



# Ghana's Pharmaceutical Industry

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A SNAPSHOT

# Introduction

**Envision a country where increasing demand for medicines aligns with an ambitious plan for domestic production. Ghana, a rising star in West Africa, stands at the crossroads of opportunity in the pharmaceutical industry.**

Ghana's pharmaceutical market is projected to be about \$600 million, with a compound annual growth rate CAGR of 4% (2024 – 2028), reaching \$735 million by 2028<sup>1</sup>. Ghana's healthcare system relies heavily on the importation of essential medicinal products. Only thirty-four pharmaceutical manufacturing plants operate locally, fulfilling only 30% of Ghana's medicinal needs while exporting to the ECOWAS region.

This highlights the boundless opportunities for investors to venture into pharmaceutical manufacturing in Ghana.

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<sup>1</sup> Fitch solutions, Pharmaceuticals and Healthcare report (2024)



# Opportunities for Investment

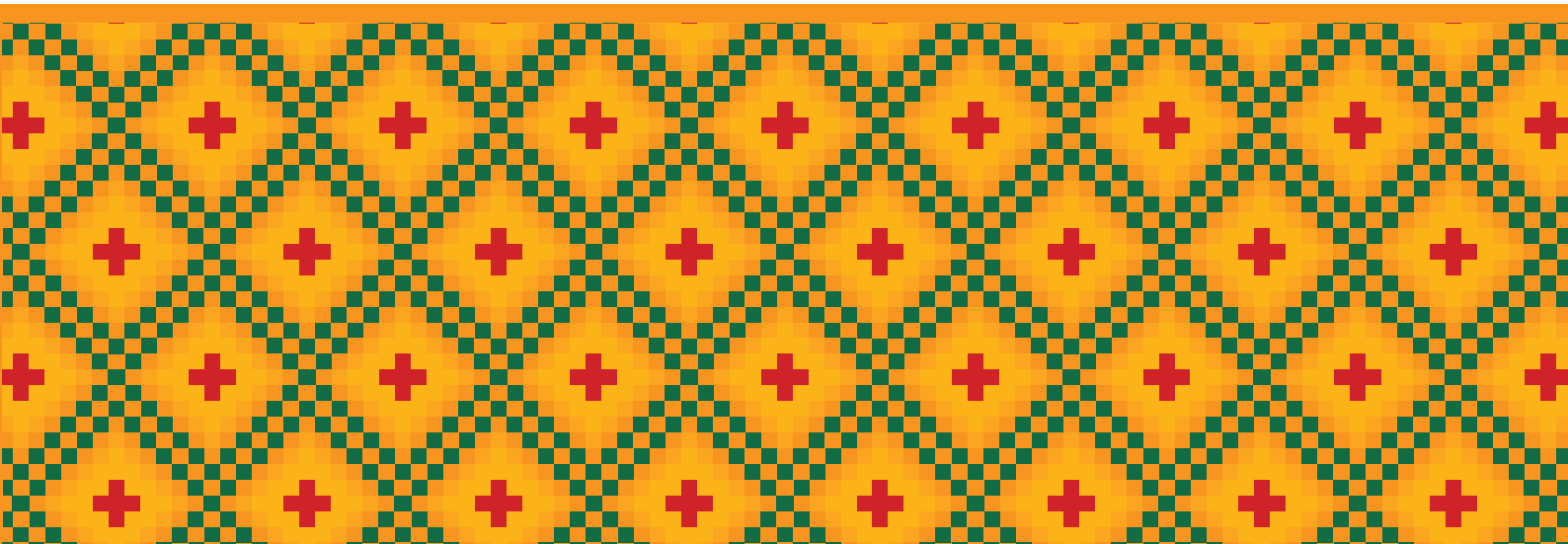
**1 Active Pharmaceutical Ingredients (APIs):** APIs are mostly imported, with local production limited to basic dosage forms. Investments in technology, human capital, and financing can help widen the product range and grow capacity.

**2 Vaccines:** African leaders aim to produce 60% of vaccines locally by 2040. Ghana has taken steps in sterile production for vaccines and injectables and is on track to produce a serum by year-end. The National Vaccine Institute (NVI) and initiatives like the African Union's Pharmaceutical Manufacturing Plan for Africa (PMPA) provide support.

**3 Oral Dosage Forms:** Local manufacturers focus on oral forms but meet only 30% of domestic needs. Investments in infrastructure and sector-specific incentives can help expand this segment.

**4 Medical Consumables:** Producing syringes, especially auto-disable ones, offers significant opportunities. Local production is non-existent, providing first-mover advantages for investors.

**5 Pharmaceutical Ecosystem Development:** Establishing a robust ecosystem with technology transfer, skilled labour development, and partnerships can position Ghana as a regional hub.



# Strategic Importance

With an established pharmaceutical sector and a proven track record of exports across West Africa, Ghana presents a strong investment opportunity. The market's size, existing foundation, and potential to generate 4,000–6,000 high-quality jobs further enhance its appeal.

The opportunity in this regional market is projected to rise from \$7 billion today to \$11 billion by 2028<sup>2</sup>. Moreover, sector growth will enhance skills and deepen economic complexity.

## Global Context

The global pharmaceutical sector is projected to reach \$2 trillion by 2028, driven by the rise of high-value drugs, including biologics and other advanced therapies, mainly in developed markets. The near-shoring trend has strengthened as manufacturers seek to improve supply chain resilience, and countries prioritise nearshore production for national security.

Expiry of patent exclusivity expected to unlock a further \$81B in generics market in next four years - 70% relate to small molecules patents<sup>4</sup>. Regional market focus and cost-efficient distribution are critical for success. Manufacturers with strengths in core “right-to-win” dimensions are best positioned to succeed. As a drug manufacturer, Ghana has the right to play in local and ECOWAS markets but does not yet have the right to win.

