

# **Saudi Arabia Hospital Market By Ownership (Public, Private), By Type (General, Specialty, Multi- Specialty), By Type of Services (In-Patient Services, Out-Patient Services) By Bed Capacity (Up to 100 beds,100-500 beds, above 500 beds), By Region, Competition, Opportunities & Forecast, 2020-2030F**

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## **Abstracts**

Saudi Arabia Hospital Market was valued at USD 22.05 Billion in 2024 and is anticipated to witness an impressive growth in the forecast period with a CAGR of 2.50% through 2030. The Hospital Market refers to the sector of the healthcare industry focused on the provision of medical services and care within hospital facilities. Hospitals are key components of the healthcare system and play a critical role in the diagnosis, treatment, and management of various medical conditions. Hospitals are large, specialized healthcare facilities equipped to provide a wide range of medical services, including emergency care, surgical procedures, diagnostic testing, inpatient care, and outpatient services. Hospitals employ a diverse workforce of healthcare professionals, including doctors (physicians and specialists), nurses, therapists, pharmacists, radiologists, laboratory technicians, and support staff. Hospitals provide care for a wide range of patients, from those requiring acute care for serious illnesses or injuries to those seeking routine check-ups or elective procedures. Hospitals are equipped with advanced medical technology and equipment, such as MRI machines, CT scanners, surgical robots, and laboratory equipment, to facilitate diagnosis and treatment.

The Saudi government has made substantial investments in healthcare infrastructure, including the construction of new hospitals, medical cities, and healthcare facilities, to meet the growing healthcare needs. The implementation of mandatory health insurance policies for expatriates and, in some cases, for Saudi citizens, has led to increased

utilization of healthcare services, including hospital care. Saudi Arabia has been actively promoting itself as a medical tourism destination, attracting patients from other countries seeking high-quality healthcare services. The adoption of digital health solutions, including electronic health records (EHRs) and telemedicine, has improved healthcare access and delivery, making services more efficient and convenient. The increasing demand for specialized healthcare services, such as advanced treatments and surgeries, has driven the growth of specialized hospitals and clinics. Investments in healthcare research and innovation have resulted in advancements in medical science and technology, which can drive the demand for healthcare services and improve patient outcomes.

## Key Market Drivers

### Increasing Health Insurance Mandates

Health insurance mandates ensure that a larger portion of the population, including expatriates and in some cases, Saudi citizens, has access to healthcare services. This increased access leads to higher demand for healthcare facilities, including hospitals. Health insurance provides financial protection to individuals and families by covering a significant portion of their healthcare expenses. This encourages people to seek medical care when needed, contributing to higher hospital utilization. Health insurance often covers preventive care, such as routine check-ups and vaccinations. People with insurance are more likely to undergo preventive screenings and consultations, which can lead to the early detection and treatment of health conditions.

Health insurance assists in managing chronic diseases, which require ongoing care and hospital services. The overall prevalence of chronic diseases in our sample was approximately 47%, with 31% of individuals diagnosed with a single condition and 16% experiencing two or more chronic diseases. This data reflects the prevalence of chronic diseases among migrant workers in Al-Qassim, Saudi Arabia. With insurance coverage, individuals with chronic conditions are more likely to seek regular follow-up care in hospitals. Health insurance mandates ensure that individuals have access to emergency medical services, including emergency room care in hospitals, without the burden of high out-of-pocket costs. Health insurance often covers specialized and inpatient care in hospitals. This includes surgeries, treatments for serious illnesses, and hospital stays. The availability of insurance for these services encourages people to seek specialized and inpatient care when necessary.

Health insurance helps mitigate the financial burden of healthcare costs, which can be

substantial, especially for major medical procedures. This reduction in out-of-pocket costs makes healthcare services, including hospital care, more affordable and accessible. Health insurance mandates have encouraged the growth of the private healthcare sector, leading to an increase in the number of private hospitals and clinics. This, in turn, expands the overall capacity of the healthcare system. Health insurance mandates often align with broader government health initiatives to improve the overall healthcare system. As a result, these mandates are an integral part of achieving the goals set by the government, such as those outlined in Vision 2030. Health insurance coverage often extends to international patients seeking medical care in Saudi Arabia. This attracts medical tourists who come to the country for specialized treatments, contributing to the growth of the Saudi Arabia Hospital Market. This factor will help in the development of the Saudi Arabia Hospital Market.

