

REPORT ON

IPHEX Africa &

BSMs in Uganda & Sudan

6-16th March 2019

India – Uganda Pharma Business Meet

**Hotel Potea by Marriott
Kampala, Uganda**

7th March 2019

Council organized India-Uganda Pharma Business Meet on 7th March 2019 at Kampala, Uganda, as part of approved event under MAI scheme for the year 2018-19. Our Embassy

Uganda Pharma Market:

Uganda, a member of the East African Community, is home to 41.5mn people. It is a small and underfunded, and generic-dominated pharmaceutical industry. A combination of low per capita spending in a youth-dominated, highly ruralized population, will limit opportunities for innovative drug makers looking to launch patented medicines in Uganda. Opportunities for foreign firms will be largely indirect, with potential licensing agreements with local players that are able to advance their manufacturing capabilities over the coming years.

In August 2018, Uganda-based Cipla Quality Chemicals launched an IPO to float 657mn shares.

In 2017, pharmaceutical expenditure in Uganda reached a value of USD414mn. 76% of this value is met by private sector. In 2018, estimates are that market may reach USD434mn and by 2022, the market will be valued at USD519mn, experiencing a five year CAGR of 4.7%. In 2017, per capita drug expenditure was USD10- which is extremely low by international standards. Additionally, in 2017, pharmaceutical spending is estimated to have accounted for 21.9% of total healthcare expenditure. Nevertheless, in comparison with many other African markets, Uganda offers greater commercial promise and a more stable overall business environment.

Due to low purchasing power, generic drugs comprise the majority of Uganda's pharmaceutical market. Patented drugs comprise a small market share of medicines, as low per-capita drug expenditure continues to limit the capacity of most of the population to purchase higher-priced patented drugs. Multinational pharmaceutical companies may try to increase the usage of patented products by employing tiered pricing.

Self-medication is prevalent in Uganda, making the over-the-counter (OTC) drug market an attractive prospect. Many Ugandans lack access to health facilities owing to financial reasons, or because of sparse healthcare infrastructure in rural areas. The division between prescription and OTC drugs is blurred by the prevalence of roadside kiosks selling malaria drugs and antibiotics, highlighted by a rapid growth in the number of pharmacies in both rural and urban areas.

There are challenges when it comes to the local production of medicines (including poor infrastructure). Uganda is a part of Common Market for Eastern and Southern Africa (COMESA), an increasingly influential 19-member economic bloc covering a large swathe of Africa, including South Africa. Membership of COMESA should bolster the country's attractiveness to companies looking to manufacture products in the country.

Mr. Ramesh Babu, Chairman of Uganda Pharmaceutical Manufacturers Association welcomed the delegation and briefly explained his experiences in setting up a plant in Uganda, about Pharma market, distribution channels etc. He urged Indian delegates to consider setting up of plants in Uganda.

Hon'ble State Minister for Primary Health Dr. Moriku Joyce in her address appreciated the efforts of Government of India in curbing export of spurious drugs. She urged Indian delegates to consider setting up of manufacturing plants in Uganda and assured all required assistance from Government.

Mr. Pankaj Kumar Singhal, Second Secretary (P&C) and HOC, High Commission of India briefed about India and Uganda trade relations, particularly in Healthcare sector. He informed about recent contribution by Indian government to Uganda in the form of donation of medicines worth USD 1.5 mn.

Business Meetings:

37 Indian companies participated and about 110 local distributors, country managers, hospital procurement agencies, manufacturers attended the meetings. It is understood that there 15 top distributors in Uganda and all them have attended the meetings. Some of the members signed MOUs with local distributors during the Meet.



Feedback:

All the Indian participants were happy with the turnout as they could meet all major distributors. One of the big distributors in Uganda, Gittoes Pharmaceuticals Ltd informed that they are planning to set up a manufacturing plant in Kampala and requested Council to suggest genuine companies who are keen to have joint ventures with them. We requested them to send a note giving the details of infrastructure available profile of their company, so that a circular will be sent to all members.

One of the Indian participants, Eskag Pharmaceuticals entered an agreement with one of the major distributors in Uganda, Abacos for distribution of their products in the country.

Uganda continues to be a good market for Indian exporters. As more and more countries are keen to have self-sustain policy in healthcare sector, it is right time for Indian companies to have joint ventures with the local companies to take advantage of local markets as well as neighboring countries like Congo, Rwanda, South Sudan etc.

India – Sudan Pharma Business Meet

Hotel Al Salam Rotana, Khartoum, Sudan

10-12th March 2019

Indian Embassy in Sudan made elaborate arrangements for the visit of Indian Pharma delegation to Sudan during 10-12th March 2019 with the support of Union Chamber of Sudan and Sudanese Pharmacists Association. Acting Federal Minister of Health H.E. Prof. (Dr.) Babiker Kaballo was invited for inauguration of the event. Visits to Amipharma manufacturing plant and National Medical Supplies Fund were organized for the delegates.