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<sup>2</sup> Fitch solutions, Pharmaceuticals and Healthcare report (2024)

<sup>3</sup> Global Use of Medicines Outlook to 2028 (IQVIA, Jan 2024)

<sup>4</sup> Evaluate Pharma






# Regional Trends

West Africa's regional pharmaceutical market is expected to grow significantly, presenting opportunities for Ghana. However, Ghana's local and regional market volumes are fragmented due to thirty-five active producers with low plant utilisation levels. Sub-scale operations limit cost efficiency and quality standards. Most local producers struggle to compete with regional players and imports from India and other global hubs due to higher operating costs and inefficient sourcing practices.

## Local and Global Context

The pharmaceutical manufacturing industry in Ghana started in the 1960s with basic pre-packaging of imported drugs and has evolved to manufacture oral liquids, capsules, sera, and injectables. However, the sector primarily focuses on formulation manufacturing, leaving significant portions of the value chain untapped.

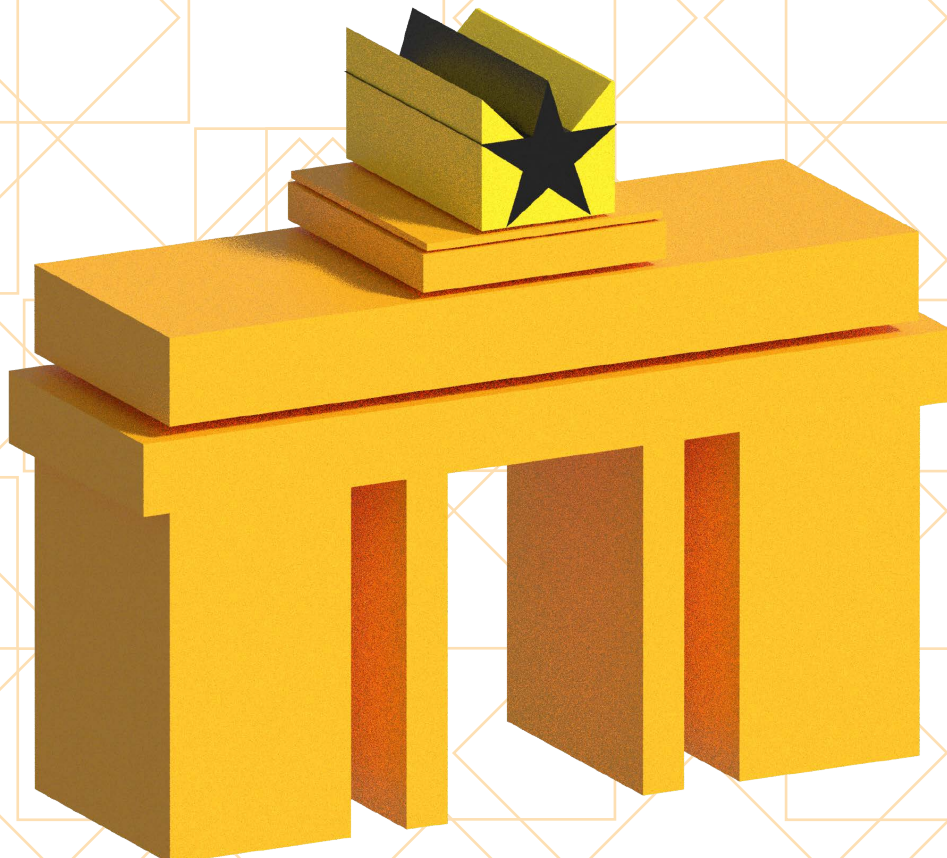
The Ghanaian pharmaceutical sector faces challenges in scaling operations and addressing inefficiencies but holds significant potential due to local market size and growth in the ECOWAS region. Globally, the industry is shifting toward advanced therapies and near-shoring, providing opportunities for Ghana to develop its manufacturing capabilities.



# Government Measures

The Ghanaian government has implemented several initiatives to attract investment into the pharmaceutical sector, including:

- **Exemption Act 2022 (Act 1083):** Exempts specific active pharmaceutical ingredients, manufacturing inputs, and packaging materials from VAT.
- **Incentives for Investment:** Tax exemptions, duty waivers, and eased regulatory processes.
- **Regulatory Strength:** The Food and Drugs Authority (FDA) has achieved WHO Maturity Level 3 certification, making Ghana one of only five African countries to reach this standard. Ghana's FDA is well-respected and ensures compliance with international standards, making regional market access seamless.



# Why Ghana?



- **Incentives:** Ghana offers land for large-scale manufacturing and a range of fiscal and non-fiscal incentives, including tax exemptions and duty waivers.
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- **Strategic Location:** Ghana's membership in the African Continental Free Trade Area (AfCFTA) and its geographical location make it a gateway to the West African market.
- **Political and Economic Stability:** Ghana is known for its stable democracy, burgeoning economy, and policies geared toward industrialisation.
- **Skilled Workforce:** With seven tertiary pharmaceutical schools and a sophisticated labour force, Ghana is well-positioned to meet production demands.
- **Infrastructure Support:** The Ghana Investment Promotion Centre (GIPC) provides aftercare services to ensure smooth navigation of the pharmaceutical sector.

## Summary

Ghana's pharmaceutical sector offers immense investment opportunities, driven by a growing market, supportive government policies, and a strategic location. While challenges remain, targeted investments and strategic partnerships can position Ghana as a regional hub for pharmaceutical manufacturing.



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