

MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



SENEGAL'S PHARMACEUTICAL SECTOR – CASE STUDY

Boosting local production to develop Senegal's pharmaceutical sector

Pharmaceuticals is a strategic sector for Senegal and it was highlighted as a priority sector in the 2014 Plan Sénégal Emergent (PSE), the country's national plan. Local producers supply less than 5% of domestic demand and the country relies largely on imports. The Ministries of Economy, Health, Industry and the PSE regulate the sector and drive initiatives to develop it.

Over the next 15 years, the Government aspires to increase pharmaceutical production in two stages – 30% by 2030 and 50% by 2035 – to drive investment in the country (a typical plant requires funding of \$30 million), create jobs and develop local skills.

THE CHALLENGE

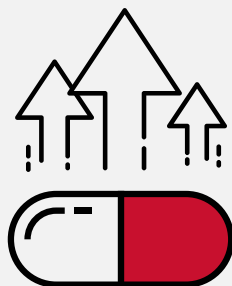
Senegal's pharmaceutical industry struggles under the weight of heavy costs, e.g., high electricity prices. The Government wishes to reform the sector and required a solid fact base to understand what reforms were needed, accelerate outreach to investors and create momentum.

30%

increase in pharma production by 2030

50%

by 2035



OUR SUPPORT

The Government therefore requested Manufacturing Africa's support to:

- Define its pharmaceutical strategy by, e.g., understanding target formulations and packaging steps in the value chain and prioritising molecules.
- Prepare for execution by helping local players accelerate their production projects; prepare and launch ongoing international investor attraction efforts; and conduct targeted benchmarking and analysis to design and implement reforms.

Attract

2-4

investors to build
manufacturing
facilities

IMPACT

Reform of the pharmaceutical sector is expected to have direct and indirect development impact in terms of job creation, FDI and social and environmental benefits:

- **Local production:** Manufacturing Africa has helped two local players conduct market studies, build 10-year business plans and review financing options to launch local manufacturing projects.
- **Government reform:** Manufacturing Africa analysed seven reforms prioritised by the Ministry of Economy. For example, we reviewed all relevant electricity distributed generation modes to help local producers lower electricity costs; and we looked at training and education gaps in the pharmaceutical industry and identified short- and long-term initiatives to fill the gap.
- **International investment:** The Government aims to attract 2-4 investors to launch manufacturing units in Senegal. It has contacted 50+ industrials that may be interested in investing in the region from a list of 600 companies.

LESSONS LEARNED

Align all stakeholders. When working with the public sector, a large number of stakeholders need to be aligned, including different administrations for complex projects. Project management needs to accommodate varying timelines, dedicate sufficient time to stakeholder management and understand potential bottlenecks to avoid delays.

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