


Opinions

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The Health Care Sector Cooperation Between Korea and the GCC: Challenges and Policy Proposals



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The industrial cooperation in the health care sector between the Republic of Korea (hereafter Korea) and the Gulf Cooperation Council (GCC) countries has played a significant role in the diversification of the bilateral economic cooperation since the early 2010s. The Ministry of Health and Welfare of Korea signed an MOU with the Ministry of Health of UAE in March 2011 to strengthen the medical cooperation including medical tourism and the management of UAE hospitals. Korea and Saudi Arabia also agreed to promote the transfer of medical technologies and its know-how, as well as medical expert training and education. The Ministry of Trade, Industry and Energy of Korea has promoted the exports of digital hospital system, the ICT conversion of medical

technologies.

Some favorable conditions to the development of the health care sector cooperation can be identified. On the one hand, the health care sector in the GCC countries has been expanded because of the increasing population, life expectancies, and household income. The governments in the region have also made efforts to establish new hospitals and medical centers for the sufficient supply of medical services. On the other hand, the Korean health care sector has improved its medical service quality at relatively low costs. Korean hospitals' management system is also cost-efficient with ICT based medical technologies.

However, some obstacles should be addressed. The bilateral medical cooperation between Korean and the GCC health care sectors has been promoted without consideration of industrial linkages and integration. Neither the one-sided trade of medical devices nor the flow of patients is sustainable. Moreover, as doctors and patients in the region prefer European and American medical devices and pharmaceutical products, penetrating the Middle East market would not be easy for Korean products. The lack of medical professionals including doctors, nurses, and medical equipment engineers in the GCC countries also hinders both Korea and the GCC from having a more integrated and diversified cooperation.

Thus, first, government policies should be implemented so that both Korean and the GCC health care sectors could enhance industrial synergies between medical service sectors and manufacturing sectors. As advanced medical devices create demand for more medical services, medical devices and services should be developed in a virtuous circle.

Second, joint manufacturing projects between Korea and the GCC are conducive to bilateral industrial cooperation, strengthening industrial linkages of both economies. Given the lack of manufacturing infrastructure in the Middle East, these projects can play an important role in diversifying industrial structure and creating decent jobs as is being pursued by the GCC governments.

Third, Korean hospitals and manufacturers should strengthen strategic ties with global hospitals and enterprises to penetrate the GCC markets. This will contribute to the improvement of brand awareness of Korean medical products and services that utilize global brands. As small and medium-sized hospitals cannot make a strategic alliance with global

hospitals, they can promote their brand image by focusing on the specialization in chronic diseases in the region.

Fourth, Korea and the GCC countries should promote vocational education and training program with the establishment of medical colleges and training centers. Exchange of professionals between the two can advance not only the transfer of medical technology but also the mutual understanding of differing institutions, policies and markets.

Bilateral medical cooperation between Korea and the GCC countries can engender economic benefits with each other through income generation and job creation. Small and medium-sized enterprises can also be promoted in the health care sector as this comprises diverse segments of manufacturing and service sectors. Thus, the health care sector needs to be developed more as a catalyst to strengthen industrial cooperation. [KIEP](#)