

Together for a healthier world

# Strategies for Entering the East African Healthcare Market for Medical Devices

A comprehensive guide to entering new markets

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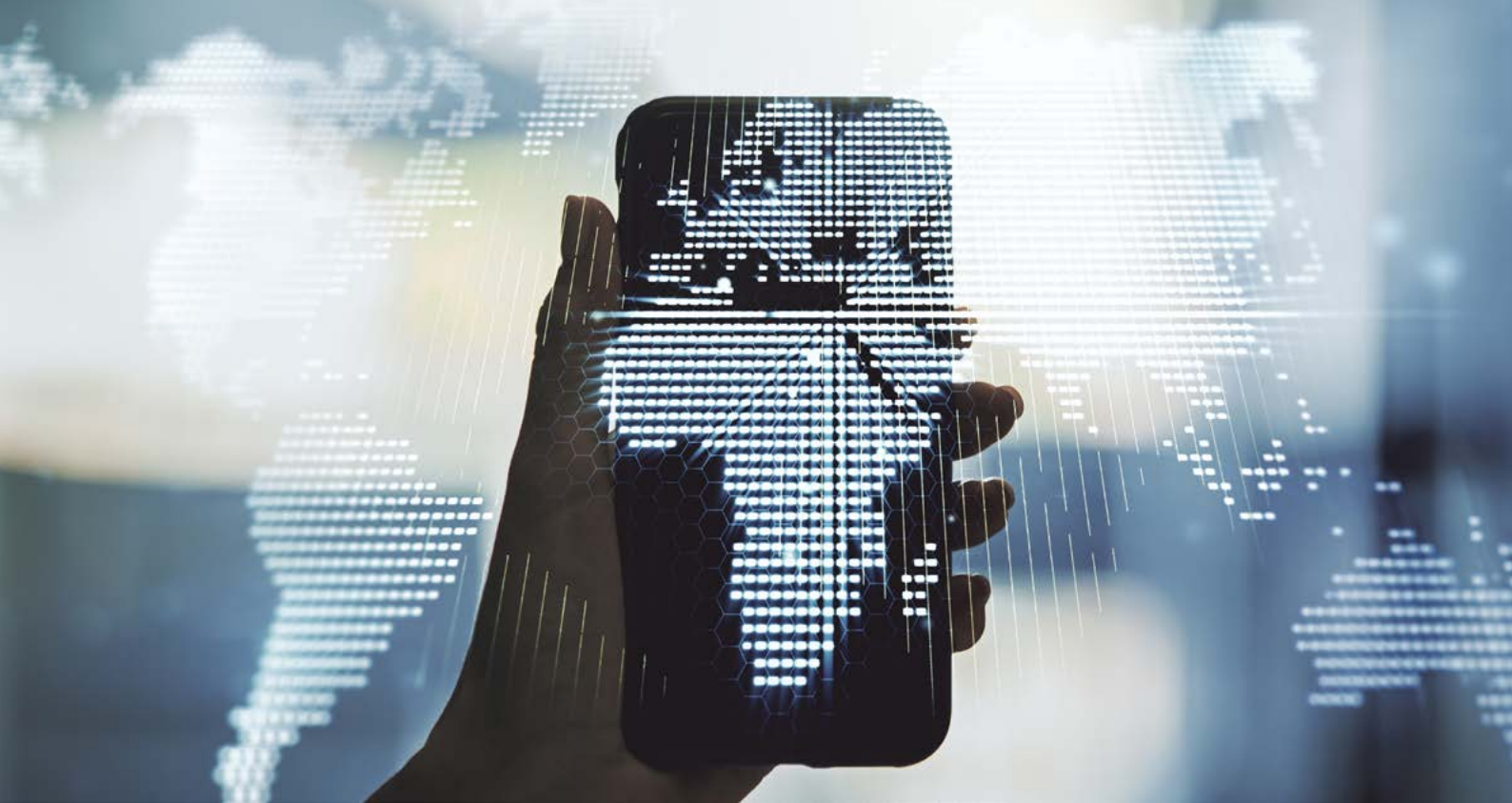


Over the next decade, the combined population of Kenya, Uganda, and Ethiopia is expected to grow from 207 million people to 270 million. In that same period, East Africa's \$8 billion healthcare sector is forecast to almost double to \$15 billion.

The COVID-19 pandemic has exacerbated East Africa's long-standing health issues, including HIV/AIDS, malaria, and TB. The region also has a growing noncommunicable illness burden, including higher rates of cancer, diabetes, and heart disease. This is in addition to high maternal and infant mortality rates.

