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***Aligning multiple stakeholders in Saudi Arabia's healthcare transformation is pivotal yet challenging. With the creation of new entities alongside the transformation of existing ones, establishing cohesive governance and operational models becomes crucial***

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*PwC veteran of 20 years and partner in the consulting firm's strategy arm, Strategy&, Dr Walid Tohme has been directly involved in Saudi Arabia's healthcare transformation journey since 2016. He discusses the significant progress that has been made since then, including the institutional restructuring to separate regulatory functions from healthcare provision and the creation of the Saudi National Institute of Health (Saudi NIH). In addition, he remarks on the challenges involved in aligning the kingdom's stakeholders, the need to prioritize IP protection in order to foster investment, and Saudi's move to enhance local R&D and biomanufacturing capabilities.*

**Could you introduce yourself briefly and outline your areas of expertise?**

I am a partner with Strategy&, the strategy arm of PwC. I have been with the firm for about 20 years, primarily based in the Middle East since 2008. Before that, I spent nine years as a professor at Georgetown Medical Centre in Washington, D.C., and I started my career with (former) Booz & Company in New York in 1998.

In the Middle East, I have been involved across the region, focusing heavily on healthcare and life sciences, particularly in Saudi. Since 2016, I have been deeply involved in the healthcare

transformation journey in Saudi Arabia, which included the separation of regulation, provision, and financing within the healthcare system, the establishment of the Health Holding Company (HHC), the Centre for National Health Insurance (CNHI), and the Ministry of Health's transition to a regulatory-only role.

Over the past four to five years, there has been a growing recognition in Saudi Arabia of the importance of innovation, local biomanufacturing, and achieving self-sufficiency, which was further accelerated by the COVID-19 pandemic. COVID-19 underscored the critical role of AI, IT, and digital technologies as key enablers of innovation across various sectors.

**Given your extensive experience and role in guiding transformation, particularly in Saudi Arabia, could you elaborate on the current significant trends and dynamics shaping the country's trajectory, especially within the context of its ongoing transformation?**

Saudi Arabia is a youthful nation with half of its population under the age of 35. Looking ahead, the demographic shift towards an aging population, along with the prevalence of noncommunicable diseases (NCDs), necessitates proactive healthcare planning. Currently, Saudi Arabia allocates approximately 7 to 8 percent of its GDP to healthcare, a figure that surpasses many regional counterparts but falls short of global averages of around 10 to 11 percent. The overarching goal is to transition from a predominantly curative healthcare model to one focused on prevention, thereby enhancing health outcomes nationwide.

Since the initiation of healthcare transformation efforts in 2016, significant strides have been made, albeit in a complex system that includes around 270 hospitals and over 2,400 primary healthcare clinics. Key milestones include restructuring to separate regulatory functions from healthcare provision, the establishment of the Saudi National Institute of Health (Saudi NIH), and the ongoing integration of healthcare assets under a unified holding company. This phased approach aims to streamline operations and enhance healthcare delivery across the kingdom, supported by initiatives in clinical trials, research and development, and academic collaborations that are pivotal for advancing healthcare innovation and outcomes.

**What are the intended outcomes of these initiatives?**

The primary objective of this transformation is to achieve better health outcomes universally, ensuring improved access to care across regions. Enhanced quality of care is pivotal, coupled with a clearer understanding of healthcare expenditure. Without recalibration, the trajectory was unsustainable and economically burdensome. Therefore, sustainability is crucial. Engaging the private sector more actively in healthcare fosters a virtuous cycle, vital for a thriving ecosystem. The Ministry's operational scale necessitated these changes. Today, we are witnessing enhanced effectiveness through regulatory improvements, policies, and bolstered governance, aiming to optimize sector performance.

**As Saudi Arabia navigates through this healthcare transformation, one of the notable challenges will be the alignment among various stakeholders. Could you elaborate on the complexities involved in this, and how they are being addressed in the current strategy?**

Aligning multiple stakeholders in Saudi Arabia's healthcare transformation is pivotal yet challenging. With the creation of new entities alongside the transformation of existing ones, establishing cohesive governance and operational models becomes crucial. At Strategy&, our role involves navigating these complexities by drawing insights from other global healthcare transformations, such as the NHS in the UK, which provides valuable lessons, good and bad, in governance and stakeholder alignment. The goal is to integrate the best practices from various healthcare systems worldwide to ensure effective collaboration among stakeholders, thereby supporting Saudi Arabia's vision for a sustainable and efficient healthcare ecosystem.

**What distinguishes Strategy& and what is your specific mission within the firm, especially in the context of Saudi Arabia's healthcare transformation?**

Strategy& is PwC's strategy arm, which emphasizes the seamless integration of strategy and execution. Leveraging PwC's extensive global network of approximately 300,000 professionals, Strategy& ensures our clients benefit from both global insights and localized expertise to deliver comprehensive strategy-to-execution capabilities. In Saudi Arabia's healthcare sector, our focus spans from devising strategic frameworks to implementing tangible outcomes, ensuring our recommendations translate into measurable results. This approach is crucial in navigating the complexities of healthcare transformation and achieving sustainable improvements in healthcare delivery and outcomes.

