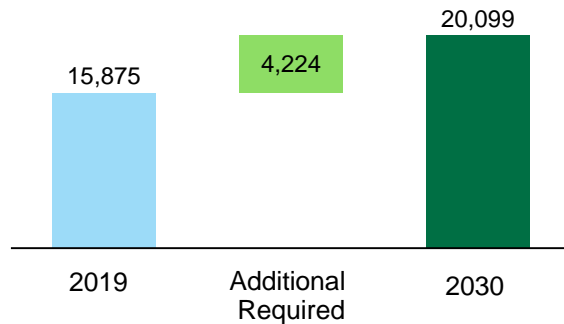
Upcoming opportunity

PPP

OPPORTUNITY DESCRIPTION: Building/Renovating facilities for providing Primary Health Care (PHC) services with a total capacity of more than 200 PHCs, without clinical operations.

DEMAND

National Market SIZE, CLINCS



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- **Job Creation:** More than 1000
- **Location (Region):** Riyadh, Qassim, Makkah, Medina, Eastern Region, Jeddah, Hail.
- **Project Capacity:** 224 Primary Healthcare Centers
- **Transaction period of project:** 20+ years.

VALUE PROPOSITION

- As part of Vision 2030, the Health Transformation Program will focus to achieve an average number of 4 visits per person per year in primary healthcare services to match the global indicator
- The current demand for Primary Healthcare Services will increase by approximately 25% by the year 2030
- Today, there are more than 2,200 primary healthcare centers in KSA, however most PHCs remain outdated and will require heavy upgrading to meet the Ministry of Health modern sleek looking identity

KEY DEMAND DRIVERS

- There are approximately 51m visits to PHC in the Kingdom with demand expected to rise by the year 2030. This is due to aging population above of 65+ years and rising prevalence of chronic conditions related to age, lifestyle, and genetic makeup of Saudi population.
- Healthcare Transformation Program plans to reform the model of care in the Kingdom from a system heavily reliant on Secondary Care to Primary Care
- Demand for primary care is expected to soar in 2030, requiring more than 4,000 additional clinics in the Kingdom.

MARKET OVERVIEW

EQUIPMENT/ HUMAN RESOURCE REQUIREMENTS

- Medical equipment including basic diagnostics
- Emergency pharmaceutical supplies
- Non-medical equipment and medical furniture
- HR incl. family physicians, allied health professionals and operational support staff
- For more detailed requirements, please refer to > <https://www.moh.gov.sa/Support/Help/Documents/Private-Health-Institutions-Law.pdf>

GLOBAL TRENDS

- Strengthening primary care has become increasingly important as various countries are instituting policies to hold primary care practices accountable for managing chronic conditions and meeting clinical standards. This practice is applied in Singapore; a country that ranked second amongst countries with most efficient healthcare.
- NHS provides services across the Healthcare value chain, ensuring patient flow is sufficient to Secondary and Tertiary Care by utilizing Primary Healthcare Centers. The UK has a very strong Primary Care Network that aims to minimize cost, increase efficiency and patients quality of service
- In the US, there's a shift towards value-based payments in Healthcare. This trend is boosting larger companies to invest in Primary Care amounting to approximately \$16 BN USD in 2021



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SUPPLY

SCALABILITY AND LOCALIZATION

- Saudi Arabia has the highest rate of prevalence for diabetes in MENA, ranks third in obesity, and fifth in cancer leading to increased demand across the healthcare sector (e.g., health promotion and prevention opportunities in Primary Care).
- The new model of care under the Healthcare Transformation Program reforms focus on Primary Care to ensure efficient patient flow from Primary Care to Secondary and Tertiary Care and cost efficiency through Health Promotion and Prevention programs.
- KSA has a competitive cost advantage in providing healthcare services over regional peers: ~15% lower costs for specialized staff, ~10% lower costs for rentals and purchase of land and ~15% lower CAPEX for healthcare equipment

PROPOSED PROCUREMENT MODEL

Traditional Procurement
Managed Services Contract
PPP
Strategic Partnership
Joint Venture
Private Ownership

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
- Long term contract between public and private entities.

VALUE CHAIN

Prevention & Screening	Registration & Triage	Clinical Consultation & Diagnosis	Primary Care Interventions	Referral & Discharge
<ul style="list-style-type: none"> ▪ Lifestyle programs e.g., on nutrition and fitness ▪ Vaccination ▪ Screening, e.g., pre-marital screening 	<ul style="list-style-type: none"> ▪ Patient registration in PHC and triage to determine immediate care needs –processes can be merged 	<ul style="list-style-type: none"> ▪ Clinical assessments (online or in PHCs) ▪ Patient diagnosis (anamnesis, radiology, laboratory,...) 	<ul style="list-style-type: none"> ▪ Delivery of primary care medical interventions, e.g., casting, wound care, pain injections, prescriptions 	<ul style="list-style-type: none"> ▪ Physician decision based on consultation, lab results etc. ▪ Referral to secondary care if needed ▪ Discharge

COST OF DOING BUSINESS IN KSA

Factor	Ranking amongst regional peers
Electricity tariffs for industrial players	\$48 /MWh
Productivity adjusted wages	\$3.3 /hour
Logistics Performance Index (1-5)	3.2
Construction Costs (Indexed to US, % 0 is cheapest)	74
Ease of getting credit (0-100)	50

KEY STAKEHOLDERS



Bottom 25% | Top 75% | Top 50% | Top 25%

DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	Market size	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	Business drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Global trends	Latest business developments within the sector/product category
7	Scalability and localization	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	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	Cost of doing business in KSA	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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