The region's significant dearth of qualified medical personnel and infrastructure, inadequate medication supply networks, inconsistent quality, rural/urban imbalances, and government underfunding all exacerbate the challenges.

Currently, most people pay for healthcare out of pocket, generating a high need for novel solutions that enhance patient outcomes, operational efficiency, and cost, particularly in distant and disadvantaged areas. Furthermore, many African countries are dedicated to universal healthcare, and their success depends on access to innovative technology and commercial models.



# Chapter 1

## Market Overview

The East African healthcare market is poised for a transformative period, propelled by shifting demographics, technological advancements, and an urgent need for sustainable healthcare solutions.

The projected population growth signals a substantial increase in demand for healthcare services, encompassing preventive, curative, and rehabilitative care. East African countries spend an average of 6-8% of their GDP on health, below the 15% Abuja Declaration target

This demographic dynamism, coupled with the economic trajectories of Kenya, Uganda, and Ethiopia, underscores a burgeoning market for healthcare and medical technology investments.

The region's healthcare challenges present unique opportunities for growth in various sectors:

### Digital Health Solutions:

There is a distinct shift towards digital healthcare platforms, telemedicine, and electronic health records (EHRs) to bridge the vast geographical and infrastructural gaps. These technologies promise to democratise access to healthcare, enabling more effective outreach to remote and underserved populations. According to a report by the World Health Organisation (WHO), only about 28% of Africans have access to essential health services, highlighting the pressing need for innovative digital solutions.

### Wearable Technologies and Remote Monitoring:

In line with global trends, East Africa demonstrates a growing

interest in wearable health devices and remote monitoring systems. These technologies are crucial for preventive healthcare measures and managing chronic conditions outside traditional healthcare settings, offering a proactive approach to health management.

In Eastern Africa, the digital health market is rapidly growing, with an increasing number of mobile health applications being developed to address the region's healthcare challenges. East African countries spend an average of 6-8% of their GDP on health, below the 15% Abuja Declaration target.

### Artificial Intelligence and Machine Learning:

AI and ML hold vast potential to revolutionise diagnostics, patient care, and health data analytics in East Africa. By enhancing the efficiency, accuracy, and personalisation of healthcare services, these technologies can significantly contribute to overcoming the region's healthcare delivery challenges.

### Medical Devices and Equipment:

The demand for advanced medical devices and equipment is expected to surge, driven by the need for better diagnostic, therapeutic, and surgical tools. The region's healthcare sector, particularly in urban centres and private healthcare facilities, presents a ripe market for investment in cutting-edge medical technologies.

The Medical Devices market in Eastern Africa is projected to grow by 7.93% (2024-2028) resulting in a market volume of US\$1820.00m in 2028.

# Chapter 2

## Challenges and Strategies for Growth

The path to tapping into East Africa's healthcare market potential is fraught with challenges, including regulatory hurdles, infrastructure deficits, and the digital divide. Addressing these challenges requires a multifaceted approach:

### Infrastructure Development and Partnerships:

Strengthening healthcare infrastructure remains a significant hurdle across East Africa. Inadequate facilities, equipment, and supply chain management hinder the delivery of quality care, particularly in rural areas.

Forging strategic partnerships between public and private sectors can catalyse infrastructure development, enhance service delivery, and foster innovation. For instance, public-private partnerships (PPPs) have shown promise in improving healthcare access in countries like Kenya, with initiatives like the [Managed Equipment Services \(MES\) program](#) providing advanced medical equipment to public hospitals.

Similarly, Uganda has implemented PPP projects to construct and operate specialised healthcare facilities, such as the [Mulago Specialised Women and Neonatal Hospital](#).

### Policy and Regulatory Frameworks:

Establishing clear, supportive policies and regulatory frameworks is crucial for fostering a conducive environment for healthcare innovations and investments.

East African countries have made strides in this regard, but challenges persist. While Kenya has established a regulatory framework for digital health solutions, it has faced criticism for its complexity and lengthy approval processes. In contrast, Rwanda has been praised for its streamlined regulatory environment, which has facilitated the adoption of telemedicine and mHealth applications.

### Training and Capacity Building:

Investing in the training and development of healthcare

professionals is essential to improve the quality of care and facilitate the adoption of new technologies. Africa faces a severe shortage of healthcare workers, with only [2.3 per 1000 people](#), according to the World Bank.