Our differentiation lies in a deep understanding of the local market, anchored by over two decades of collaboration with Saudi Arabia’s Ministry of Health in healthcare transformation initiatives.

**In light of the growing emphasis on digital technologies in healthcare, how is Strategy& navigating these areas and responding to client demands?**

Without a doubt, digital tools are indispensable in our transformation journey. They play a crucial role across various fronts—from enhancing clinical trials and research in biotech to optimizing data mining and synthesizing insights. Understanding both our data needs and the health needs of the population is fundamental. For instance, leveraging innovative platforms allows us to better diagnose and manage diseases like diabetes, contributing to better health outcomes overall. Initiatives such as NEOM are pioneering futuristic healthcare solutions, including biobanks and genomics tools, which are poised to revolutionize patient care.

**It sounds like these technologies offer substantial value propositions and aid in navigating complexities for your clients. Have you observed a growing demand for these innovations within the industry or among your clients?**

Digital technologies are at the forefront of strategic implementation for many of our clients. Whether it is deploying generative AI, harnessing big data, or enhancing biotech strategies, organizations are eager to leverage these advancements to serve patients more effectively and drive operational excellence. The pace of innovation is rapid, and entities like the Saudi Authority for Data and Artificial Intelligence (SDAIA) and the National Health Information Center (NHIC) are crucial in bolstering data security and privacy, thereby supporting national health IT initiatives and fostering collaborative digital ecosystems across different sectors and clusters.

**What will be the necessary enablers and infrastructure needed to support Saudi Arabia’s efforts in the biotech space?**

The National Biotech Strategy, announced by His Royal Highness in January 2024, lays a solid foundation for Saudi Arabia’s aspirations in biotechnology. The kingdom sees this as a strategic opportunity to drive innovation, research, and development, particularly in local biomanufacturing, vaccine development, and genomics. Saudi Arabia is uniquely positioned for advancing studies on

rare diseases like sickle cell disease and thalassemia, leveraging genomics to enhance research and field advancement.

Saudi Arabia already boasts a robust infrastructure with universities engaged in clinical trials and beginning to offer biotech-related degrees. Institutions like the King Faisal Specialist Hospital and Research Centre (KFSH&RC), King Abdulaziz City for Science and Technology (KACST), the King Abdullah University of Science and Technology (KAUST) and the King Abdullah International Medical Research Center (KAIMRC) are already making strides in this direction. However, the challenge lies in consolidating these efforts, overcoming silos, and enhancing organizational synergy. Effective regulations, particularly around bioethics and supply chain facilitation, are critical. Additionally, attracting and nurturing talent will be pivotal for fostering a thriving biotech sector here. Saudi Arabia is strategically positioning itself to attract both companies and individuals through a multi-faceted approach. The Ministry of Investment (MISA) is planning to provide enticing investment incentives, while anchor companies play a crucial role in catalysing the growth of smaller start-ups around them. Riyadh BioCentral, sponsored by the Royal Commission of Riyadh City (RCRC), exemplifies this strategy by planning to become a leading hub by 2030, drawing start-ups and foreign investments alike. This ambitious vision reflects Saudi Arabia’s proactive stance in fostering a vibrant ecosystem where bold ideas and innovation thrive.

**What are the essential factors or critical challenges that you believe Saudi Arabia should continue to prioritize as it advances in biotechnology and related fields?**

The key enablers and challenges that Saudi Arabia should prioritize include intellectual property (IP) protection, particularly crucial for both companies investing in the kingdom and researchers. Establishing robust IP frameworks ensures that innovations are safeguarded, encouraging further investment and research development within the country.

Historically, Saudi Arabia focused on secondary manufacturing, which limited local ownership of intellectual property as multinational companies primarily controlled final-stage processes. To overcome this challenge, Saudi Arabia is now strategically moving up the biotech value chain. By enhancing capabilities in R&D, commercialization, and local biomanufacturing, Saudi Arabia aims to retain more intellectual property within its borders, fostering a sustainable ecosystem where innovation and economic growth go hand in hand. This strategic shift not only safeguards innovations but also positions Saudi Arabia to capture greater value locally.

**What are your key hopes for the next few years? What are you most excited about moving forward?**

It is truly remarkable to witness the transformation unfolding from the vision set forth for 2030 to where we stand today. The journey since 2015-16 has been nothing short of inspiring. Living here and seeing the palpable excitement among Saudis, especially the younger generation, is incredibly fulfilling. Their enthusiasm for change and progress is contagious, and it underscores the significance of our collective efforts.

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