### Rising Specialized Healthcare Service

Specialized healthcare services are essential for the diagnosis, treatment, and management of complex and rare medical conditions. Patients with such conditions often seek care from specialized hospitals and clinics. Specialized facilities offer advanced treatments and procedures that are not available in general hospitals. This includes cutting-edge surgeries, therapies, and interventions, attracting patients seeking the best available care. The prevalence of chronic diseases, such as cancer, heart disease, and diabetes, drives the demand for specialized care. These conditions often require long-term management and access to specialized expertise. Patients with specific medical needs prefer specialized hospitals and clinics known for providing high-quality care in their area of expertise. These facilities often have a track record of success in treating specific conditions.

Specialized healthcare providers invest in state-of-the-art medical equipment and technology, making them capable of delivering the most advanced and precise treatments. Specialized healthcare services in Saudi Arabia attract patients from both within the country and abroad, contributing to medical tourism. Patients travel to receive specialized care that may not be available or accessible in their home countries. Specialized hospitals and clinics often engage in medical research and innovation, driving advancements in healthcare and attracting patients seeking access to the latest treatments and clinical trials. Specialized healthcare providers often collaborate with general hospitals and healthcare networks, offering a continuum of care for patients with complex medical conditions. This collaboration ensures that patients receive comprehensive care, from diagnosis to treatment and recovery.

Specialized facilities catering to pediatric and maternity care provide comprehensive services for children and expectant mothers, ensuring the well-being of these vulnerable populations. Both the public and private sectors in Saudi Arabia have invested in specialized healthcare services, leading to the growth of specialized hospitals, cancer centers, cardiology clinics, and more. The rising prevalence of conditions like cancer and cardiovascular diseases has resulted in a growing need for specialized care, leading to the expansion of specialized healthcare facilities. General hospitals often refer patients with complex or specialized medical needs to specialized facilities, increasing the patient flow to these institutions. This factor will pace up the demand of the Saudi Arabia Hospital Market.

### Growing Research and Innovation

The volume of open access publications in Saudi Arabia has seen substantial growth, rising from 5,212 publications in 2014 to 25,653 in 2023. This increase reflects a significant shift in the country's research landscape, with the proportion of Saudi research published as open access rising from 34.1% in 2014 to 63.74% in 2023. Ongoing research and innovation lead to the development of advanced medical treatments, procedures, and therapies. Patients often seek out hospitals that can provide the latest and most effective treatments for their medical conditions. Hospitals that invest in innovative medical equipment and technology are better equipped to provide cutting-edge care. Patients may choose these hospitals for access to the most advanced diagnostic tools and treatment options. Hospitals involved in medical research often conduct clinical trials. Patients who are interested in participating in these trials or accessing experimental treatments may opt for hospitals with strong research programs. Research and innovation often lead to the establishment of specialized centers within hospitals, such as cancer centers, cardiovascular centers, and research units focused on specific medical conditions. These centers attract patients seeking specialized care.

Hospitals with a reputation for conducting cutting-edge research and offering innovative treatments can become medical tourism destinations. Patients from both within Saudi Arabia and from abroad may choose these hospitals for their advanced services. Hospitals engaged in research often employ leading experts in various medical fields. Patients may travel to these hospitals to seek consultations and treatments from renowned specialists. Hospitals that engage in research often collaborate with pharmaceutical companies, universities, and other healthcare institutions. These collaborations can lead to the development of new treatments and procedures. Research-active hospitals may offer patients access to experimental therapies and

treatments that are not widely available. This can be especially appealing to individuals with challenging medical conditions.

