IFC and Private Sector Health Care

At a Glance

- Health is a priority sector for IFC because it is a basic human need. Health impacts the ability of people to study, work and care for their families and access to quality health care promotes development and poverty reduction.
- Across emerging markets, the private sector plays a significant role in health services and life sciences, including for the poorest countries with scarce public resources. IFC provides investment and advisory services to help companies expand access to health care and improve quality.
- The World Bank Group is uniquely positioned to promote better integration of public and private health care systems to foster efficiency and bring down overall costs. The World Bank and IFC are currently developing a joint approach toward engagement with the private health sector.

What IFC is Doing

- IFC provides investment and advisory services to:
  - Expand access to quality care to lower- and middle-income groups
  - Introduce innovations in financing and delivery of services
  - Improve standards of quality and efficiency
  - Complement the public sector to achieve national health goals
- IFC is the world’s largest multilateral investor in private health care in emerging markets.
- Health is a growing part of the IFC Advisory Services portfolio with programs covering investment climate, Public Private Partnerships, green building codes for hospitals, access to health insurance, and providing services for the poor and lower-middle-income market known as base of the pyramid.
- IFC has an active portfolio worth about $1.2 billion in health services, including hospitals, diagnostic chains and HMOs and $300 million in life sciences like pharmaceuticals, vaccines, and medical technology.
- In the fiscal year ended June 2014, IFC-supported health projects provided care for about 27 million patients.

Noteworthy Investments

South Asia Middle East

- India, Super Religare Laboratories Limited (SRL): IFC invested $25 million in the largest medical diagnostics chain in India to support its expansion at home and in Africa. SRL provides services in pathology, radiology, wellness services, and clinical trial testing.
- Sri Lanka, Asiri Hospital Group: IFC invested $20 million in this integrated health services group in Sri Lanka to support operation of four hospitals in Colombo, one in Matara, as well as a network of approximately 300 diagnostic centers around the country.

East Asia

- China, Aier Eye Hospital: IFC provided an $8 million local currency loan to Changsha Aier Eye Hospital Group, which owns and operates six eye hospitals, 14 eye care centers, and two eye research institutes. The funding is supporting construction of two new full service eye hospitals in China, relocation and expansion of three existing eye hospitals, upgrades to six eye care centers, and establishment of an optometry school in Changsha. IFC also assisted Aier in meeting international standards on insurance, environmental and life and fire safety.
- China, Healthway Medical: IFC invested $10 million in equity and committed $15 million in long term loans for this integrated health services network which operates over 90 clinics and medical centers in Singapore. Financing will support Healthway’s establishment of a network of primary and ambulatory facilities in Shanghai and in neighboring provinces where people do not have access to affordable quality care.
Sub-Saharan Africa

- **South Africa, Life Healthcare**: IFC is helping this South African health care provider expand and transfer its world class hospital management to other emerging market countries. IFC invested $93 million for a 5 percent equity stake.
- **AAR, Kenya**: IFC’s $4 million equity investment supports AAR’s goal of becoming the first integrated healthcare provider across East Africa to increase competition and improve services for patients.
- **Health in Africa**: IFC created an equity investment fund for health care service providers who serve low-income people. This fund is complemented by IFC’s advice to governments for improving the business environment for health companies, improving private health regulation, and expanding public-private partnerships.

Latin America

- **Brazil, Alliar**: IFC provided $50 million of financing to help the country’s third largest diagnostic imaging company in Brazil expand the number of outpatient service centers to more cities and make existing centers more efficient. In addition to supporting 2,000 new jobs, diagnostic services will be available in underserved frontier regions.
- **Fundación Cardiovascular (FCV)**: FCV uses telemedicine to expand its specialized services to low-income patients in remote areas in Colombia. IFC’s $30 million investment supports company’s growth.

Southern Europe

- **Turkey, Yapi Kredi Leasing**: IFC’s $25 million financing is helping this company provide small- and medium-sized enterprises with access to latest technology related to health care. Leasing arrangements can help small companies conserve capital and increase income.

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