



**ROYAL DANISH
CONSULATE GENERAL**
The Trade Council in Istanbul

MARCH 2020

HEALTHCARE IN TURKEY

BUSINESS OPPORTUNITIES FOR DANISH COMPANIES

Prepared by The Trade Council of Denmark in Istanbul



1. HEALTHCARE MARKET IN TURKEY¹

"Turkey has a common platform and will launch new governmental incentives for the benefit of public and private sectors investing in the future of healthy societies in Turkey."

Dr. Fahrettin Koca
Turkish Minister of Health

Healthcare in Turkey consists of a mix of public and private health services. The overall system provides health services to 83 million population.

In general, Turkey has 35.559 health institutions including small and big services. Among them, 1534 health campuses with in-patient services and 33.025 outpatient providers are reported in healthcare system in 2018. Total bed number is 231.913 and the number of beds per a thousand people is 2,83 accordingly.

As of 2020, total number of physicians (doctors) is 164.594; total number of nurses is 198.465; and total number of dentists is 32.859 in Turkey. According to these figures, the number of people per a doctor is 498,2 which is quite higher than the OECD average (341,3). The number for public and private health expenditures as a share of GDP is calculated as 4.4 in 2018.

Considering the statistical figures and health service capacities, Turkey performs similar to the UK; although the share of GDP as health expenditures is lower than any other developed country.

Nevertheless, Turkish healthcare system is rapidly improving in public and private sectors with the reforms in early 2000s carried out by Turkish Ministry of Health (MoH, hereinafter).

The shift from public to private, which is strongly recommended by OECD, is highly encouraged by Turkish state. Accordingly, a new and dynamic market in private healthcare is emerging and it has changed the structure of healthcare providers to became more demand and patient oriented.

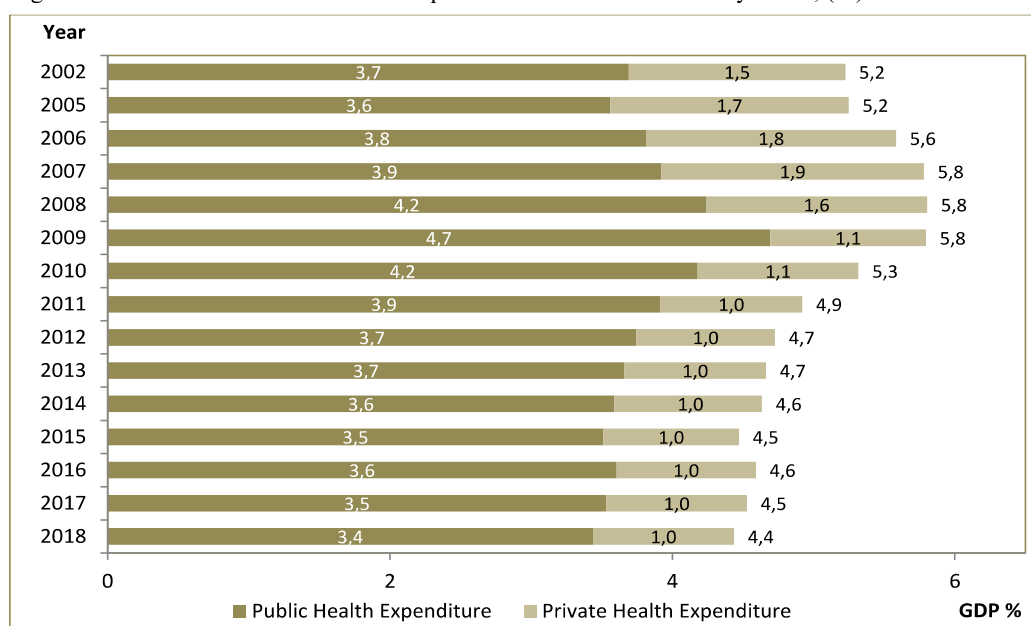
In addition, MoH has been investing heavily in the digitization of healthcare in the past five years by supporting and encouraging business endeavors to launch several web-based & cloud platforms and smart hospitals.

¹ This report is based on healthcare statistics of Turkey retrieved from the Turkish Ministry of Health, Invest in Turkey, TurkStats, World Bank, IMF, OECD and UN databases. The report is prepared in March 2020.

IMPORTANT FACTS & FIGURES²

Public health expenditures of Turkey increases in line with global indicators, by 5,4% annually. Dramatic increase in the global healthcare expenditures is estimated to reach USD 10.059 trillion until 2022. Similarly, purchases on healthcare technology industry will reach USD 280 billion until 2021.

