INVESTMENT OPPORTUNITIES IN NIGERIAN HEALTH INDUSTRY

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Prepared by: Phillips Consulting Limited

INVESTMENT GUIDE
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1. OVERVIEW OF THE NIGERIAN HEALTH INDUSTRY
Nigeria operates a pluralistic health system comprising of the Public and Private health sectors. **Public health sector** is organised into primary, secondary and tertiary levels.

**Private health sector**: comprises of clinics, hospitals, diagnostics centers and multi specialist hospitals that provide tertiary care services.

**Healthcare Market size**

$5 billion*

$1 Billion** spent on medical tourism annually

WHO Nigeria Health Care Ranking 187/191

1 doctor: 2,000 patients
1 nurse: 20,000 patients

* Nigerian Bureau of statistics/PCL Analysis
** Federal Ministry of Health
1. OVERVIEW OF THE NIGERIAN HEALTH INDUSTRY (2/2)

Leadership and Governance
is concurrent at 3 levels:
Local, State and Federal Govt.

Health care and delivery
- Private Hospitals
- Public Hospitals
- Donor-funded programs

Healthcare Financing
- Out of pocket
- Private insurance
- Social Insurance
- Retainership

Health Information Technology
- National and State Health Information Management System

Essential Commodities
- Pharmaceuticals
- Medical Devices
- Consumables
- Biotech

Health workers
- Doctors
- Nurses
- Health Extension Workers
- Lab Scientist
- Pharmacists
2. BUSINESS ENVIRONMENT
2. BUSINESS ENVIRONMENT

POLITICAL

• Nigeria Sovereign Wealth Fund for Healthcare created
• National Health Bill passed
• Basic Health Care Provision Fund established
• Devolution of National Health Insurance Scheme and establishment of State Health Insurance Schemes/Agency

ECONOMIC

• High Poverty rates (72%)*
• Unemployment (14.2%)**

SOCIAL

• Poor hygiene, poor waste management, lack of drainage systems causing communicable diseases and disease outbreaks
• Adoption of western diets and lifestyle causing a rise in Non-communicable diseases

TECHNOLOGY

• Increasing internet penetration/ICT uptake

*Fitch Report
**Nigerian Bureau of Statistics
3. INVESTMENT OPPORTUNITIES
3. INVESTMENT OPPORTUNITIES - Health Insurance

Key Players

- United Health
- THT
- Mansard
- Healthcare International
- Hygeia
- Clearline

Gaps/Opportunities

- No HMO is quoted on the Nigerian Stock Exchange. There is an opportunity for Mergers of HMOs & Acquisition of smaller ones to have stronger HMOs that have capacity to manage 1 million + enrollees.
- No standard software for industry operations. There is an opportunity to provide technology solutions to drive operations.
- Healthcare providers are critical in health insurance business and often affect reputation of HMOs. There is need for backward integration of health insurance business to improve customer experience.
3. INVESTMENT OPPORTUNITIES - Private Specialist Services

Gaps/Investment opportunities

- Inadequate number of hospitals that provide world-class specialized services offered in India and Europe. Investors can leverage the National Infrastructure Fund and debt financing to build purpose-built specialist centers.

- Facility Management companies may establish MEDICAL MALLS that would lease offices for specialist clinics. This would reduce overheads for individual clinics.

- Huge market for Electronic Medical Records/Health Information Management Systems in Nigeria’s 30,000+ hospitals.

- Establishment of Group practice
3. INVESTMENT OPPORTUNITIES- Dialysis

**Gaps and Investment Opportunities**

- There is a huge market for sale of Dialysis Equipments/accessories and Consumables
- Private blood bank services required for dialysis

**Key Players**

- ROC Renal Dialysis Centre
- KIDNEY SOLUTIONS LTD
- Kelina Hospital
- HEALING STRIPES HOSPITAL
- Vedic Lifecare
- St. Nicholas Hospital
- KIDNEY CLINICS Nigeria Ltd.
- Primus International Super Speciality Hospital
3. INVESTMENT OPPORTUNITIES- Diagnostic Services

Key Players

Growth rate: 8.5%*

Gaps/ Investment Opportunities

- Lack of medical laboratories for medico-legal issues such as: Paternity testing and Genetic studies. Nigeria needs a one-stop diagnostic center that can handle all forms of diagnostic test.

- Few Diagnostic Equipment Servicing companies. There is need for more Biomedical engineering companies.

Foraminifera Market research*
3. INVESTMENT OPPORTUNITIES - Medical Devices

Key Players

- General Electric
- Philips Electronics
- JNC International
- Medtronic
- ERS Nigeria Limited

Gaps/Investment opportunities

- Most public hospitals are under-equipped due to budgetary constraints. There is an opportunity for Private Public-partnership Agreement with public hospitals to renovate, equip and run laboratories.

- Equipment leasing for Private Hospitals
3. INVESTMENT OPPORTUNITIES - Pharmaceuticals (1/2)

**Key Players**

**1. Multinationals**
- e.g. Roche, Pfizer, GSK, Novartis, Sanofi Aventis, Astra Zeneca, etc.

**2. Indigenous manufacturers**
- e.g. Emzor, Fidson, Swipha, Neimeth, Drug Field, SKG Pharma, Nigerian German Chemical

**3. Indigenous Importers**
- e.g. Shalina health, Reals, Embassy

**4. Local Traders/Retail outlets**
- e.g. Nkoyo Chemist Idumota

**Total Market Size - $2b, Yearly growth 12%**

Source: *PCL Health Advisory Practice, Frost and Sullivan*
3. INVESTMENT OPPORTUNITIES - Pharmaceutical

**Gaps/Opportunities**

- Only 8 pharma companies in Nigeria are listed on NSE out of 130+. There is need for Mergers and Acquisitions to consolidate.
- Huge market for Anti-Counterfeiting Security Technology.
- US pharmaceutical companies spend 15-20% of revenue (about $50b) annually on Research and Development. Nigerian Pharma companies can leverage Joint Ventures for product development, manufacturing of pharmaceutical raw materials.
- Strategic outsourcing of some business functions e.g. supply chain management, marketing, Information Technology, Patent protection experts.
- Private Public Partnership to manufacture vaccines and other biopharmaceuticals locally.

*6 Billion* spent annually on vaccine importation

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*Federal Ministry of Health*
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The firm’s services are provided through its five operating divisions:
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4. PCL Profile
4. Contact Us

For a detailed market research, business plan and other business advisory services contact us:

**Seun** Ngonnase  
[seunn@phillipsconsulting.net](mailto:seunn@phillipsconsulting.net)  
+234 8027 243135;

**Dr. Michael** Olawuyi  
[michaelo@phillipsconsulting.net](mailto:michaelo@phillipsconsulting.net)  
+234 8081 379370; +234 8039 092615