

Tarek El Rahbani – Senior Regional Director, EMEA Growth Emerging Markets – South, Boston Scientific



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Tarek El Rahbani, Senior Regional Director for EMEA Growth Emerging Markets – South at Boston Scientific, highlights the transformation of the Middle East and North Africa (MENA) region’s medical technology market, the implications of having subregions with some of the highest demand for new technology in the world under the MENA umbrella, and the newly bolstered role of the private sector in the Gulf countries. In addition, El Rahbani comments on how a direct presence has opened doors for Boston Scientific, the support that his organisation is receiving from headquarters, and the new procurement landscape in GCC.

What does the company mean by “growth”, which is embedded in the name of the region? What expectations has it set?

Our region encompasses the emerging markets of the traditional EMEA region. When we talk about Growth Emerging Markets, we are talking about markets with very strong growth potential that still require significant investment and have substantial healthcare needs, contrary to Western European markets that tend to have relatively well-developed healthcare systems. Our region is still

developing, whereby the more we invest, the more training and education we do, the better access we create for patients and the more we can grow the business. Our region is considered a growth engine.

You mentioned that your region is a growth engine. Why is that the case?

This is a region where healthcare markets continue to grow steadily and at a faster pace than in the rest of the world, for many reasons. With improvements in healthcare, life expectancy and lifestyle choices across the region, more patients with chronic diseases have emerged and thus have a higher need for our therapies. There is still a great need in the region to build more healthcare capacity. The COVID-19 pandemic made it clearer for everyone.

The second driver is that despite all the investment in healthcare over the past 40 years we are still far from reaching the standard of care we desire.

If you take the number of PCIs (percutaneous coronary interventions) device implants performed in emerging markets and compare it to Europe or North America, there is a big gap.

If you zoom in to the number of physicians in certain subspecialties, the region needs lots of physicians, nurses, and facilities; whether you look at Saudi Arabia, UAE, Kuwait or Oman, the whole region is in short supply.

If we take only the GCC region, we find countries blessed with a good economic situation, where greater attention from governments is being put on healthcare investment. Of course, there is always a cycle of ups and downs, as with many emerging markets, when crises take place or the price of oil, to name one commodity, falls. However, we have learned over the past 20 years that after every crisis there is a strong growth rebound; we saw it after the 2008-09 crisis, and I am confident we will see it again post COVID-19.

When looking at the GCC from the outside, it is always striking to observe the huge investment in hospital infrastructure. How do you interpret that situation and how is the role of the private sector changing?

There is a permanent need for hospitals, although the urgency changes from one country to the next. If we look at Saudi Arabia's healthcare transformation, for example, we continue to see a growing need for more centres, especially in remote areas and the government is trying to do it in a smarter way, through public-private partnerships (PPP). In the past, the government was in charge of building, operating, and maintaining hospitals, but they realised that the private sector had an important role to play, providing upfront investment and delivering healthcare in return. The private sector is often more efficient and effective, that is how the country was able to deliver better services for the same or even less cost.

There is a strong trend towards privatisation and PPPs in progressive countries like the UAE and Saudi Arabia. Within this model, if a specific district needs a tertiary healthcare centre, for example, the government will ask the private sector to come and establish the infrastructure. In return, the government will sign multi-year agreements with private operators and send patients their way. The private sector can fill the gap in terms of service delivery.

What does an enhanced role of private players mean to a company like Boston Scientific?

Historically, most of our GCC business was in the public sector via traditional tendering processes, a very transactional relationship done through regional partners.

This is changing with Boston Scientific looking at more ways to contribute to the healthcare system and local communities, aiming to build long, sustainable relationships; strictly transactional relationships are not sustainable over the long term.

Naturally, this is easier said than done. PPPs are a great concept, and we are only at the initial phase, but we are seeing the landscape changing with the emergence of big public purchasing entities in Saudi Arabia and others in the UAE and Egypt.

This change means that we must cope with a new reality, restructuring our internal operations to adapt because investing heavily in training and education, while important, will not be enough; our team must respond to the demands of purchasers that want to see the value behind therapies. Governments want to treat more patients at the same, or even lower, cost and see the real value so as not to invest money in unnecessary therapies.

How should we think about the company's decision to move away from a distributor model in the KSA in favour of direct operations?

It's not about moving away from the distributor model per se. We collaborate with channel partners all over the region and we will continue to do so wherever this model enables us to better serve patients and customers. If we believe that we can better serve a specific market by being direct, then we will do so.

In Saudi Arabia, we just went live with our direct operations; we established a legal entity and hired a strong team in the country. Since one of our priorities is building local capabilities, we are emphasising the importance of attracting local talent.

Being closer to customers, patients, and healthcare practitioners is extremely important. Our organisation must be flexible in delivering training, education programs and clinical solutions.

Michael Mahoney, Boston Scientific's CEO, recently visited Saudi Arabia for the opening of a new Boston Scientific office. What were the main conclusions of the visit and what message did you try to convey to him?

Indeed, Mike visited KSA to meet customers, local team members and inaugurate our new office in Riyadh. We have a leadership team that believes in the importance of emerging markets and the teams on the ground.

In our region, the formula is there because we have the need and the patients, at the same time, KSA has the infrastructure and economic power. We were supported by the company's leadership team to accelerate investment in the region and establish a direct presence. We took this decision early in 2020, and despite the COVID-19 pandemic we did not stop, we went live as of January 2022 in the Kingdom.

A common denominator among GCC countries is the high adoption of innovation and a will to pay for it. How do you see that trend evolving?

Something unique about the GCC is that the region is the place to go when you have an innovative therapy; in many cases, we launch therapies here before the US or Europe because physicians and governments are eager to offer the latest innovation to the population. The countries here want to be at the forefront of innovation and have the means to get it; they want meaningful therapies at a fair cost. Autonomous driving cars or hyperloop transportation are good examples of how Saudi Arabia and the UAE are positioning themselves as pioneers in technology adoption.

For the seventh consecutive year, Boston Scientific was recognised on Fortune's list of the World's Most Admired Companies. What can you share with us about the internal culture that has taken the company to this point?

The Boston Scientific brand enjoys great recognition from employees, partners and health care professionals. We did not spend a lot of time on external branding compared to other players with a larger history in the region, but everyone recognises the company because of our internal culture. We focus on diversity and inclusion, have strong core values, and always think about our impact on communities and the environment.

We are growing fast, which helps with recruiting talent, but the main differentiating factor is word of mouth. During the COVID-19 pandemic Boston Scientific proved once again that it is a caring organisation.

As for the Middle East and Africa region, the opportunities and medical needs are big. We have dozens of countries and millions of people in need of better health care solutions. As Boston Scientific keeps patients at the centre of its attention, achieving success will follow.

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