Initiatives like the East African Community's Regional Telemedicine Program aim to address this challenge by providing specialised training and knowledge sharing among healthcare professionals across the region.

### Localising Solutions:

Tailoring solutions to meet the specific needs and conditions of East African countries can enhance the adoption and impact of healthcare innovations. Cultural and socioeconomic factors play a crucial role in shaping healthcare preferences and behaviours.

For instance, while the widespread use of mobile money platforms like M-Pesa in Kenya has paved the way for innovative payment models in digital health solutions, addressing affordability concerns in countries like Ethiopia, where mobile money adoption is lower, may require different approaches.

### Digital Divide and Infrastructure Gaps:

Despite the growing adoption of digital healthcare solutions, the digital divide and infrastructure gaps persist across East Africa. Unreliable internet connectivity, limited access to electricity, and low digital literacy rates hinder the widespread adoption of telemedicine, electronic health records, and other digital innovations, particularly in rural areas of countries like Uganda and Tanzania.

Addressing these infrastructure gaps through initiatives like the East African Submarine Cable System (EASSy) and the East African Internet Exchange (EA-IX) is crucial for unlocking the region's digital healthcare potential.





## Chapter 3

# Market Entry Strategy

For companies looking to enter the East African healthcare market, a thorough understanding of the local landscape is paramount. This involves:

### Market Research and Analysis:

Companies must dive deep into understanding the unique healthcare landscapes of Kenya, Uganda, and Ethiopia. For instance, analysing the burden of infectious diseases like HIV/AIDS, malaria, and tuberculosis, which are highly prevalent in the region.

Additionally, assessing the growing incidence of non-communicable diseases like cardiovascular diseases, cancer, and diabetes, is driven by factors such as urbanisation and lifestyle changes. Market research should also explore the healthcare infrastructure disparities between urban and rural areas, as well as the impact of socioeconomic factors on access to healthcare.

### Collaboration and Local Partnership:

Engaging with local stakeholders is crucial for success. In Kenya, partnering with organisations like the Ministry of Health and county-level healthcare authorities can facilitate the navigation of regulatory processes and distribution networks.

In Uganda, collaborating with the Private Sector Foundation Uganda (PSFU) can provide access to local private healthcare providers and investors. In Ethiopia, partnerships with the Ethiopian Public Health Institute (EPHI) and local NGOs can help in understanding community needs and cultural nuances.

### Innovation and Adaptability:

Innovations tailored to East Africa's challenges are key. For example, developing mobile health (mHealth) solutions that leverage the widespread adoption of mobile technology in countries like Kenya and Uganda. These solutions can include remote monitoring for chronic diseases, telemedicine consultations, and health education platforms. Additionally, point-of-care diagnostic tools that can be deployed in remote areas with limited infrastructure can address the region's healthcare accessibility challenges.

### Focus on Accessibility and Affordability:

Affordability is a critical concern in East Africa, where a significant portion of the population lives below the poverty line. Companies can explore innovative financing models, such as micro-lending platforms or community-based health insurance schemes.

For instance, the Kenyan startup Pesa Pamba facilitates micro-health insurance payments through mobile money platforms like [M-Pesa](#). In Uganda, organisations like the [Medical Access Uganda Limited](#) initiative provide affordable essential medicines and healthcare services to underserved communities.

### Regulatory Compliance and Ethical Considerations:

Understanding and adhering to country-specific regulations is essential. In Kenya, the Kenya Medical Supplies Authority (KEMSA) oversees the regulation of medical devices and supplies, while the Pharmacy and Poisons Board regulates pharmaceuticals.

In Uganda, the National Drug Authority (NDA) and the Allied Health Professionals Council regulate medical products and healthcare services. In Ethiopia, the Food and Drug Authority (EFDA) and the Ministry of Health are the key regulatory bodies. Ethical considerations, such as data privacy and informed consent, are also crucial in digital health solutions and clinical research.

### **Talent Development and Capacity Building:**

Investing in local talent is vital for sustainable growth. Companies can collaborate with institutions like the Aga Khan University in Kenya, Makerere University in Uganda, and Addis Ababa University in Ethiopia to develop training programs for healthcare professionals. Additionally, partnerships with organisations like the African Medical and Research Foundation (AMREF) can facilitate knowledge sharing and capacity building across the region.

