

Ole Per Maloy CEO, Siemens Healthineers, Middle East and Southern & Eastern Africa



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Following a turbulent few years for the healthcare industry, especially in the Middle East and Africa region, Siemens Healthineers's Ole Per Maloy explains how the medtech giant has pivoted towards comprehensive cancer care and rolled out several innovative access initiatives to ensure that patients throughout the region can obtain accessible and affordable healthcare. He also outlines the uptake of cutting-edge innovation in the region's leading markets of the UAE and Saudi Arabia and discusses his own experience of managing in situations of high volatility.

What have been the items at the top of your agenda over the last few turbulent years for the healthcare industry?

The last few years, including the COVID pandemic, have had a profound effect on the healthcare industry. We have all learnt a lot from the unprecedented challenges and complexities that arose, making it clear that health systems need to be more robust and sustainable. At Siemens

Healthineers, our purpose is to bring forth innovative solutions and breakthroughs to enable healthcare providers to deliver high-value care.

On a company level, with the EUR 16.4 billion acquisition of Varian, we are shaping the future of cancer care. Siemens Healthineers is now the only company in the industry that provides a comprehensive cancer pathway with solutions from screening and early detection, through diagnosis, therapy and survivorship. In this region, cancer treatment is not as developed as in Europe and the US, so we have a large gap to fill. Especially if we look at Africa, developing cancer care systems sits as a priority in many national development programs but no country yet has an established cancer care system in place. This is where we see ourselves as reliable partners to the governments in helping them develop.

Another key focus area for us company-wide is our "Access to Care" initiative, which is well suited to addressing the challenges of our region. With this initiative, we are closely looking at how healthcare can be made more accessible and affordable for underserved areas and populations. As a company that is known to be a market leader in revolutionary technology, we are expanding our portfolio to maximize outreach and offer more cost-effective solutions to low-income markets. This expansion includes not only introducing new tiers of products but also bringing forth innovative concepts and business models.

For example, in Kenya, together with a business partner, we have signed an agreement with five peripheral regional areas. We are using drones to collect blood samples and then test them in a central lab. It is amazing! In the future, we are thinking about the possibility of developing this concept even further to test water quality and deliver medicines. This is a fantastic example of how we can use modern technology to improve access to care and thus impact the quality of life for many.

Business concepts and products are one side of a move to push forward innovation, but human capital must be trained to a certain level to be able to use it. How do you ensure that people operating in the region are sufficiently experienced and capable?

Firstly, to enter a new geography we are contributing a lot from our own resources. In addition, our business partners also finance and contribute significantly to setting up the infrastructure. We bring along experts to teach local healthcare professionals how to operate our machines optimally. Furthermore, we are leveraging digitalisation capabilities to operate certain products, such as CT scanners, remotely.

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Is it a challenge to work with local governments in the region?

Access to funds is the game-changing factor globally, so in many cases, everything comes down to that. COVID, for example, hit the Western world very hard, but these countries have been able to rebound quite well. Here, the post-COVID recovery has been more difficult as financiers chose to focus on lower-risk projects and financing tools for Africa have therefore dried up. As a result, we are working closely with NGOs and other financing institutions to develop programs so they can get the best value for money and reduce risk when investing in these healthcare projects.

Siemens Healthineers is strongly focused on innovation, but have you been able to bring any of the company's latest concepts to MEA given the financing challenges facing the region?

AI is the new buzzword but the adoption of AI in healthcare is more complex than in other industries. Within healthcare, where we are dealing with and touching human lives, we need to ensure that AI tools are absolutely accurate and precise, presenting no compromise on quality or outcome before we start employing them in clinical decision-making.

Having said that, within radiology, we already employ AI in certain areas. As an example, AI is used to identify nodules on the lungs for cancer. It is not used as a sole diagnosis tool, but it complements radiologists in identifying abnormal activities. By leveraging AI technology, radiologists can enhance their speed and accuracy in diagnosing conditions, improving patient outcomes. As mentioned earlier, we are also putting in place remote centres capable of serving remote areas as well as improving the quality of diagnosis. I am convinced this will be a growing concept for us across the region for the years to come.

Saudi Arabia and the UAE are in fierce competition to be the most innovative and establish themselves as the leading light for other countries in the region. How does this impact your business?

For sure the competition in places like the UAE, Saudi Arabia, Kuwait, and Qatar is strong, and this is not just between private players, but equally between the private and public sectors. Even wealthy countries in the Middle East cannot afford to offer healthcare services on their own so there is a need for private supplementation. This allows the countries to get the most bang for their buck when it comes to healthcare spending.

Private-public interaction is the mature way of running a modern country and it is shifting how we do business. Our customers are getting bigger due to consolidation and as a result, their purchasing power is increasing commensurately and they expect us to interact closer with them. Furthermore, they want direct collaborations and partnerships, and less of the distributor model we used in the past, meaning we must also grow our competencies for this.

