



# Clinical Laboratory Market Insights for KSA

(Forecast to 2023)

Medlab Middle East 

By Informa Markets

# Clinical laboratory - KSA

## Market review

Clinical laboratory sector has proven to be one of the most fundamental divisions in today's value chain of the healthcare industry. It is undeniable that the significance of clinical laboratory sector has relatively grown in KSA over the recent years. Laboratory tests have not only aid the identification of disease by determining the existence, absence as well as its extensiveness, but also to further monitor the potency of treatment

With the disclosure of lifestyle disease and an obvious paradigm shift in private and public sector worldwide, clinical laboratory sector however still exists in a challenging position. Although it is undeniable that indispensable attention should indeed be given to preventive care rather than curative care, a thorough point of convergence has yet to be fully given.

However, according to Aon Hewitt, the healthcare industry in KSA is predicted to grow at a compound rate of 12.3% by 2020. KSA has also largely involved abundant private sectors in the diverse healthcare industry which includes the clinical laboratory sector to increase its productivity apart from minimizing the cost. This is driven by the support provided by the KSA government in enhancing the healthcare industry by raising its development expenditures.

Ministry of Defence of Saudi Arabia mentioned in a report that clinical laboratory testing is now a "global business" and more than 20 million laboratory tests that both identify as well as to measure chemicals that provides a vital influence on medical decisions are performed each year in KSA.

At the beginning of the 21st century, a conspicuous change occurred in the clinical laboratory sector. For instance, the concept of Metrology, the science of measurement, began to be discreetly applied to the In Vitro Diagnostic (IVD) market. IVD market is estimated to worth billions and expected to increase by the end of 2021 in KSA and this has proven the vast implications of the latest technology in clinical laboratories in KSA.

With a current estimated population of 32.6million, KSA standing as the largest country in GCC and this has encouraged the country to continuously undergo various structural changes in all major industries and sectors which includes healthcare. Thus, reassures the clinical laboratories sector to elevate in the region.



## Technology advances/innovation

Laboratory technology has generally been distinguished as the vanguard of medical advances. In various cases, effective treatment comes after the diagnostic or screening for a specific condition by executing testing techniques. Thus, innovation in the technology within the clinical laboratory has undoubtedly made testing more methodical and automated. This advancement involves both new testing techniques as well as modern equipment. Implementation of Information technology (IT) has metamorphosed the process from the decrease of time in transferring data to generating more opportunities for research on immense datasets.

Implementation of total laboratory automation (TLA) has been carried out in hospitals across KSA which has successfully resulted in positive transformation involving efficient service delivery alongside income generation. This advancement of service certainly encounters challenges. It requires focused discipline but consolidating it will indubitably maximise performances within the clinical laboratory to ensure the system delivers excellently.

## KSA healthcare agenda, budget

KSA has previously unveiled an aspiring plan known as Saudi Vision 2030 to transform its economy through diverse aspects. One of the paramount focuses on Vision 2030 is healthcare. This includes increasing available resources with efficient utilisation and improving the usage of IT and transforming digitally with extensive innovations.

KSA is encouraging privatisation in a fast trajectory by increasing private healthcare expenditure from 25% to 30% besides increasing the licensed medical facilities to 100 from 40. This strategy is laid within the National Transformation Plan (NTP) for the Ministry of Health. Reformation as such will help the clinical laboratory sector to further expand within the next five years. The Ministry of Health plans an expenditure of approximately 23 Billion SAR on the new initiatives within the industry of healthcare.

## Private vs public

Being one of the sectors in the healthcare industry with a fairly vital role, a significant amount of investment or funding, as well as the support will be provided by the Saudi government. It will rest assure the current gap in this challenging sector to be positively filled between the refinements of private versus public clinical laboratory in KSA. This also comprises the increase of private sector share in spending principally through alternative financing methods as well as service providers. Saudi Vision 2030 creates incredible opportunity for foreign investment as well as participation through partnership and joint ventures with Saudi owned organizations.

The Saudi government has taken steps in increasing healthcare spending over the years. KSA is also maintaining its initiative in boosting private-public partnership for the development of clinics, hospitals and of course laboratories as it is crucial to develop a far more sustainable healthcare ecosystem which is essential to Saudi Arabia. To achieve this objective successfully, KSA will soon inaugurate the private-public partnership through privatisation of one of the medical cities.



## Supply, demand, growth

Furthermore, there is a remarkable rise in demands as well as expectations from patients. Clinical laboratories across the country are now striving towards becoming nationally and internationally accredited, mainly to ensure more reliable and ameliorate laboratory services. Hence, it has now been gravitation towards the supply or outsourcing in vitro diagnostic (IVD) within the emerging private sectors across KSA.