Figure 11.1. Public and Private Health Expenditure as a Share of GDP by Years, (%)



Source: TURKSTAT

The Presidency of Turkey's Strategy Development Directorate released DKK 83 million grant for the development of medical infrastructure in 2018-2019. An example from 2017 is the opening of "5G Valley: Open Test Field" in collaboration between Hacettepe University, METU and IT Council of Turkey. Total R&D expenditure of government was more than USD 177 million in 2017 according to OECD 2018 database.



✚ 2 billion elderly people in 2050 globally

✚ 1 GB healthcare data collection daily

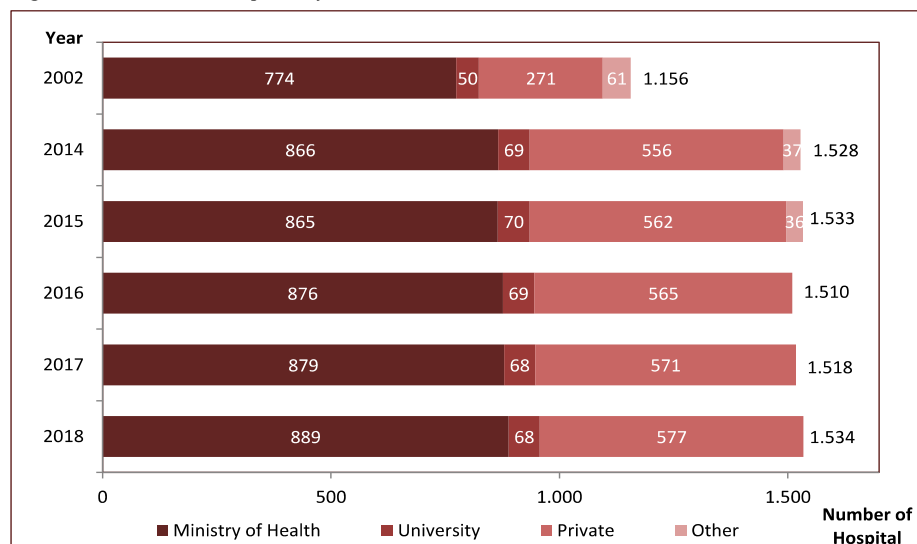
✚ 14 million employees estimated on healthcare sector in 2030

✚ 90% of all patients demand more comfort and remote treatment

² Based on data retrieved from Turkish Ministry of Health, UN Trade dataset, World Bank, OECD, IMF 2019 databases.

In Turkey, private healthcare service providers' growth rate is 13% and they execute 25-27% of all service providers' expenditures. Economic forecasters predict a growth in the high-income group which would increase the demand for private healthcare services. Turkey has 571 private hospitals, 696 private medical centers, 335 private clinics and 324 hemodialysis centers.

Figure 7.1. Number of Hospitals by Years and Sectors

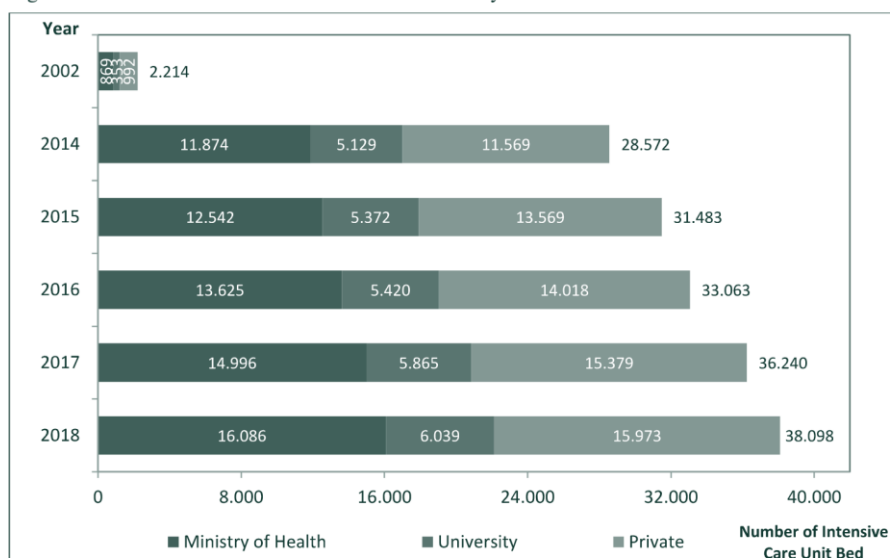


Currently, ten super city hospitals are in-service and being improved digitization infrastructure. Eight new city hospitals start to function in 2020 and for the next year, tender process is completed for two additional city hospitals.

