

## GCC's Aging Population Could Challenge Its Healthcare System

An aging population in the GCC could potentially impede the growth of the region's healthcare industry, experts have said.

“There is an increase in the size of the population we’re seeing in many countries, but more importantly an increase in the average age of the population, is increasing challenges that our healthcare system is facing,” Karen Taylor, who heads Deloitte’s Center For Health Solutions, said on the sidelines of Dubai’s Arab Health conference. “We also have both demographic, economic and disease trends that are challenging healthcare systems across the world.”

With improving healthcare, lifespans are increasing, but approximately a quarter of the GCC population would be over the age of 65 by 2050, according to a Deloitte’s January 2018 report on Life Sciences And Healthcare Predictions: GCC Trends. This stands in stark contrast with current demographics in the region—40% of people in Middle East are under 25.

When a country has a larger proportion of elderly people, who are generally dependents (either of family members or the government), it increases the government's costs as the officials would need to accommodate the needs of the older population. This is specially a problem in countries where the dependents outnumber a young, working population.

However, a 2015 report on [World Population Aging](#) by the United Nations notes that an older population does not necessarily mean more healthcare spending if healthcare systems are changed to suit the new demographic balance.

Taylor noted that these trends would increase the cost of delivering healthcare, specifically noting that changing demographics were the primary factor that would increase spending. Deloitte expects GCC healthcare spending to reach \$69.4 billion in 2018—In February 2017, [PwC projected](#) that GCC healthcare spending would reach \$69 billion by 2020.

Much of this spending will go towards 37 mega hospital projects, worth \$28.2 billion, that are planned in the coming years.

Globally, the report made [six key predictions](#) for 2022:

1. Individuals will be better informed about their health and more likely to take preventative action.
2. Technology disrupts and transforms healthcare, and hospitals leverage technology to optimize their functions.

3. Pharma uses a lean operating model to get research funding and create more cost-effective medical innovations.
4. Healthcare data is a priority for national infrastructure and attracts significant funding. It's used to develop better treatments.
5. Medicine is predictive, preventative, personalized and participatory.
6. Non-traditional healthcare players, including supermarket chains, technology giants and life sciences companies, disrupt the healthcare landscape, and partner with traditional providers.

The report notes three key enablers in order to reach those predictions. Widescale adoption of new technology, including data and analytics, will help move “towards an outcomes-based, patient-centric care model.”

Recruiting and retaining new skills and talent, including digital and analytical skills, will determine whether or not the report's predictions are actualized.

Regulation has to move with innovation, as “a risk-averse approach to regulation has impeded adoption of innovation,” though the report notes that this is changing.

The GCC is already taking steps to adopt technology in healthcare, according to the report. NMC Healthcare has partnered with telecom company Du to integrate Blockchain into their systems, and Internet of Things technology is being used in 50% of hospitals in the U.A.E., Saudi Arabia and Qatar.

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