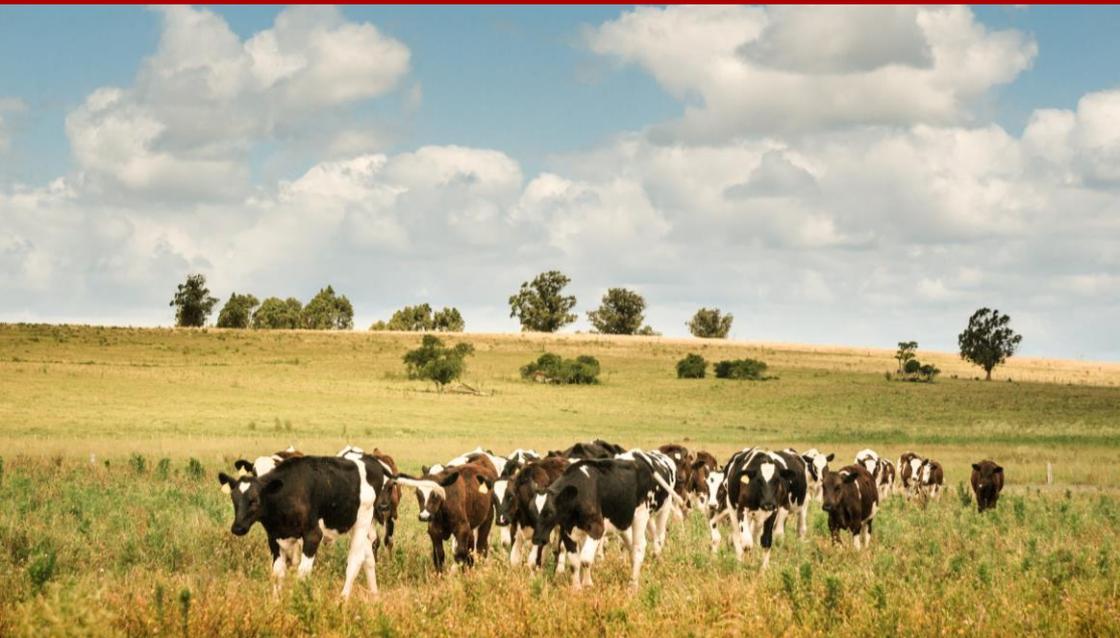


MANUFACTURING AFRICA



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)



VETERINARY PHARMA MANUFACTURING DEAL SUPPORT

Strengthening the East African Veterinary Pharmaceuticals Market

Alfasan Uganda Ltd (AUL) is a Ugandan registered private company that manufactures veterinary pharmaceuticals and other animal health and human health products.

AUL is a joint venture between Alfasan Nederland B.V (Netherlands), Cygnus B.V (Netherlands), Qualivet BVBA (Belgium) and Farm Support Ltd (Uganda) whose mission is to locally produce affordable veterinary medicines that meet European standards of manufacturing and product quality.

The majority of AUL's customers are women farmers, currently serviced by 20% women-owned wholesale dealerships and 35% women-owned retail drug shops supplying AUL's products in Uganda.

20%

Women-owned
wholesale dealerships

35%

Women-owned retail drug
shops supplying AUL's
products in Uganda.

THE VETERINARY PHARMACEUTICALS MARKET IN EAST AND CENTRAL AFRICA

\$300 million

approximate value

30%

projected annual
growth rate

#3 out of 10

AUL market ranking
in Uganda

Competition: Dominated by imports due to lack of local manufacturing capacity.

THE CHALLENGE

Over 20% of cattle die annually with 60-70% of the deaths attributable to tick borne diseases spread by ticks. This leads to financial loss to farmers estimated at \$6 million in lost milk production and \$35 million in cattle deaths per year.

The market is struggling with ineffective or counterfeit veterinary drugs dumped in the Ugandan market. Limited enforcement by the regulatory body and a lack of traceability and monitoring of efficacy of the imported drugs has made the problem more complex.

There is misuse of drugs in the country due to lack of clear information and guidelines on use.

AUL needs to raise capital to respond to some of the challenges in the sector by expanding its product portfolio by introducing an additional 25 new products including **acaricides and antitick vaccines**.



OUR SUPPORT

1. Transaction facilitation



MA carried out a valuation exercise and developed a valuation model that was useful in the negotiations with potential investors.



MA support strengthened the company's financial governance structures and exposed the company to best practices.

2. Facilitating gender-smart manufacturing



MA undertook a holistic GESI gaps and opportunities analysis to support AUL to strengthen its social safeguarding processes.



MA co-developed a GESI Action Plan to leverage AUL's majority women customer base and build on strengthening its women managers, employees, dealers and retailers. This in turn will make the company of interest to gender-lens investors.

IMPACT



Direct Jobs: The expansion will grow the AUL workforce from the current 51 employees to 200 employees, half of which will be women.



Economic value: Availability of quality and effective veterinary drugs manufactured by AUL will avert financial losses to farmers, estimated at **\$6 million in lost milk value and \$35 million in cattle death.**



Import substitution: Savings worth **\$10 million - \$20 million in imported drugs per year** replacing the existing counterfeit products that are causing harm in the Ugandan market.



FX earnings from regional exports: Under the EAC customs provisions, AUL will export to regional countries at conducive customs regimes.

"The support from Manufacturing Africa has been an eye-opening experience that has enhanced our financial governance structures and exposed us to best management practices that will enable our company achieve its vision within a shorter time frame. Thanks to MA support, we feel that our company is now a better equipped and a more competitive player in the local veterinary pharmaceutical sector."

Dr. Stephen Birungi
Managing Director of AUL

This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.

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