Source: General Directorate of Health Services

Turkey is developing its digital healthcare strategy based on HIMSS³ standardization (EMRAM/EMR, electronic medical recording) and currently has three city hospitals certified as HIMSS-7 and 167 public and private hospitals with HIMSS-6 certificate.

Figure 7.9. Total Number of Intensive Care Unit Beds by Years and Sectors



Turkey has more than 42.000 intensive care unit beds as of 2020. Excluding the newborn and pediatric intensive care units, more than 25.000 adult patients can access in-patient treatment in intensive care units.

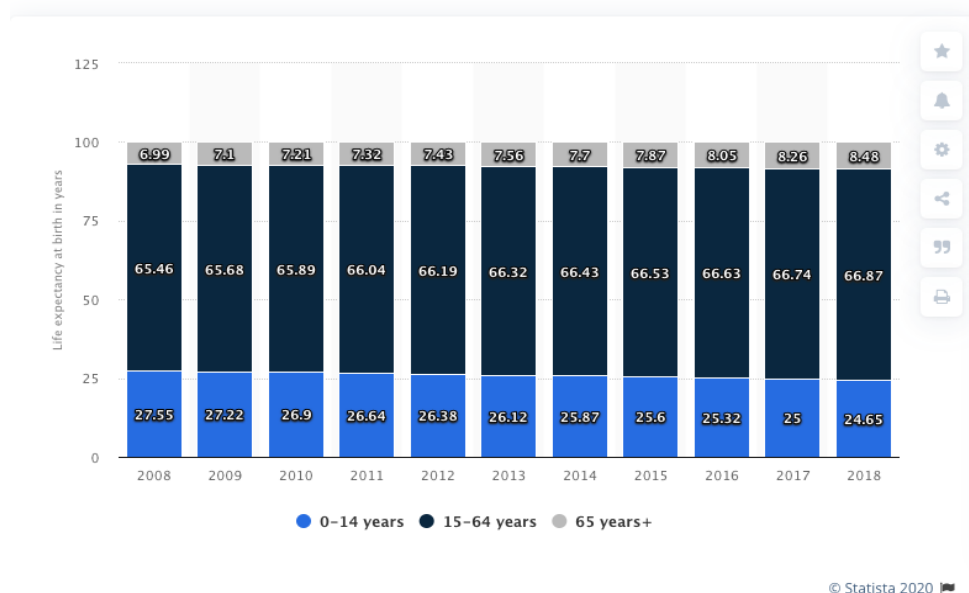
Source: General Directorate of Health Services

³ HIMSS indicates the digitization level of the hospitals as an international standardization.

The elderly care places an utmost importance for the future of healthcare in Turkey. Considering the aging population and more demand for quality in services require a new systemic structure on the elderly care, as Turkish government supports to establish.

Turkey: Age structure from 2008 to 2018

(in years)



The elderly population (65+) has increased by 16% in the last five years and reached 7.186.204 people in 2018. The proportion of the elderly population to the total population increased by 8.8%.