### **Sustainability and Social Impact:**

Demonstrating a commitment to sustainability and social impact can create a competitive advantage. Companies can explore eco-friendly manufacturing practices, responsible waste management, and the use of renewable energy sources in their operations. Aligning with initiatives like the United

Nations Sustainable Development Goals (SDGs) and partnering with local communities to address healthcare disparities can enhance brand reputation and social licence to operate.

### **Strategic Partnerships and Ecosystem Building:**

Collaborating with diverse stakeholders is essential for building a robust healthcare ecosystem. In Kenya, partnerships with organisations like the Kenya Healthcare Federation (KHF) and the Association of Kenya Medical Manufacturers (AKMM) can facilitate industry collaborations.

In Uganda, working with the Uganda Healthcare Federation (UHF) and the Private Health Sector Program can foster public-private partnerships. In Ethiopia, collaborating with the Ethiopian Healthcare Federation and international development organisations like USAID can create synergies for addressing healthcare challenges.

By tailoring strategies to the specific contexts of Kenya, Uganda, and Ethiopia, and leveraging local partnerships, innovative solutions, and a commitment to accessibility, affordability, and sustainability, companies can navigate the complexities of the East African healthcare market and contribute to improving healthcare outcomes in the region.



# Chapter 4

## Research and Planning

The East African healthcare market is witnessing considerable growth, driven by demographic shifts, a burgeoning demand for healthcare services, and significant investment opportunities in healthcare infrastructure. The region is grappling with a high disease burden, yet it presents a landscape ripe for healthcare advancements and investments.

The projected revenue in the Medical Devices market in Kenya is estimated to reach [US\\$285.10m in 2024](#).

### Localisation of Strategy

To effectively tap into the East African healthcare market, businesses must tailor their strategies to meet the specific needs and challenges of the region.

This involves navigating the healthcare regulatory environment, understanding the unique healthcare infrastructure needs, and aligning with local healthcare policies and goals. For example, Ethiopia is actively working to strengthen its healthcare system in alignment with the [Millennium Development Goals](#), demonstrating the government's commitment to healthcare improvements.

### Logistics & Supply Chain Management

Managing the logistics and supply chain in East Africa entails addressing distribution challenges across diverse geographies and leveraging local capabilities.

The region's healthcare provision is a mix of public and private sector efforts, with governments contributing significantly to healthcare services. Uganda's healthcare system, which includes a tiered system of health centres, exemplifies

the structured approach to healthcare delivery that could pose both challenges and opportunities for supply chain management.

### Key Challenges

The healthcare sectors in East Africa face numerous challenges, including the struggle to achieve middle-income status while confronting widespread poverty and health challenges like high child and maternal mortality rates, HIV/AIDS, tuberculosis (TB), and malaria. Tanzania's healthcare landscape exemplifies these challenges, along with the pressing need for healthcare infrastructure and qualified medical personnel.

The landscape of healthcare in East Africa is complex, characterised by both significant challenges and substantial opportunities for growth and investment.

Businesses and investors looking to enter the East African healthcare market must adopt a multifaceted approach, considering the diverse healthcare needs, regulatory environments, and infrastructural requirements across the region. Engaging with local communities, understanding the region's healthcare policies, and investing in sustainable healthcare solutions will be key to success in East Africa's dynamic healthcare sector.

### Opportunities

From an East African perspective, the region presents several compelling opportunities for companies looking to enter the healthcare market:







## Chapter 5

# Leading Sectors for Exports and Investments

### Digital Health Solutions:

The adoption of digital health technologies is rapidly gaining traction across East Africa. For instance, in Kenya, mobile health (mHealth) initiatives like M-TIBA, a mobile-based health wallet platform, have garnered significant traction, with over 4 million users as of 2022.

Similarly, Uganda's Ministry of Health has launched the "e-Uplink" telemedicine platform, connecting healthcare workers in remote areas with specialists. Ethiopia has also embraced digital health solutions, with initiatives like the "Smart Health Information System" (SHIS) for electronic medical records.

### Medical Devices and Diagnostics:

The demand for medical devices and diagnostic equipment is on the rise, driven by the growing burden of non-communicable diseases and the need for improved healthcare infrastructure.

As mentioned before, the Medical Devices market in Eastern Africa is projected to grow by 7.93% (2024-2028) resulting in a market volume of US\$1820.00m in 2028, with Kenya leading the way as a hub for medical device manufacturing and distribution. Companies exporting or investing in advanced diagnostic tools, surgical equipment, and point-of-care devices can capitalise on this growing market.

