



Health & Biotech Sector Report

This is where Africa's
health future gets built.



South Africa



EXECUTIVE SUMMARY

Africa's Vaccine, Drug & Medical Innovation Hub

SOUTH AFRICA'S HEALTH AND BIOTECH SECTOR contributes ~8.5% of GDP — above the global average — and employs over 100,000 people across pharmaceuticals, diagnostics, and medical services. This is Africa's most advanced health innovation ecosystem: 200+ licensed pharmaceutical facilities producing ~R10 billion in annual exports, led by Aspen and Biovac.

BUT THE REAL TRANSFORMATION IS UNDERWAY. The WHO-backed Afrigen mRNA hub—Africa's first—expanded in 2025 with multiple global partners developing Rift Valley fever vaccines. Biovac's new mRNA facility enhances vaccine production capabilities. Over 100 clinical trials run annually across HIV, TB, oncology, and vaccines. Healthtech startups attracted R3.29 billion in venture capital in 2024, with health capturing a significant share of total VC flows.

ALTERA BIOSCIENCES RAISED R29 MILLION in 2025 to scale Africa's first “off-the-shelf” cell therapies. CapeBio pioneers AI-enabled molecular diagnostics. Quro Medical's hospital-at-home model cuts costs by 50%. Newform Foods opened Africa's first cultivated meat demo facility. The African pharma market is projected to reach US\$40-70 billion by 2030, with South Africa's clinical trials growing to US\$495 million (7.3% CAGR).

FOR INVESTORS, SOUTH AFRICA DELIVERS BIOMANUFACTURING SCALE, research excellence, cost-competitive trials, and National Health Insurance reforms driving demand—all positioned to serve 1.4 billion African consumers.



EXECUTIVE SUMMARY

Sector Highlights

~8.5%

GDP CONTRIBUTION

100,000 +

DIRECT JOBS

~R10 B

PHARMA EXPORTS
ANNUALLY

200 +

LICENSED PHARMACEUTICAL
FACILITIES

100 +

CLINICAL TRIALS ANNUALLY

R3.29 B

VC INFLOWS (2024); HEALTH
SIGNIFICANT SHARE

27,000 +

MEDICAL TOURISTS
(2018-2023 TOTAL)





FULL SECTOR BRIEF

The Big Picture

South Africa's health and biotech sector contributes ~8.5% of GDP—above the global average—and employs over 100,000 people across pharmaceuticals, diagnostics, biotech, and medical services. With 200+ licensed pharmaceutical facilities representing a significant share of Africa's production capacity, South Africa anchors continental health security.

Pharmaceutical exports are around R10 billion annually, led by Aspen Pharmacare (generics and vaccines) and Biovac (vaccine manufacturing partnerships with Pfizer and the International Vaccine Institute). The Afrigen mRNA hub, backed by WHO, expanded in 2025 with multiple global partners developing Rift Valley fever vaccines and other biologics. Biovac's 2025 mRNA facility enhances vaccine production capabilities.

Over 100 clinical trials run annually across HIV, TB, oncology, and vaccines. The African pharma market is projected to reach US\$40-70 billion by 2030, with South Africa as the anchor. Healthtech and biotech startups attracted R3.29 billion in venture capital in 2024, with health capturing a significant share of total VC flows. Medical tourism brings 27,000+ patients from 2018-2023, with growth trends continuing.

National Health Insurance reforms entered Phase 1 (2023-2025), piloting universal access models. SAHPRA (South African Health Products Regulatory Authority) digitalized approval systems, with ISO 13485 compliance mandated from June 2025. South Africa partners in the G20 Bioeconomy Initiative, hosting 2025 meetings to align biotech and sustainability.



~8.5%

SECTOR CONTRIBUTION
TO GDP

27 000+

MEDICAL TOURISM PATIENTS
BETWEEN 2018-2023

R3.29B

VENTURE CAPITAL CAPTURED
BY HEALTH AND BIOTECH
STARTUPS

FULL SECTOR BRIEF

Vaccine & Biologics Manufacturing

Aspen and Biovac anchor Africa's vaccine capacity. Biovac's 2025 mRNA facility—developed through partnerships with WHO, Pfizer, and the International Vaccine Institute—enhances vaccine capabilities, strengthening sovereign vaccine production.