Another important point is that the introduction of a compulsory insurance plan has boosted the market. However, it is unfortunate that the level of care that the insurance companies want to pay for via these plans only covers the very basics and does not represent comprehensive coverage. This consequently does not encourage hospitals and clinics to invest in more advanced treatments and bring innovation to their services.

How far have you been able to go in establishing the company's comprehensive cancer treatment program in healthcare institutions in MEA?

Cancer treatment varies greatly across the region, and even within countries. In the UAE, for example, different emirates have differing levels of care. In the private sector we see that many of the hospitals do not have comprehensive cancer care offering, for example, some perform diagnostic imaging or testing and basic treatment while another hospital performs radiotherapy.

Nevertheless, many of our customers, such as large hospital networks have the vision and ambition to offer more holistic solutions for cancer care from diagnosis to treatment and aftercare.

Who begins the discussions to change the approach to being more holistic?

The insurance companies will have the most impact as they have the power to demand more from hospitals who will then invest in better care. Unfortunately, our interaction with insurers up to this point has been very limited. I am however convinced that this will change in time.

You recently signed an agreement with Aster DM Healthcare here in UAE. Could you give us an overview of this and how it will impact patients?

We have a long-term agreement with Aster DM Healthcare to provide specific hospitals with equipment and services. Our role involves supplying, installing, and maintaining the equipment before then analyzing the workflow of the system to ensure efficiency and productivity. This partnership enables us to work more holistically and on a long-term basis but also enables Aster DM Healthcare to focus on the patient and treatment outcome. It is a win-win situation for all parties involved.

The UAE has global ambitions in the life sciences; do you see any opportunities ahead for the country in areas such as manufacturing?

Many countries want to establish manufacturing facilities locally. It is, however, not realistic in most cases since establishing a factory for medical equipment requires massive investment and huge production volume able to deliver thousands of systems on a large scale. In my opinion, unless local production can offer something completely new, it may not be realistic to establish a traditional factory here. However, an area of opportunity is services and software development. Given the significant burden of disease in the UAE compared to those of Europe and the US, there is a lot of potential to create AI-supported treatment centres among other projects.

Are you doing anything to facilitate the development of these technologies, such as software?

In the UAE, we run several innovative think tank initiatives and are working with university hospitals, graduate students, and young managers to identify pain points in the hospitals and national healthcare system. Once we identify a weakness, we are finding solutions and facilitating the development of products and solutions. We are also further expanding this program to other countries within our geography such as Egypt, Saudi Arabia, and South Africa.

Siemens Healthineers is a massive global player, but where is its main competition coming from?

Competition here is certainly heating up as the market matures, but the long-term thinking we put into our operations is paying off. Competitors come here and offer alternative options, but when a

customer works with us, they know we will be here long into the future, which gives them trust and confidence to work with us.

Pricing is becoming tougher. Our typical global competition is here, but companies from emerging regions such as China, which have state backing, are now entering the market and creating a new type of challenge to deal with. As a result, we must sharpen our pencils and work smarter and more effectively, using models like the aforementioned partnership with Aster DM Healthcare. Not many companies can offer a comprehensive portfolio like Siemens Healthineers with a long-term outlook, and this puts us in a prime position in the region.

Having spent a long time in the MEA region, how do you deal with the levels of volatility that exist here?

Volatile is the correct word. For example, I was in Sudan just a couple of months back and was excited by the development of healthcare services and hospital investments there. Only a few weeks later a civil war broke out. Things definitely change quickly, especially in this region.

A significant role for me and my colleagues here is to act as cultural mediators, representing a company deeply rooted in Germany and embracing long-term thinking. Reliability and stability are at the core of our DNA, and all this contrasts with many of the markets we operate in. I certainly think all these cultures have a lot to learn from one another.

Emerging markets have recently made a resurgence in the eyes of global companies. Why do you think that is so?

I will say that a few years ago, many emerging markets were overhyped and there was some expectation that double-digit growth year on year was going to be the norm. This did not happen and there has been a realignment of expectation with reality. We do see a revitalization of these regions, but we must understand that they are still volatile and that growth might be fragile.

One success story is Egypt. For a decade we saw double-digit growth and the government and several private investors were investing heavily in the drive for better healthcare. The needs and the market of more than 100 million people were waiting to be served. However, this changed rapidly as the country experienced a massive devaluation of its currency and high inflation. I sincerely believe that this will change back, and what we have seen lately is just a bump in the road. In the medium- and long-term, Egypt will recover.

Are there any other markets you are excited about in the next few years?

Saudi Arabia. There is a plan to shift healthcare from the public to the private sector by 2030 and we believe this will offer us many opportunities. Siemens Healthineers has big ambitions there.

What message do you have for the UAE government?

They are doing a fantastic job and are on the right track in developing the country, strengthening the ease of doing business and especially improving the healthcare ecosystem. A minor but still important improvement I would like to see is a simplification of the import of spare parts into the

country. This would enable us to support our customers faster and better. But overall, we are very happy to operate out of the UAE, both from Dubai and Abu Dhabi.

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