Pharma Market in Sudan:

In 2017, pharmaceutical expenditure is put at USD533mn, accounting for 8% of the country's healthcare expenditure, or USD 13 per capita. Exchange rate fluctuations impact market growth in USD terms. Indeed, in 2018, the market is worth USD184mn.

The devaluation of the Sudanese pound in H118 s the reason behind the huge negative growth in USD terms. This undermines the overall size of the market and has implications on Sudan's domestic pharmaceutical manufacturers. Inflationary pressures will push up pharmaceutical import costs and this poses a significant risk to domestic drug makers as they rely raw material imports. Forecast show that by 2022 market may reach a \$ 176 million with a negative CAGR of 19.9%. Plans are underway to improve employment and other modes of increasing purchase capacity. Generics in these circumstances have better opportunities.

Healthcare constitutes an important sector for co-operation between India and Sudan. Many of the prominent Indian hospitals have their local representatives or facilitation centers in Sudan. Besides, Indian pharmaceutical industry is actively participating in providing necessary raw material, finished medicines, and machinery for the local manufacturing units to the Sudanese pharma sector.

Pre-Event Press Meet

A pre-event press meet was organized on 10th March 2019 to brief about the event, Indian pharma strengths and about objective of the delegation to visit Sudan. Director of NMPB made a presentation on Drug Registration procedures of Sudan. Senior officials dealing with Registration of Drugs, Biologicals, Medical Devices, Veterinary products were also present in the Meeting. Later Indian delegates interacted with the officials and got their queries clarified.



Inauguration of the event:

Acting Federal Minister of Health H.E. Prof. (Dr.) Babiker Kabbalo was the Chief Guest of the inaugural function of the event. Director General of Union Chamber of Commerce, His Excellency Shri Ravindra Jaiswal, and Ambassador of India in Sudan were the other dignitaries of the event.



Later, Union Chamber of Commerce made a presentation on Sudan Pharmaceutical Industry for the benefit of Indian participants.



Business Meetings:

On 11th March 2019, Business Meetings were organized. The event was well publicized through media and with the help of local pharma associations. Pharmaceutical wing of Union Chamber of Commerce extended its full cooperation for the success of the event. Over 280 local companies / delegates attended the event and interacted with the Indian participants.



Visit to Manufacturing Plant

On 12th March 2019, visit to Ami Pharma Limited, one of the largest pharma manufacturing facilities in Sudan was arranged. A presentation about their company, products manufactured, their distribution facilities etc., was made by the senior official of the company.



Visit to National Medical Supplies Fund:

Later on the same day, delegation visited National Medical Supplies Fund of Sudan. The Director General and his team received the delegation and showed their warehousing facilities, electronic library, testing laboratories, distribution process etc. Later Dr. Gamal Khalafalla Mohamed Ali, Director General made a presentation about their facilities and tender processing.



Feedback:

Participants are happy with the very good response from local pharma companies and also with the arrangements made like interaction with NMPB officials, visit to National medical Supplies Fund and Ami Pharma.

It is understood from the address of Hon'ble Health Minister that 10% of revenues of the country are earmarked for healthcare sector. This may ensure availability of funds for the importers of pharmaceuticals.

It is understood from the presentation by Director, NMPB that there are two types of product registrations viz., director importation and other is through contract manufacturing. Registration through contract manufacturing is faster, but the exporter has to give an undertaking that after 3 years, the products will be manufactured in Sudan in association with the distributor. If not fulfilled, the products will be de-registered. For the time being, Indian exporters are taking advantage of it to get their products registered fast.

Some of the importers sought the help of Council to get genuine buyers for their medical devices, equipment and dermatology products. They are informed that their enquiries will be circulated.

The logo for iPHEx Africa features the text 'iPHEx' in a bold, orange-to-yellow gradient font. The letter 'i' is lowercase and has a small cluster of three colored spheres (green, yellow, and orange) above it. To the right of 'iPHEx' is a blue silhouette of the African continent, which is partially enclosed by a thin white oval line. Below 'iPHEx' is the word 'Africa' in a bold, green font.

iPHEx
Africa

14-15TH March 2019

Council organized 3rd edition of IPHEX Africa during 14-15th March 2019 at Lagos, with the support of High Commission of India, Nigeria. Local pharma associations like Indian Pharmaceuticals Manufacturers and Importers Association, Pharmaceutical Society of Nigeria, Association of Pharmaceutical Importers of Nigeria and Pharmaceutical

Nigerian Pharma Market:

Pharmaceutical imports, which reached a value of USD364 mn in 2017, are expected to grow by CAGR of 1% to reach USD383 mn by 2022. Like the majority of African countries, Nigeria's pharmaceutical market is extremely reliant on importing its medicines. Nigeria's key pharmaceutical import partners include India, China and the US. The naira's devaluation against foreign currencies will lead to imports becoming more expensive in local currency terms, which in turn creates the risk of more frequent drug shortages as imports will subsequently be reduced in terms of volume.

