



PHARMA MARKET REPORT- UGANADA

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DEMOGRAPHY

SL. No	Parameter	
1	Region	Africa
2	Country	Uganda
3	Capital	Kampala
4	Population	40,853,749 (July 2018 est.)
5	Population growth rate (%)	3.18%(July 2018 est)
6	GDP (purchasing power parity)	89.19 \$ Billion(2017 est)
7	GDP - real growth rate (%)	4.8%(2017 est)
8	GDP - per capita (PPP)USD	2,400 \$(2017 est)
9	Exchange rates	
10	Population below poverty line	21.4%(2017 est)
11	Age structure (%)	0-14 Years-47.84%
		15-24 years 21.04%
		25-54years and over: 26.52%
		55-64 years 2.64%
		65 & above 1.96%
<i>Source: CIA World Fact Book updated to july 2018(On 22nd Dec 2018)</i>		

Introduction

Fundamental barriers in Uganda's pharmaceutical and healthcare sector will limit the opportunities to multinational drugmakers. Low affordability levels will promote low-cost generic drugs, while the

government plans to localise drug production to boost medicine sustainability. While the market has brighter long-term prospects, multinational drugmaker appetite will remain subdued despite the positive economic growth forecast over the coming years.

Market size was \$ 414 Million in 2017. Per capita consumption of Medicines is put at \$ 9.6.

Latest Updates

- In September 2018, the director general of external security organisation in Uganda announced that an Indian company will invest USD10mn towards a pharmaceutical manufacturing facility in Uganda.
- In September 2018, Health officials in the Democratic Republic of the Congo confirmed a case of Ebola virus on the Ugandan border.
- In August 2018, China donated hospital supplies and medicines worth USD70,000 to the Ugandan Ministry of Health, following the success of previous Chinese donations to the China-Uganda Friendship Hospital.

Strengths

- The government's interest in developing the pharmaceutical sector.
- Further discoveries in the oil and gas industry are likely - boosting economic prosperity and government financing options for industry sectors.

Weaknesses

Acute shortage of Pharmacies & Hospitals

Opportunities

- Progress has been made towards establishing the East African Medicines and Food Safety Commission, which would improve drug registration processes.
- Large and increasing burden of disease suggests a significant unmet demand for pharmaceuticals.
- Protection of local pharmaceutical manufacturers from foreign competition is expected to increase.

Market

Uganda will remain a small, underfunded, and generic-dominated pharmaceutical industry. A combination of low per capita spending in a youth-dominated, highly ruralised population, will limit opportunities for innovative drugmakers 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 (out of Pocket). In 2018, estimates are that market may reach USD434mn and

by 2022, the market will be valued at USD519mn, experiencing a fiveyear 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.

Regulations:

Pharmaceutical regulation in Uganda is governed by the Pharmacy and Drugs Act of 1970, as well as by the 1993 Act of Parliament that set up the National Drug Authority (NDA). As is the case in other African nations, significant issues exist in Uganda's intellectual property (IP) environment - with a major problem being the enforcement of laws.

The Drug Inspectorate Services Department of the NDA is responsible for the inspection of pharmaceutical manufacturers (local and foreign) and distributors (pharmacies, chemist shops, health units, and hospital dispensaries). The purpose of inspections is to ensure all production processes comply with current Good Manufacturing Practices (GMP), and to provide an opportunity to offer free GMP advice to the local pharmaceutical industry.

The Drug Assessment and Registration Department of the NDA's role is the assessment, registration and maintenance of a register of all medicines in Uganda.

The National Drug Quality Control Laboratory of the NDA assesses the quality of both local and imported medicines.

The role of the Drug Information Department of the NDA is the provision of unbiased information on medicines in Uganda to ensure that the country's public has access to accurate, reliable, objective and non-promotional information on medicines and health supplies.

Epidemiology

Uganda's disease profile is similar to other less developed African countries, with communicable diseases accounting for roughly 67% of the total burden. However, economic growth will boost lifestyle diseases, increasing the demand for medicines for chronic diseases.

Uganda's communicable disease burden is dominated by infectious and parasitic diseases. Malaria is considered as the major cause of deaths in the country.

An increasing number of Ugandan patients are experiencing multi-drug resistant TB and so the Ugandan government is building a national referral TB laboratory at Butabika in Luzira to address this, according to allAfrica.

Cervical cancer is also an issue in Uganda. Annual deaths are expected to increase to 416,000 by 2035, with more than 95% of these deaths occurring in women living in low-income countries, according to the International Agency for Research on Cancer. However, national vaccination campaigns in Uganda have attempted to address this.

Statistics

India's Exports to Uganda

India's exports of Pharmaceuticals to UGANDA \$ Million					
Category	2015-16	2016-17	2017-18	GR%	Contbn to Region
BULK DRUGS AND DRUG INTERMEDIATES	13.73	12.63	9.34	-26.05	2.38
DRUG FORMULATIONS AND BIOLOGICALS	139.09	126.32	138.62	9.74	5.35
AYUSH	1.19	1.16	1.71	47.77	9.62
Surgicals	0.94	1.24	1.59	27.97	3.28
Vaccines	14.29	12.22	4.56	-62.69	1.54
Total	169.24	153.57	155.82	1.47	4.66

Finished dosage forms constitute most of Pharma exports (over 80%). 4.66% of Pharma exports of Africa are to Uganda.

India's exports to Uganada During April-October \$ Mn				
Category	Fy-18	Fy-19	Change%	change in Revenue
Bulk Drugs & Drug Intermediates	4.64	7.83	68.74	3.19
Drug formulations & Biologicals	64.66	80.10	23.87	15.43
Ayush	0.88	1.25	42.20	0.37
surgicals	1.06	2.00	88.99	0.94
Vaccines	2.31	2.25	-2.86	-0.07
Total	73.56	93.44	27.02	19.87

Uganda's Imports of Formulations

Top Ten Formulation Importing Partners of Uganda \$ Million

Rank	Country	2015	2016	2017	Gr%	Share%
1	India	174.38	158.84	141.05	-11.20	51.53
2	Belgium	2.72	32.28	27.89	-13.60	10.19
3	China	18.51	17.95	22.66	26.29	8.28
4	Kenya	22.64	19.84	19.63	-1.05	7.17
5	Denmark	20.37	18.38	11.83	-35.66	4.32
6	Netherlands	6.09	10.75	9.09	-15.45	3.32
7	United Kingdom	3.00	4.32	7.59	75.77	2.77
8	Rep. of Korea	0.22	1.71	4.78	180.22	1.75
9	South Africa	7.69	10.13	4.16	-58.93	1.52
10	Switzerland	3.06	5.63	3.51	-37.69	1.28
	World	370.85	316.48	273.73	-13.51	100.00