The Afrigen mRNA hub, Africa's first WHO-backed technology transfer center, expanded to multiple global partners in 2025. Beyond COVID-19 vaccines, Afrigen is developing Rift Valley fever vaccines and advancing open-licensing models to scale African vaccine independence.

South Africa's 200+ pharmaceutical facilities produce active pharmaceutical ingredients (APIs), generics, and biologics for African and global markets. Aspen's contracts span over 150 countries. This manufacturing base positions South Africa as Africa's biopharmaceutical anchor.

INVESTMENT OPPORTUNITY

Expand vaccine, API, and biosimilar capacity. 200+ plants, US\$40-70B African pharma market by 2030. Equity stakes or PPPs with Biovac/Afrigen. Biovac's 2025 mRNA plant enhances capacity.



FULL SECTOR BRIEF

Diagnostics & Precision Medicine

CapeBio pioneers AI-enabled molecular diagnostics, developing assays for infectious diseases and cancer. Impulse Biomedical commercialized affordable insulin and adrenaline auto-injectors, addressing chronic disease management at scale across price-sensitive markets.

Diagnostic innovation spans point-of-care testing, lab automation, and AI-driven pathology. South Africa's research institutions—SAMRC (South African Medical Research Council) and CAPRISA (Centre for the AIDS Programme of Research in South Africa)—lead breakthroughs in HIV, TB, and infectious disease diagnostics, translating research into exportable products.

INVESTMENT OPPORTUNITY

Back platforms like CapeBio and LifeQ. AI diagnostics and wearables meet NHI needs. VC or growth equity.

LifeQ's algorithms integrated by global insurers.



FULL SECTOR BRIEF

Cell & Gene Therapy

Altera Biosciences, Africa's first dedicated cell therapy platform, raised R29 million in 2025 to scale "off-the-shelf" immune therapies. These allogeneic therapies address immune rejection challenges in cancer treatment, positioning South Africa as a first-mover in advanced biologics.

AzarGen advances plant-based biosimilars, including rituximab for cancer and autoimmune diseases. By producing biosimilars at lower costs than traditional mammalian cell systems, AzarGen makes biologics accessible across African markets

INVESTMENT OPPORTUNITY

Invest in Altera's "off-the-shelf" therapies. First-mover in Africa. Pre-seed/Series A. Altera raised R29M (2025).





FULL SECTOR BRIEF

Digital Health & Hospital-at-Home

LifeQ's AI-driven wearables provide predictive health monitoring, integrated by global insurers to reduce chronic disease costs. Quro Medical's hospital-at-home model cuts hospitalization costs by up to 50%, partnering with insurers to deliver remote monitoring and virtual care.

Digital health platforms scale as National Health Insurance reforms create demand for cost-effective, accessible care delivery. Telemedicine, remote patient monitoring, and AI diagnostics align with public-sector procurement priorities while serving private markets

INVESTMENT OPPORTUNITY

Expand remote monitoring. Cuts costs 50%, aligns with NHI. Partner with insurers. Quro Medical reduced admissions, expanded 2025





ON THE GROUND

Clinical Trials & Research Excellence

Over 100 clinical trials run annually across HIV, TB, oncology, vaccines, and chronic diseases. South Africa's clinical trial market is projected to reach US\$495 million by 2030, growing at 7.3% annually. Cost-competitive trials, diverse patient populations, and globally respected research institutions attract pharmaceutical companies testing new therapies.

SAMRC and CAPRISA lead HIV/TB research, with breakthrough treatments commercialized globally. University-linked research hubs translate discoveries into intellectual property, creating licensing revenue and startup opportunities.

INVESTMENT OPPORTUNITY

Expand vaccine, API, and biosimilar capacity. 200+ plants, US\$40-70B African pharma market by 2030.

