In 2016, global pharmaceutical revenues totalled over US$ 1,105 billion and are forecast to reach US$ 1,400 billion by 2021, especially thanks to the growth in “pharmerging” countries. The African Continent only accounts for 0.7% of this market (ten African countries represent 70% of the Continent’s revenues on their own).

The African pharmaceutical market is booming

The African pharmaceutical market was worth US$ 19.9 billion in 2012 and is forecast to grow to US$ 50 billion by 2020, driven by the Continent’s demographic boom inter alia.

Market size, US$ billions

1. China, Brazil, Russia, India, Algeria, Argentina, Colombia, Bangladesh, Indonesia, Mexico, Nigeria, Pakistan, Poland, Saudi Arabia, South Africa, Philippines, Turkey, Romania, Chile, Kazakhstan, Vietnam.

Source: IQVIA Institute; World Health Organisation (WHO)
A population forecast to boom

Population of Africa (millions)


Average annual growth in pharmaceutical sales (2011 – 2016)

Source: IQVIA Institute
Pharmaceutical industry and emerging markets

Pharmaceutical supply chains in emerging markets

Levels:
- International
  - Multinational Suppliers
  - International Procurement Agencies
- National
  - Local Manufacturers
  - Government Supply Services
- Regional
  - Local Wholesalers
- District
  - Distributors
- Community

PUBLIC SECTOR
- Regions - Medical Stores, Hospitals
- Districts - Churches, Health Center
- Community Health Workers
- Patients

PRIVATE SECTOR
- Global Wholesalers
- Local Wholesalers
- Distributors
- Shops, Pharmacies
- Community Health Workers
- Patients

NGO
- Multilateral Organizations
- Local NGO Field Agencies
- 3PL Logistics Providers

Average mark-ups on medicines in emerging markets

- CIF/TAX MARKUP
- IMPORTER MARKUP
- WHOLESALERS MARKUP
- SUB-WHOLESALERS MARKUP
- RETAILERS GENERIC MARKUP

Source: International Finance Corporation (IFC), Private Sector Pharmaceutical Distribution and Retailing in Emerging Markets, 2017
### Proportion of deaths due to non-communicable diseases in Africa in 2012

- Less than 25%
- 25% to 34%
- 35% to 49%
- 50% to 74%*
- 75% or more
- Data not available

*Includes only Cape Verde, 69%

**Source:** World Health Organisation (WHO), Noncommunicable Diseases Country Profiles, 2014

### Consolidation of pharmaceutical distributors and retail chains

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Example Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted by law or regulation</td>
<td>Retail pharmacy or wholesaler/distributor consolidation is restricted by national law or regulation</td>
<td>Cambodia, Cameroon, Côte d’Ivoire, Uganda, Egypt, Morocco, Turkey, Vietnam</td>
</tr>
<tr>
<td>Mostly fragmented</td>
<td>Thousands of wholesalers/distributors with no clear set of market leaders</td>
<td>Malawi, Mozambique, Nigeria, Sudan, Guatemala, Kazakhstan</td>
</tr>
<tr>
<td>Initial consolidation</td>
<td>Initial stage of market consolidation with more than one retail pharmacy chain growing beyond 5 stores</td>
<td>Ghana, Algeria, India</td>
</tr>
<tr>
<td>Moderate consolidation</td>
<td>National or city-level retail pharmacy chains exist</td>
<td>South Africa, Latin America, Brazil, Peru, Mexico, Chile, China</td>
</tr>
<tr>
<td>Consolidated</td>
<td>50%+ of the retail pharmacy market is consolidated into an oligopoly</td>
<td>Mali, US, UK, Philippines</td>
</tr>
</tbody>
</table>

**Source:** International Finance Corporation (IFC), Private Sector Pharmaceutical Distribution and Retailing in Emerging Markets, 2017