### Pharmaceuticals and Biotechnology:

The pharmaceutical industry in East Africa presents lucrative opportunities, fueled by initiatives to promote local manufacturing and reduce reliance on imports. For example, the East African Community (EAC) has established the EAC Regional

Pharmaceutical Manufacturing Plan of Action to boost regional production and harmonise regulations.

Companies investing in pharmaceutical manufacturing, research, and development can benefit from this supportive policy landscape and the region's growing healthcare needs.

### E-commerce and Digital Market Growth:

The rapid expansion of e-commerce and digital markets in East Africa presents a unique opportunity for companies in the healthcare sector. With the increasing penetration of mobile devices and internet connectivity, digital platforms have emerged as a viable channel for accessing healthcare products and services.

### Mobile Commerce:

Mobile commerce (m-commerce) platforms have gained significant traction in East Africa, driven by the widespread adoption of mobile money services like M-Pesa in Kenya and MTN Mobile Money in Uganda. These platforms allow consumers to purchase healthcare products, book appointments, and access telemedicine services seamlessly through their mobile devices.

### Online Pharmacies and Health Marketplaces:

Online pharmacies and health marketplaces are revolutionising the way East Africans access medications and healthcare products. Platforms like MyDawa (Kenya), LifeStore (Uganda), and Telemed (Ethiopia) offer convenient and affordable access to a wide range of pharmaceutical and healthcare products, particularly benefiting underserved rural communities.

### Telehealth and Remote Monitoring:

The COVID-19 pandemic has accelerated the adoption of telehealth and remote monitoring solutions in East Africa. Initiatives like the Mobihealth International "Virtual Doctor" platform in Kenya and the "Smart Clinic" telemedicine platform in Uganda have gained popularity, enabling remote consultations and monitoring for patients with chronic conditions.

### Digital Health Education and Awareness:

Digital platforms are also being leveraged for health education and awareness campaigns in East Africa. For instance, the "Nuba Health" app in Kenya provides personalised health information and wellness tracking, while the "U-Report" platform in Uganda engages youth in health-related discussions and information dissemination.

To capitalise on these opportunities, companies must tailor their strategies to the unique digital landscape and consumer preferences in East Africa.

This may involve partnerships with local e-commerce platforms, mobile network operators, and digital health service providers, as well as investments in robust supply chain and logistics infrastructure to support e-commerce operations.

### To Summarise

The East African healthcare market presents a multitude of opportunities for companies looking to enter and thrive in this dynamic region. With a rapidly growing population, rising burden of diseases, and increasing demand for accessible and affordable healthcare solutions, East Africa is ripe for investment and innovation.

However, success in this market hinges on a deep understanding of the local landscape, fostering strategic partnerships, and tailoring offerings to address the region's unique challenges. Companies that prioritise accessibility, affordability, and sustainability, while embracing digital transformation and capacity building, will be well-positioned to make a lasting impact.

By navigating regulatory complexities, investing in talent development, and collaborating with diverse stakeholders, businesses can contribute to the creation of a robust healthcare ecosystem that improves health outcomes and drives socioeconomic progress across Kenya, Uganda, Ethiopia, and beyond.

Ultimately, a commitment to transformative healthcare solutions will unlock the vast potential of the East African market. We look forward to your participation in the event and hope to usher in a new era for the medical devices industry in the region.





## Medic East Africa: Expand your global reach by investing in the region

Medic East Africa, the premier healthcare and medical laboratory event in the East African region, offers an unparalleled platform for stakeholders in the medical devices sector. This event is poised to attract over 8,000 professional visits, 200+ exhibitors from 30+ countries, and 500+ delegates across its 6 conferences. It is co-located with Medlab East Africa, enhancing its scope and impact within the healthcare community.

The expo is recognised for fostering direct connections between regional and international healthcare professionals, facilitating the generation of new business opportunities, and showcasing the latest in medical technology and services. Attendees benefit from face-to-face networking, live product demonstrations, and the chance to forge lasting relationships with key players in the industry.

Partnerships with Kenya's Ministry of Health and support from prominent healthcare organisations underscore the event's

significance and its contribution to the regional healthcare ecosystem. The expo's impact is further magnified by testimonials from previous exhibitors who attest to the event's role in transforming the healthcare system through networking and the introduction of innovative solutions.

For stakeholders interested in the East African medical devices sector, Medic East Africa presents a unique opportunity to engage with the latest technological advancements, connect with industry leaders, and explore avenues for growth and collaboration in an evolving market.

[Find out more about Medic East Africa](https://mediceastafrica.com)