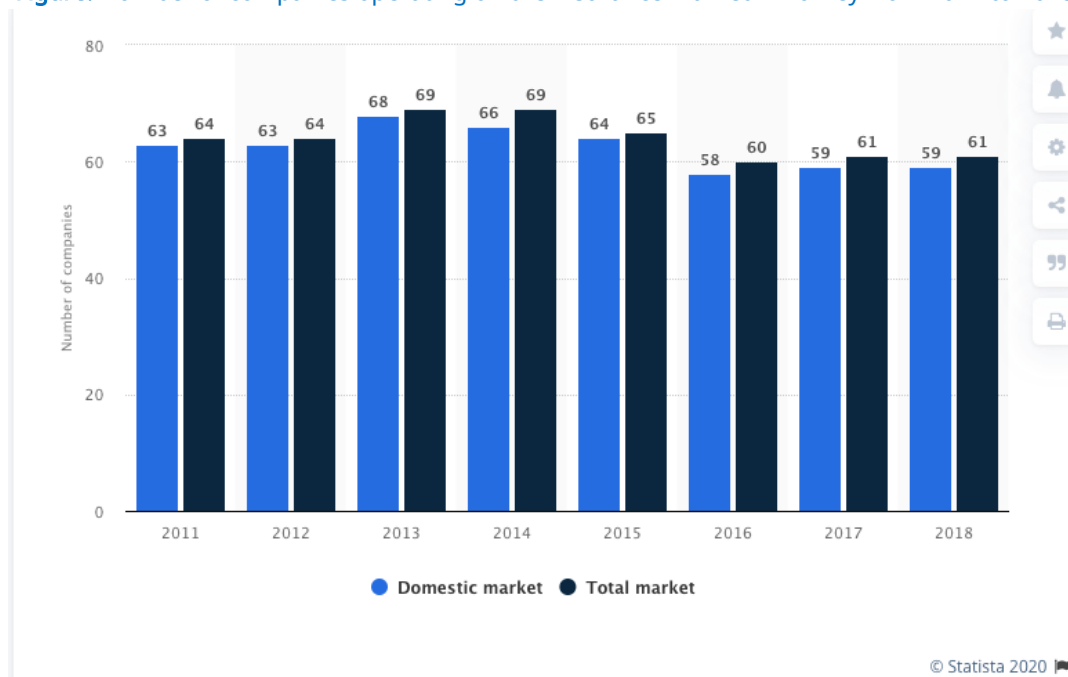
Table: Nursing Homes in Turkey, 2019

<i>Type of nursing homes and their affiliations</i>	<i>Number of Nursing Homes</i>	<i>Capacity</i>	<i>Number of individuals cared for</i>
MFSP	112	12.717	11.692
Other Ministries	2	566	566
Municipalities	20	2.013	1.409
Associations and Foundations	31	2.556	1.789
Minority communities	7	920	644
Private	131	6.537	4.610
Total	303	25.309	20.711

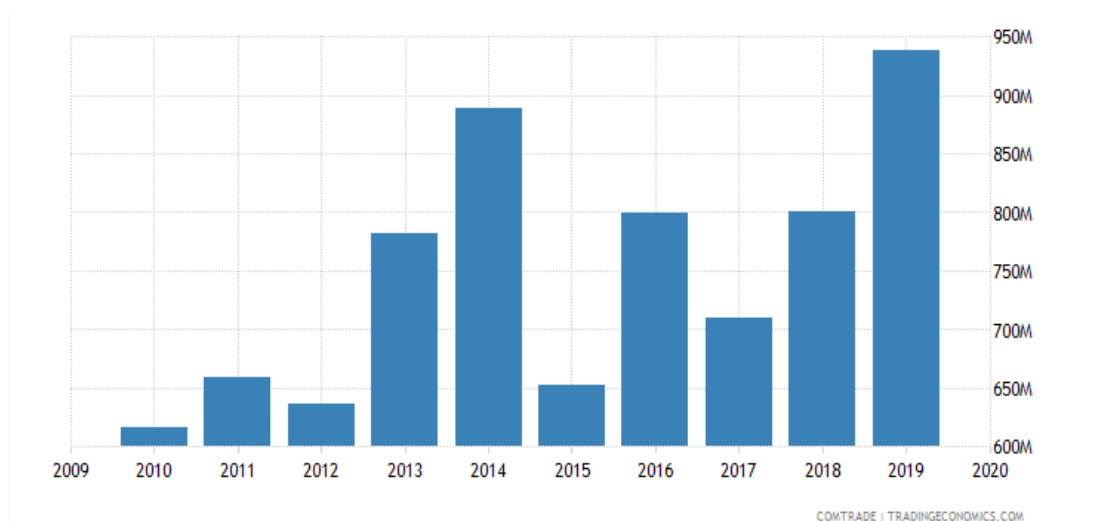
Source: Ministry of Family and Social Policies, 2020

Healthcare services are mainly financed by the public. More than 2 million people are covered by private health insurance and more than 500 thousand people additionally has complementary health insurance in Turkey as of 2018.

Figure: Number of companies operating on the insurance market in Turkey from 2011 to 2018



Denmark's export to Turkey is in increasing trend towards USD 1 billion for the last decade. In 2019, the number is contributed by USD 14.65 million from pharmaceutical industry in the healthcare and social services, USD 53.38 million from albuminoids and enzymes, USD 35.42 million from medical devices, USD 12.08 million from chemical products according to UN Comtrade Database.



There are **684 Danish companies** registered in Turkey of which more than 20 offer healthcare and social services. To mention a few; Alvimedica / Nemed, Coloplast, Falck Global Assistance, Lundbeck, Novo Nordisk, Pharma Nord / Farmavita, Radiometer, Leo Pharma, Oticon and Ferring



Turkey's pharma exports reached USD 1.17 billion in 2018 with a 32% increase comparing USD 890 million pharma exports in 2017. On the other hand, Turkey's pharmaceutical imports exceeded USD 6 billion in 2018. Considering these figures, Turkey implements an active governmental strategy on subsidies and state incentives to support international medical companies to localize their manufacture in Turkish healthcare eco-system.

