

NMC Health Moves Ahead With Plans To Build Healthcare Network In Saudi Arabia

Abu Dhabi's NMC Health has signed an agreement with Hassana Investment Company, a subsidiary of Saudi Arabia's largest pension fund, to develop a network of world-class healthcare facilities in the kingdom.

It marks an expansion in Saudi Arabia for the London-listed private healthcare operator at a time when Riyadh is pushing a health care privatization program, in line with its Vision 2030 economic reform plan. Last year, Saudi Arabia's investment authority announced it would allow foreign investors to hold 100% ownership of healthcare companies in the kingdom to help increase private sector spending.

NMC Health and Hassana aim to invest \$1.6 billion into the proposed joint venture over the next five years and employ up to 10,000 staff, according to a statement from the companies. The partners signed the agreement on the sidelines of the Future Investment Initiative in Riyadh this week, after they entered into a non-binding share swap agreement earlier this year.

"The proposed partnership between Hassana and NMC is driven by our view that healthcare in Saudi Arabia is one of the most attractive markets for strong long-term growth," said Saad Bin Abdulmohsin Alfadly, Hassana's CEO, in a statement.

As part of the move, NMC Health plans to take majority stakes in Saudi-based healthcare operators, while acquiring operation and management contracts to oversee private and government hospitals in the kingdom. NMC Health will hold a voting majority in the proposed joint venture, with the exact stake subject to final terms.

The formation of the proposed venture is still subject to regulatory approvals and signing of definitive agreements, with both companies still needing to complete necessary due diligence.

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