



# **Senegal: Investment Opportunity in the growing pharmaceutical industry**

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## A strong economic growth and regional integration

In 2014, Senegal unveiled its ambitious strategic plan to grow its economy, the Emerging Senegal Plan (ESP). Since the plan's launch, GDP growth has increased to 6.4% p.a. (2014-2018) and the economy has diversified and stabilized thanks to its limited dependence on non-agricultural raw materials and a mature democratic process that provides political stability.

Senegal is fully integrated into the West African region and an active member of two strong economic unions: WAEMU<sup>1</sup> and ECOWAS<sup>2</sup>.

## A Dynamic domestic and regional pharmaceutical markets

Senegal's pharmaceutical market is worth €230 million (2019). In 2014-2019, it grew +12% p.a. and this level of growth is forecast to continue to achieve a potential of € 600-700 million by 2030. It is integrated into the €1 billion WAEMU pharmaceutical market (*which offers, e.g., comparable regulations, national preference for WAEMU-wide tenders*) that grew to around 9% p.a. in 2014-2019.

The market is driven by the strong penetration (*over 40%*) of generics, a mature and stable regulatory framework, favourable demographics, e.g., population growth, the emergence of a growing middle class, and ongoing health coverage reforms.

Within the framework of PAP2A<sup>3</sup> – the ESP Priority Action Plan – the government has prioritized the development of the national pharmaceutical industry and aims to achieve 30% local production by 2030 (*vs less than 5% in 2019*). It is therefore undertaking major structural reform to improve pharmaceutical companies' competitiveness and support their operations. The government will promote the industry by implementing measures to enable companies to access the market and launch operations fast.

## Exciting short-term local and medium-term regional market opportunities

Senegal is open to supporting companies interested in investing in any type of project in the pharmaceutical industry. Opportunities include:

- **Short-term:** Formulating and packaging generics for the local market to generate potential annual sales of € 50 million (*7–10% market share*) by 2030 through the production of approximately 40–50 molecules. The estimated initial investment required would be between € 20- 30 million.
- **Medium-term:** Reinforcing the short-term investment to address the regional market and capture a potential of € 100–200 million (*3-5% market share by 2030*).

## For further information, please kindly contact APIX:

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<sup>1</sup> West African Economic and Monetary Union

<sup>2</sup> Economic Community of West African States

<sup>3</sup> Plan Sénégal Emergent Plan d'Actions Prioritaires