The government is committed to national self-sufficiency in terms of pharmaceutical production, which is stimulated by assistance for Nigeria's pharmaceutical manufacturing sector and by attempts to curb the influx of inexpensive counterfeit drugs. The recently introduced National Drug Policy (NDP) aims for 70% national self-sufficiency in drugs, which is to be achieved through greater local production of generic drugs and the raising of tariff and non-tariff barriers on imported drugs.

Non communicable diseases dominate the Epidemiology profile of the country with HIV still a major issue. Government's National Action Committee on AIDS (NACA), has funded the local production of ARVs and their uptake has been substantially increased, while duties on imported ARVs have been cut to Fight AIDS. According to the latest UNAIDS report, around 3.5mn people in Nigeria suffer from HIV/AIDS, the majority of whom are adults. The prevalence and incidence rates vary significantly between geographical areas and gender; females report a higher incidence rate than males, and the HIV epidemic is concentrated in both rural and urban areas, including along major transport corridors. According to NACA, around 800,000 HIV patients in Nigeria receive government-sponsored ARV therapy annually, yet this figure is still markedly below the number of those eligible. UNAIDS estimate that approximately 180,000 Nigerians suffered HIV-related mortalities in 2016.

Inauguration:

Prof. Mrs. Moji Christianah Adeyoye, Director General, NAFDAC was the Chief of the inaugural meeting of IPHEX Africa. H.E. Mr. Abhay Thakore, High Commissioner of India, Mr. Varkey Verghese, President of IPMIN, Pharm. Nnamdi Obi, President of APIN, Mr. Udaya Bhaskar, Director General of Pharmexcil were the other dignitaries attended the meeting.



The meeting started with a presentation on '**Indian Pharmaceutical Industry - Meeting Global Needs**' by Mr. Udaya Bhaskar, Director General, Pharmexcil. He briefly explained the strengths of Indian pharmaceutical industry and its reputation in global markets, India's trade relations with Nigeria. He urged Director General NAFDAC for expediting Drug approval process (within 03 months) after submission of valid dossier, faster analysis of samples (4-6 weeks), Administrative approval for product renewals with the payment of renewal fee (within 1 month) and for Recognition of Plant approvals of stringent regulatory authorities.

Mr. Verghese, President of IPMIN in his address explained the role of IPMIN in Nigerian healthcare sector. He informed that IPMIN members are providing employment to more than 10000 Nigerians.

Pharm. Nnamdi Obi, President of APIN, appreciated the role of Indian exporters, Indian manufacturers in Nigeria for improving the Nigerian healthcare sector. He urged Indian Government to resolve the long pending visas issue, which is causing lot of inconvenience to the importers from India.

Prof. Mrs. Moji Christianah Adeyoye, Director General, NAFDAC shared her association with Indian Pharma legend Dr. Hamied, Cipla Limited and many of her Indian students. She expressed her happiness to know that Indian manufacturing companies in Nigeria are providing employment to lot of Nigerians and expected that the number should increase in multiples in the years to come.

His Excellency Mr. Abhay Thakore in his address informed that the visas issue is resolved and started issuing multiple entry visas to regular visitors to India. He requested DG, NAFDAC to consider accepting Indian Pharmacopeia, standards of which are at par with USP and BP. He also urged Indian companies to consider setting up of plants in Nigeria and help in development of healthcare sector of Nigeria.

Mr. Bhavin Mehta, CoA member and Chief of Africa Panel presented vote of thanks.

Later on Prof. Mrs. Moji Christianah Adeyoye, Director General, NAFDAC inaugurated the IPHEX Africa. She visited some of the stalls and interacted with the exhibitors.



After the inauguration, Mr. Udaya Bhaskar and Mr. Bhavin Mehta further elaborated about Indian Pharmacopeia and requested Director General, NAFDAC to consider to accept IP standard. DG NAFDAC responded positively and asked Pharmexcil to send a note on the same. She also requested for data of plants which are having valid manufacturing licenses. Mr. Udaya Bhaskar explained that manufacturing licenses are issued by States and getting data from different States may be difficult. He informed that Pharmexcil will provide available data.

15th March 2019:

On the 2nd day of the event, Dr. Issacc , Hon'ble Health Minister paid visit to the exhibition along with his team. He visited all the stalls and interacted with the participants. He assured Pharmexcil of any help required from their Government.



Feedback:

Over 550 visitors on the first day and over 300 visitors on the 2nd day attended the event. All the participants received good response. Most of the exhibitors informed that they renewed their contracts with the existing customers. Some of the new entrants to export business also could enter into agreements with the local distributors.

List of Indian Participants

Media Coverage