Research-driven hospitals are more likely to adopt and implement telemedicine and telehealth solutions, which provide patients with convenient and remote access to healthcare services. Hospitals that continuously incorporate research findings into their practice often achieve better patient outcomes. Patients are more likely to choose hospitals with a track record of success in treating their specific medical conditions. Academic hospitals affiliated with medical schools and research institutions often lead in research and innovation. Patients may seek care at these centers to benefit from the latest medical advancements. Hospitals involved in research often provide opportunities for healthcare professionals to engage in ongoing education and professional development. This can attract skilled medical staff and enhance the quality of care. This factor will accelerate the demand of the Saudi Arabia Hospital Market.

## Key Market Challenges

### Healthcare Costs

The growing population and increased healthcare needs have led to greater demand for healthcare services. Meeting this demand while controlling costs can be challenging. The prevalence of chronic diseases, such as diabetes and cardiovascular conditions, has increased healthcare costs. These conditions often require ongoing care and management. Specialized medical procedures, treatments, and surgeries can be costly, and the demand for such services has been on the rise. The cost of medications, including advanced and specialized drugs, can be a significant portion of healthcare expenses. While the government has invested in expanding healthcare infrastructure, the construction and maintenance of hospitals and medical facilities require substantial financial resources. Ensuring that health insurance policies cover a wide range of healthcare services without causing financial strain on individuals and families is a complex challenge. The adoption of advanced medical equipment and technology, while improving care, can also add to healthcare costs. Attracting and retaining a skilled healthcare workforce can be costly. High-quality healthcare professionals often demand competitive salaries. Saudi Arabia's healthcare expenditure has surged from SAR 22.8 billion in 2007 to approximately SAR 80 billion in 2021. While government funding remains the dominant source of healthcare financing, its share has gradually declined over time, reflecting a shift towards increased private sector involvement and other alternative funding mechanisms within the healthcare ecosystem.

## Infrastructure and Capacity

There can be significant disparities in the distribution of healthcare infrastructure across different regions of Saudi Arabia. Urban areas, particularly Riyadh and Jeddah, have more healthcare facilities than rural or remote regions, which can lead to uneven access to healthcare services. Ensuring an adequate number of hospital beds to meet the needs of the population, especially during emergencies or health crises, is a challenge. Overcrowding in hospitals can lead to suboptimal patient care. The demand for specialized healthcare services has grown, leading to a need for more specialized hospitals and facilities. Ensuring that these facilities are available throughout the country can be a logistical challenge. Maintaining and upgrading healthcare infrastructure, including hospital buildings and medical equipment, is an ongoing financial challenge that requires consistent investment. Expanding healthcare infrastructure necessitates a skilled workforce to operate and staff these facilities. Attracting and retaining qualified healthcare professionals can be a challenge. Efficiently coordinating the healthcare network, from primary care to specialized hospitals, can be complex, particularly in terms of patient referrals and information sharing. Having the necessary infrastructure and capacity to respond effectively to health emergencies and pandemics, as demonstrated during the COVID-19 pandemic, requires ongoing attention.

## Key Market Trends

### Healthcare Privatization

Saudi Arabia is working to diversify its economy beyond oil. Despite ongoing privatization efforts in Saudi Arabia, government spending still represents more than 60% of the nation's healthcare expenditure. The National Unified Procurement Company (NUPCO) oversees the centralized procurement of pharmaceuticals and medical supplies, managing the supply chain and logistics for all public healthcare providers in the country. Privatizing healthcare services is seen to attract private investment and stimulate economic growth in the healthcare sector. The government is encouraging private sector participation in healthcare through public-private partnerships (PPPs) and the privatization of healthcare facilities and services. This has led to the growth of private hospitals, clinics, and healthcare providers. Privatization has facilitated the expansion of healthcare services, including the construction of new private hospitals and clinics, which has increased healthcare capacity and improved access to services. The competition between private healthcare providers has led to a focus on quality improvement, as providers aim to attract and retain patients by offering high-quality care and services. Private healthcare providers often introduce innovative

technologies and practices to enhance efficiency and the patient's experience. This has contributed to the adoption of digital health solutions and telemedicine. Privatization has attracted international healthcare providers and investors, leading to the introduction of international standards and practices in the Saudi healthcare sector. Privatization and the introduction of high-quality private healthcare facilities have made Saudi Arabia an attractive destination for medical tourists seeking specialized treatments.

