



2019 Nigeria Medical Device Market Overview

Report by

Medic West Africa



By Informa Markets

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Market overview

Medical device: WHO definition

An article, instrument, apparatus or machine that is used in the prevention, diagnosis or treatment of illness or disease, or for detecting, measuring, restoring, correcting or modifying the structure or function of the body for some health purpose. Typically, the purpose of a medical device is not achieved by pharmacological, immunological or metabolic means.

Source: World Health Organisation

According to a report by Fitch Solutions, the Nigerian medical device market will record double-digit growth in local currency and will grow at a 2017-2022 CAGR of 9.0% to reach US\$ 184.4 million by 2022. Although the market is predicted to benefit from an improved outlook for the economy and remains almost entirely reliant on imports, chronic underfunding and the chaotic management of public healthcare services, exacerbated by the insurgency in the northeast region, will continue to restrict market growth in the medium term. However, the large population and highly underdeveloped healthcare sector will offer substantial long-term potential.

Research & Markets also predicts that the Nigerian medical device market will witness a strong growth rate in the medium to long-term future driven by improved economic conditions and the introduction of a foray of new companies with technological advancements.

With regards to imports, Fitch Solutions forecast that the recovering economy will support medical devices import growth, although further depreciation of the naira will be a restraining factor. Meanwhile, the Nigerian medical device exports will remain prone to sudden fluctuations indicating that some export activity may be due to one-off re-exports. The establishment of a large syringe factory serving markets in West Africa will boost exports of consumables, but the overall level of exports will remain very low.

However, several challenges continue to restrict the growth in the medical device market in Nigeria including inadequate funding, with budgetary allocations for health remaining well below the level recommended by the 2001 African Union Abuja Declaration, as well as insurgency in the North Eastern region will continue to hinder healthcare delivery with further strikes by healthcare workers threatening to exacerbate the situation.

Projected Medical Device Market, 2019-2021

	2019	2020	2021
Total – US\$ million	139.3	151.9	167.4
Per Capita Spend – US\$	0.7	0.7	0.8
Total - Local Currency million	51,210.30	58,098.70	66,134.60
Per Capita - Local Currency	254.8	281.8	312.8
Exchange Rate - Local Currency/US\$*	367.5	382.5	395

*The non CBN exchange rate
Source: Fitch Solutions: Nigeria Medical Devices Report | Q1 2019

Key market drivers & growth trends

As the second largest economy in Africa with a growing middle class and pro-reform government committed to strengthening the healthcare system, the Nigerian medical device market is set to benefit from these strong fundamentals in the long term.

With a population exceeding 190 million (according to World Bank Data), Fitch Solutions have identified a number of health driver including the National Health Insurance Scheme, the National Health Bill, as well as the World Bank's US\$ 500 million credit and Public-Private Partnerships (PPPs) such as the Lagos Medical Park, which are expected to improve healthcare services and act as a catalyst for health sector improvements.

Continuing reliance on imports to supply almost all the market and government's moves to introduce a patent regime that complies with the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights will drive the market forward in the long term.

According to a report by Oxford Business Group, although Nigeria continues to underachieve on various national and international metrics for healthcare development, the industry remains well positioned for strong future growth. While recent macroeconomic headwinds have affected the affordability of treatment, the country's large and growing population, rising demand for specialty services and the government's willingness to plan and partner with private providers should help to considerably improve the quality, access and outcomes of patient care in the years to come.

Market Research Future also outlines other drivers of medical device market as the rising cost of healthcare which stimulated the development of innovative connected products such as wearable medical devices, demand for early detection and noninvasive therapies, growing awareness and spread of information technology, as well as the development of user-friendly devices.



Leading product areas

Consumables represent the largest product area in the Nigerian medical device market, accounting for more than 30 % of imports in 2016, followed by other medical devices, diagnostic imaging, patient aids and orthopaedics & prosthetics, according to Fitch Solutions. Dental products are the smallest product area representing less than 2.0 % of imports in 2016.

Orthopaedics & prosthetics and consumables were the best performing product areas in 2016, recording double-digit growth in both local currency

and US dollar terms. Similarly, orthopaedics & prosthetics has been the most dynamic product area over the past five years, albeit from a very low level, registering a 2011-2016 CAGR in excess of 50 % in both local currency and US dollar terms. Dental products have been the second fastest growing product area, followed by consumables, patient aids and diagnostic imaging.

