

## Business in South Africa

The UK is in South Africa's 'Premier League' of trading partners, with an annual bilateral relationship over £9.6bn, set to double following challenging targets set by Ministers. In addition, The South African life sciences market is an open door for UK suppliers due to South Africa's strong political and trading links with most of the rest Africa. The country is also a natural hub and springboard into other African markets.

## Life Science Sector in South Africa

Infrastructure development, valued at around £1 billion, has been identified as a high value opportunity for UK companies with the planned upgrading of hospital infrastructure and the national health insurance scheme.

### Market overview

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#### *Healthcare & medical:*

South Africa consists of a large public health sector which caters for approximately 80% of the population and a smaller but fast growing private health sector with world-class facilities, however it services less than 20% of the population. To bridge this gap between the private and public health sector, major investment will be undertaken in the next 5-10 years in order to bring public health facilities up to a level where the National Health Insurance Scheme can be implemented.

#### *Biotechnology:*

The South African biotechnology sector is still in its infancy when compared to the global market, with many of the established firms still receiving funding from public institutions. Further to this, the South African biotechnology industry is characterised by an extremely high regional concentration with 78% of core biotechnology companies based either in Cape Town in the Western Cape province or the province of Gauteng.

#### *Pharmaceuticals:*

The South African pharmaceutical sector has a high proportion of patented medicine which accounts for approximately 70% of the market. The South African Government's concerns over costs have encouraged the growth of the generics sector and South African firms are responsible for most of the generic medicine production. The sector is expected to grow at 9.7% between now and 2014 to give market value of ±£2.3 billion.

### Key opportunities

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Both the public and private health care sectors present opportunities for UK companies to participate in transforming the healthcare sector in South Africa.

- Diagnostics
- Medical Devices
- Infrastructure

### Getting into the market

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Partnerships are key to entering the South African Life Sciences Market. This is mainly because the public organisations prefer to source from companies with local representation unless the product is not available in the country. The public sector makes its purchases directly or using the tendering process, where price and supplier profile play a role in that decision making process. Guaranteed sales service, maintenance and after sales care are essential for success.

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

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#### **Contacts:**

**Tshego Motaung**, Trade & Investment Advisor, UKTI Cape Town, British Consulate-General, Tel: +27 (0)21 405 2412, Email: [tshego.motaung@fco.gov.uk](mailto:tshego.motaung@fco.gov.uk)

**Jennifer Carter**, Trade & Investment Officer, UKTI Cape Town, British Consulate-General  
Tel: +27 (0)21 405 2489, Email: [jennifer.carter@fco.gov.uk](mailto:jennifer.carter@fco.gov.uk)

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