Equity stakes or PPPs with Biovac/Afrigen. Biovac's 2025 mRNA plant enhances capacity.



ON THE GROUND

Medical Tourism

Medical tourism attracts 27,000+ patients from 2018-2023, with growth trends continuing. Cape Town anchors Africa's medical tourism hub, offering elective procedures, wellness treatments, and specialized care at competitive costs.

Wesgro's 2025 study confirms medical tourism generates foreign exchange while creating synergies with hospitality and lifestyle sectors.

INVESTMENT OPPORTUNITY

Private equity in hospitals/clinics. Growth trends, forex earner. Cross-border networks. Cape Town leads Africa.





ON THE GROUND

Policy & Support Framework

National Health Insurance Phase 1 (2023-2025) pilots universal coverage, creating procurement opportunities for diagnostics, digital health, and pharmaceuticals. SAHPRA digitalized approval systems, reducing regulatory timelines. ISO 13485 compliance (mandatory from June 2025) aligns South African medical device manufacturers with global standards.

Strategic Health Innovation Partnerships (SHIP) and Technology Innovation Agency (TIA) fund biotech commercialization. Development Bank of Southern Africa (DBSA) and Green Climate Fund (GCF) co-finance vaccine clusters and healthtech accelerators. South Africa's G20 Bioeconomy Initiative partnership positions the sector for international collaboration and investment



LOOKING AHEAD

Investment Opportunities

- 1 CONTRACT & BIOMANUFACTURING PLATFORMS**
Expand vaccine, API, and biosimilar capacity.
200+ plants, US\$40-70B African pharma market by 2030.
Equity stakes or PPPs with Biovac/Afrigen. Biovac's 2025 mRNA plant enhances capacity.
- 2 AI DIAGNOSTICS & DIGITAL HEALTH**
Back platforms like CapeBio and LifeQ.
AI diagnostics and wearables meet NHI needs. VC or growth equity.
LifeQ's algorithms integrated by global insurers.
- 3 HOSPITAL-AT-HOME & VIRTUAL CARE**
Expand remote monitoring. Cuts costs 50%, aligns with NHI.
Partner with insurers.
Quro Medical reduced admissions, expanded 2025.
- 4 CELL & GENE THERAPY**
Invest in Altera's "off-the-shelf" therapies.
First-mover in Africa.
Pre-seed/Series A. Altera raised R29M (2025).
- 5 CULTIVATED PROTEINS & BIOSIMILARS**
Support Newform's cultivated protein, AzarGen's biosimilars.
Growth equity, global licensing.
Newform's 2025 demo facility anchors ecosystem.
- 6 MEDICAL TOURISM INFRASTRUCTURE**
Private equity in hospitals/clinics.
Growth trends, forex earner. Cross-border networks.
Cape Town leads Africa.



LOOKING AHEAD

Challenges & Fixes

- ✓ **TALENT DRAIN PERSISTS** mitigated by diaspora engagement and global R&D contracts.
- ✓ **REGULATORY DELAYS** addressed through SAHPRA digital transition and ISO 13485 adoption.
- ✓ **IP AND TRADE BARRIERS** tackled via Afrigen's open-licensing and regional alliances.
- ✓ **NHI FUNDING RISKS** managed through phased rollout and PPP models.
- ✓ **EARLY-STAGE BIOTECH FUNDING GAPS** filled by G20 Bioeconomy and DFI co-investments.
- ✓ **LOAD-SHEDDING DISRUPTIONS MITIGATED** by renewable PPAs and embedded generation.



IN SUMMARY

The Bottom Line

South Africa combines scale (~R10B exports, 200+ facilities), innovation (WHO mRNA hub, 100+ trials annually), cost advantages (competitive manufacturing and trials), and policy momentum (NHI Phase 1, SAHPRA reforms).

For investors, it's Africa's only health platform offering bio-manufacturing depth, research-to-commercialization pipelines, and proven vaccine sovereignty—all positioned to serve 1.4 billion consumers.

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