Medical Device Market by Product Area, 2019-2021

Product Area	2019	2020	2021
Consumables	US\$ 54.1mn	US\$ 59mn	US\$ 65.2mn
Diagnostic Imaging	US\$ 22.6mn	US\$ 25mn	US\$ 27.8mn
Dental Products	US\$ 4mn	US\$ 4.40mn	US\$ 5mn
Orthopaedics & Products	US\$ 4.8mn	US\$ 5.3mn	US\$ 5.8mn
Patient Aids	US\$ 14.9mn	US\$ 16.2mn	US\$ 17.8mn
Other Medical Devices	US\$ 38.9mn	US\$ 42.1mn	US\$ 45.8mn

Source: Fitch Solutions: Nigeria Medical Devices Report | Q1 2019



Medical device suppliers

According to Fitch Solutions, China is the leading supplier of medical devices to Nigeria, with a 47% share of the import total in 2016. China was the main supplier of consumables, patient aids, dental products and other medical devices with a particularly dominant position in bandages & dressings, syringes, needles & catheters and therapeutic appliances.

The EU-28 accounted for nearly a quarter of imports in 2016, led by France, which was the leading supplier of radiation apparatus and Germany, which was the leading supplier of imaging parts & accessories.

The position of smaller suppliers is subject to volatility due to the impact of one-off shipments. In 2016, the UAE was the third largest supplier with a 7% share, overall, heading the orthopaedics & prosthetics product area and the portable aids segment of the patient aids product area. In fifth place, India supplied around 5% of the import total, primarily syringes, needles & catheters. The US supplied 4% of imports and Japan 3%.

Top 20 medical device suppliers

Countries	2017 Market share	
China	US\$ 40.22mn	36 %
Germany	US\$ 11.11mn	10 %
France	US\$ 9.6mn	9 %
India	US\$ 8.94mn	8 %
USA	US\$ 6.6mn	6 %
Belgium	US\$ 6.55mn	6 %
United Kingdom	US\$ 5.32mn	5 %
Netherlands	US\$ 4.99mn	4 %
South Africa	US\$ 1.91mn	2 %
Ireland	US\$ 1.84mn	2 %
Turkey	US\$ 1.8mn	2 %

Countries	2017 Market share	
Japan	US\$ 1.6mn	1 %
Austria	US\$ 1.45mn	1 %
Hong Kong	US\$ 1.2mn	1 %
Italy	US\$ 0.95mn	1 %
Spain	US\$ 0.85mn	1 %
Israel	US\$ 0.84mn	1 %
Switzerland	US\$ 0.81mn	1 %
Pakistan	US\$ 0.66mn	1 %
Denmark	US\$ 0.66mn	1 %
All other	US\$ 3.02mn	3 %
Grand Total	US\$ 110.93mn	100 %

Source: UN Comtrade

Accessing medical devices and equipment through remanufacturing

In a recent article by Solomon Eze et al. published in the Journal of Remanufacturing, the authors examined the challenge of affordability of state-of-the-art medical devices and equipment in developing countries such as Nigeria. They found that remanufacturing in the medical equipment sector is one crucial area where its practice would yield tremendous benefits contributing to the sustainable development goals of health and poverty alleviation.

Remanufacturing seems to be an attractive solution to this challenge since it is based on used equipment and components that would ordinarily be discarded. The authors found that it can potentially provide a basis for many original equipment manufacturers (OEMs) to become interested in developing countries' medical equipment markets since it would afford an opportunity to make profits from many types of equipment bound for disposal in developed countries.





Hospital projects in Nigeria



Lagos State Medipark

Medipark Lagos is a 180-bed hospital that conceived through a Public-Private Partnership (PPP) with a consortium of investors called the Medipark International Limited Consortium and Ibile Holdings.

The medical project will be constructed at a cost of US\$ 247.3 million in line with the government's efforts to improve the healthcare experience and promote medical tourism. The new hospital will be developed on an 18,750.15 sqm site with existing structures that were previously used as the Lagos State School of Nursing.

The facility will also comprise of a central management area, theatre complex and procedure rooms, ward complex, clinic complex, conference and seminar complex medical goods and lifestyle shopping centre, stress management and lifestyle improvement unit, data cabling/integrated IT system, structured landscaping, staff quarters, residential accommodation, hotel, emergency and ambulance service, trauma unit, helipad amongst other things.



University Of Maiduguri Teaching Hospital

The University of Maiduguri Teaching Hospital recently opened tender and financial bids for the construction of a number of new facilities at the hospital located in Maiduguri, Borno state. This includes the construction of a GOPD/NHIS and Retainership Complex, the construction of both Block A and Block B of the Child & Adolescent Institute.



Kidney Treatment Hospital

Nigeria's Fasbir Construction has signed a Memorandum of Understanding (MoU) with Adhyay Foundation in India to construct a kidney treatment hospital in Dass, headquarters of Dass local government area of Bauchi State, Nigeria.

The project will involve the construction of a state-of-the-art medical facility. Medical and diagnostic equipment, as well as have professional medical personnel from both countries, would also be provided. In addition to the first class medical facility, the project involves the construction of a medical school for the training of medical personnel that will help in the provision of qualified medical workforce in the country.

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