## Segmental Insights

### Type Insights

In 2024, the Saudi Arabia Hospital Market largest share was held by multi-Specialty segment and is predicted to continue expanding over the coming years. Multispecialty hospitals are equipped to provide a wide range of medical services across various specialties, including cardiology, orthopedics, neurology, oncology, and more. This comprehensive approach to healthcare makes them a preferred choice for patients seeking a one-stop solution for their healthcare needs. Multispecialty hospitals have the capability to offer specialized care for a broad spectrum of medical conditions. In Saudi Arabia, there is a growing demand for specialized medical services, especially for complex and chronic diseases. These hospitals often invest in advanced medical technology, diagnostic equipment, and facilities, enabling them to deliver state-of-the-art healthcare services. Patients often seek out these hospitals for cutting-edge treatments and diagnostic capabilities. Multispecialty hospitals typically employ a diverse team of highly specialized physicians and healthcare professionals. This concentration of expertise attracts patients who require specialized care. Multispecialty hospitals can provide a wide range of medical services under one roof, reducing the need for patients to be referred to other facilities for specialized care. This convenience is a significant advantage for both patients and referring physicians.

### Type of Services Insights

In 2024, the Saudi Arabia Hospital Market largest share was held by Out-Patient Services segment in the forecast period and is predicted to continue expanding over the coming years. Saudi Arabia has been placing increased emphasis on primary healthcare services to improve the overall health of the population. Outpatient services, which include primary care clinics, play a vital role in preventive care and early disease detection. Outpatient services are crucial for preventive medicine and wellness programs. Regular check-ups, vaccinations, and health education are often provided through outpatient facilities, helping to maintain the health of the population. The

prevalence of chronic diseases like diabetes and hypertension in Saudi Arabia has driven the demand for ongoing, outpatient care. Many patients with chronic conditions require regular follow-up visits to manage their health effectively. Outpatient services are often more accessible to the general population, particularly for routine and non-emergency healthcare needs. Patients can receive care without the need for overnight stays or hospitalization. Outpatient services are typically less costly than inpatient hospital care, making them a more cost-effective option for both patients and the healthcare system. This affordability makes outpatient services an attractive choice for many.

### Regional Insights

The Northern & Central region dominated the Saudi Arabia Hospital Market in 2024. The Northern and Central regions are home to the largest population centers in Saudi Arabia, including the capital city, Riyadh, in the Central region. These regions have a higher concentration of residents, which naturally leads to increased demand for healthcare services, including hospitals. These regions are also economic hubs with a significant concentration of businesses, government institutions, and industries. Economic activity often drives the need for healthcare services, as a larger workforce and urban population require healthcare infrastructure. The government of Saudi Arabia has invested heavily in the development of healthcare infrastructure in the Northern and Central regions. This includes the construction of state-of-the-art hospitals, medical cities, and healthcare facilities to meet the growing demand for healthcare services. These regions are more likely to host specialized healthcare facilities, such as tertiary care hospitals, research centers, and medical schools. These facilities often draw patients and healthcare professionals from across the country, reinforcing their dominance in the healthcare sector.

### Key Market Players

Middle East Healthcare Co.

King Faisal Specialist Hospital and Research Centre

National Guard Health Affairs Hospital

Riyadh Military Hospital

Royal Commission Hospital

Abeer Medical Group

King Fahad Medical City

King Saud University Medical City

Dr. Sulaiman Al Habib Medical Group

Al Mouwasat Hospital

### Report Scope:

In this report, the Saudi Arabia Hospital Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Saudi Arabia Hospital Market, By Ownership:

Public

Private

Saudi Arabia Hospital Market, By Type:

General

Specialty

Multi- Specialty

Saudi Arabia Hospital Market, By Type of Services:

In-Patient Services

Out-Patient Services

Saudi Arabia Hospital Market, By Bed Capacity:

Up to 100 beds

100-500 beds

above 500 beds

Saudi Arabia Hospital Market, By Region:

Eastern

Western

Northern & Central

Southern

Competitive Landscape

Company Profiles: Detailed analysis of the major companies presents in the Saudi Arabia Hospital Market.

Available Customizations:

Saudi Arabia Hospital Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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