As the innovation and development of the clinical laboratory sector continuously elevate, the contrivance of IVD is expected to increase within the next 5 to 10 years in KSA. IVD will not only provide an operational competency but also a solace to the healthcare system up to a certain extent including the chance of reducing the cost for the government. Dr Ahmed El Eisa, Supervisor General from the Department of Medical Services, Ministry of Interior has also agreed on how IVD is a technology that is worth investing in KSA.

Instead of replicating the expensive laboratory services with serpentine test algorithm, healthcare organizations will be focusing more on strengthening their services and fully utilise accessible expertise in KSA and perhaps collaborate with available international entities. KSA future in clinical laboratory sector is indeed looking vivid. It is now depending on how rapid these changes can be effectuated to impart the advantages to the people and also the government of KSA.



## The Middle East & Africa market overview

The Middle East & Africa market for clinical laboratory services is estimated to reach US \$ 14,067 million by 2023 from US \$11,252 in 2017 (registering a CAGR of 3.8% from 2017 to 2023.)

Rising government support for the healthcare sector followed by rising healthcare expenditure is a major driver for the market to grow within the region.

These growth figures arise despite the fact that the Middle East and Africa held the least market share of the clinical laboratory services market in 2017 owing to stringent government regulations, lack of healthcare services and poor healthcare infrastructure, and the presence of low-income countries in the African region.

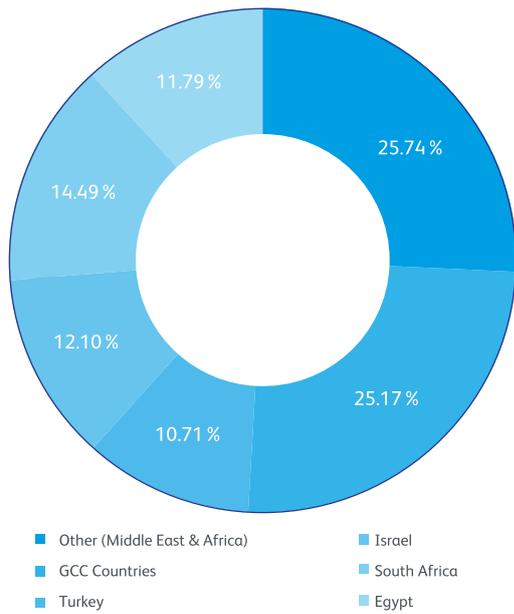
A number of government efforts to help fill the gaps persisting in the market can now be seen such as Sharjah Healthcare City under which Sharjah's Investment and Development Authority (Shurooq) is projected to invest

a sum of AED 5.6 billion by 2020. Moreover, the Dubai Clinical Services Capacity Plan of 2015 involved building three new medical colleges and five nursing schools with an aim to make the nursing profession more desirable and retain high calibre medical and healthcare staff.

**According to a report by WiseGuyReports. com, the Middle East & Africa market for clinical laboratory services is estimated to reach US \$ 14,067 million by 2023 from US \$11,252 in 2017 (registering a CAGR of 3.8% from 2017 to 2023.)**