2. DIGITIZATION AND SUSTAINABLE SOCIETY

Beneath quantum computers, artificial intelligence robotics, and virtual spaces, healthcare industry creates more sustainable and cost-efficient solutions to the patients from which Turkish healthcare system can benefit a lot.

Turkish healthcare industry is seeking more innovations, especially in the last ten years, due to technologic advancement and interconnectivity in the 21st century. Both public and private sectors are closely following the developments in European countries in order to keep up with global standards and to provide the best possible service.



National Stakeholders in Turkey: Ministry of Health, Ministry of Science, Industry and Technology, The Presidency, Parliament Working Groups, public and private hospitals, health insurance companies, universities, municipalities, health clusters, foundations and other associations

National Targets: Supporting digital transformation, improving emergency care, developing personalized care and remote treatment systems, integration of AI, building smart hospital management, assuring coherent patient flow, developing prevention and

rehabilitation systems, improving chronic patient monitoring, promoting healthcare innovation, consolidating digital ecosystem, building innovation centers and testing technologies, developing innovation models, and achieving technology transfer worldwide

BIOTECHNOLOGY

National Stakeholders in Turkey: Ministry of Health, Ministry of Science, Industry and Technology, hospitals, universities, public and private laboratories, health clusters, healthcare investors, foundations and other associations

National Targets: Developing more sustainable prevention and treatment of cancer and stem cells, supporting local R&D, encouraging clinical trials, breeding and researching on molecules and peptides, promoting genetic engineering

URBAN HEALTHCARE

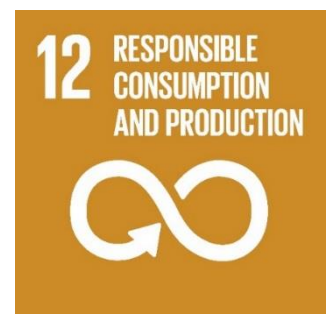
National Stakeholders in Turkey: Ministry of Health, Ministry of Transportation and Infrastructure, Ministry of Trade, Ministry of Finance, The Presidency, Parliament Working Groups, Municipalities, National Health Institutes, National Statistics Institute, Universities, Diabetes Associations and other NGOs

National Targets: Assuring quality of life, fighting diabetes and obesity, prevention of non-communicable diseases (heart disease and stroke, hypertension, diabetes, cancer) and infectious diseases (growing mobility within and between cities and urban expansion into natural habitats contribute to ever-more-rapid emergence and spread of infections), supporting mental health (lack of public space for recreation and socialization can lead to isolation and depression)

ELDERLY CARE

National Stakeholders in Turkey: Ministry of Health, public and private hospitals, health insurance companies, universities, relevant associations and foundations

National Targets: Building more systematic elderly care and management, developing rehabilitation equipment, improving sustainable cities and communities



3. POTENTIAL FOR DANISH COMPANIES

Here are the significant points where Danish companies can open pathways for business partnerships and collaboration in healthcare industry of Turkey.

- The Turkish Ministry of Health has made large investments in the improvement of healthcare sector in Turkey. However, the remaining challenge is the human error blocking efficiency. Danish know-how can contribute to the functioning system which is supported by the MoH.
- The compliance with GDPR on healthcare data provides the basis for additional business opportunities i.e. protocol editing, license registry, public monitoring applications, testing centers, tracking the transfer of data, product development consultancy for the public institutions and corporations etc.
- There is a wide dealership and representation pool for international healthcare products and services in Turkey and this pool has well-established access both to public and private decision makers in Turkey.
- Private hospitals and international clinical centers are the areas where patient and clinical management, patient accounting, user experience, and cloud solutions are invested mostly.
- Currently, hospital information management systems, telemedicine, teleconsultation, quality control, electronic portals integration, radiologic reporting, personalized healthcare systems, open data services, official monitoring portals and cybersecurity systems needed to be improved therefore, more advanced know-how transfers are highly appreciated and the success stories attract investment in Turkey.
- Turkish state, similar to other countries in our region, also promotes medical tourism with structural changes, tax sales and financial incentives. Among annual 42 million visitors, more than 2 million foreigners preferred Turkey as a healthcare destination in 2019. Turkey neighbors 377 million potential healthcare clients in the region.



4. WHAT TRADE COUNCIL CAN DO FOR YOU?

- We are your gateway to new markets.
- We are present in local markets and offer high value consultancy services to Danish and foreign companies.
- The Trade Council is part of the Ministry of Foreign Affairs of Denmark and assists Danish companies to realize their ambitions within export, innovation, growth and investment.

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