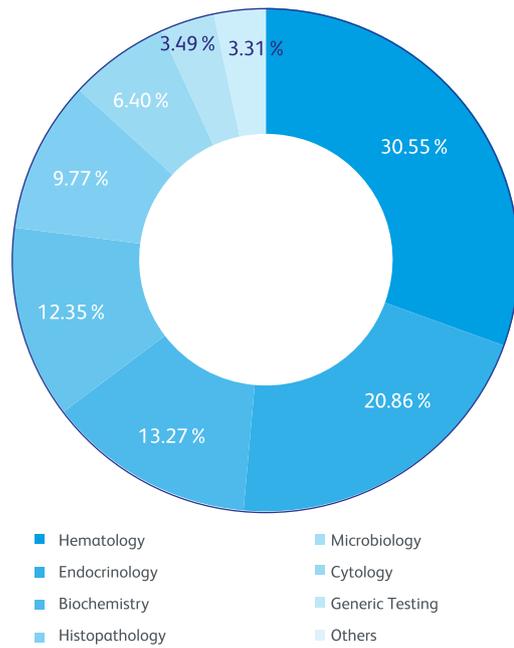


### The Middle East & Africa clinical laboratory services consumption by countries in 2017



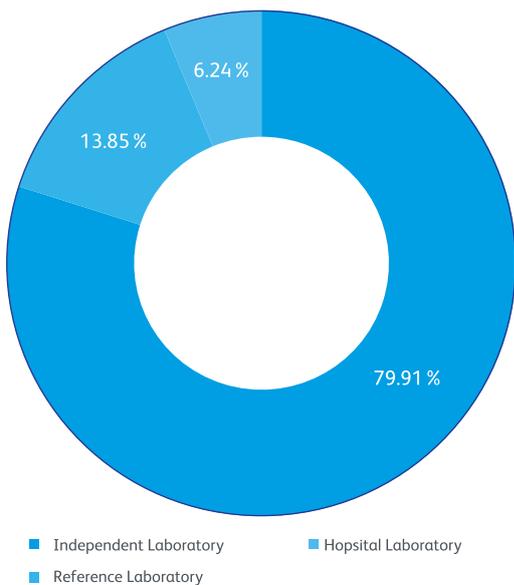
In 2017, the GCC countries took 25.17% of the Middle East & Africa clinical laboratory services by market size, followed by South Africa (14.49%), Israel (12.10%), Egypt (11.79%), Turkey (10.71%), with other countries in the Middle East & Africa occupying the remaining 25.74% of the market share.

### The Middle East & Africa clinical laboratory services consumption by type in 2017



In 2017, Haematology and Endocrinology dominated the consumption of clinical laboratory services in Middle East & Africa with 30.55% and 20.86% respectively. This was followed by Biochemistry (13.27%), Histopathology (12.35%), Microbiology (9.77%), Cytology (6.40%), Genetic Testing (3.49%), and the remaining 3.31% as other types of consumption.

### The Middle East & Africa clinical laboratory services consumption by application in 2017



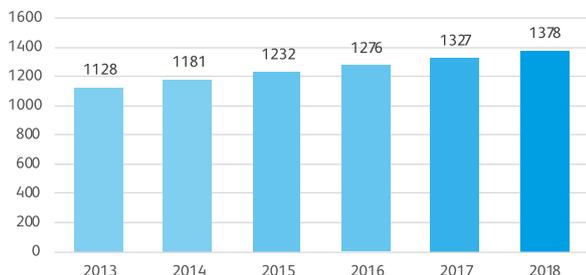
In 2017, the major proportion of clinical laboratory services in Middle East & Africa were carried out in hospital laboratories (79.91%), followed by 13.85% of services that were applied in independent laboratories and 6.24% in reference laboratories.



# Country profiles – The Middle East & Africa clinical laboratory services market size 2013 - 2018

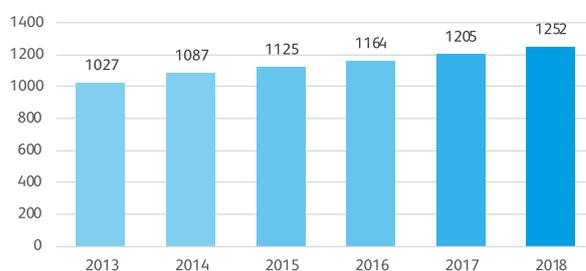
## Egypt

Laboratory Services Market Size (Million USD)  
2013 - 2018



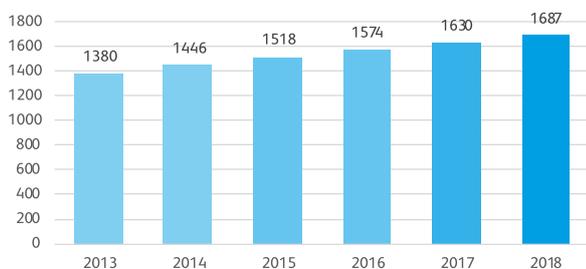
## Turkey

Laboratory Services Market Size (Million USD)  
2013 - 2018



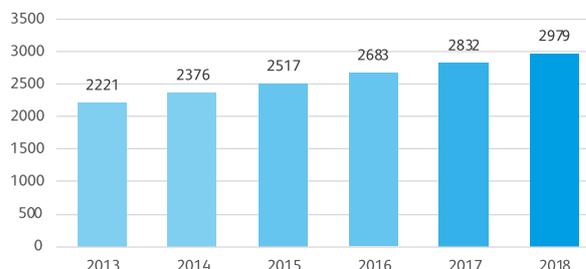
## South Africa

Laboratory Services Market Size (Million USD)  
2013 - 2018



## GCC Countries

Laboratory Services Market Size (Million USD)  
2013 - 2018



## Israel

Laboratory Services Market Size (Million USD)  
2013 - 2018

