

The Role of the Private Sector in Malawi's National Condom Program

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Introduction

The *Malawi National Condom Strategy 2015-2020* establishes the importance of understanding the total condom market for planning and programming. That task includes understanding the roles and responsibilities across sectors and how and where condoms are being distributed. The purpose of quantifying the total condom market is to understand trends across sectors, analyze future resource requirements, and identify opportunities to improve targeting of resources.

The National Condom Coordination Committee, the Ministry of Health and Population, the National AIDS Commission, and other key stakeholders continue to strengthen national-level coordination, implementation, and monitoring of the condom program in Malawi. However, historically there has been little information available on the size of the commercial condom market, a common issue in the region.

To address this gap, in September 2019 the U.S. Agency for International Development-funded Health Policy Plus (HP+) project supported a commercial condom market assessment to estimate the size of the commercial and social marketing condom markets in Malawi. The effort documented the number of competing brands, described existing distribution infrastructure, and outlined

regulations on the registration, importation, distribution, and promotion of condoms.¹

Mapping the Commercial and Social Marketing Condom Market Players

The commercial condom market assessment included in-depth interviews with key stakeholders from the commercial sector, regulatory agencies, and social marketing agencies. Interviewees comprised top commercial sector condom importers/distributors in Malawi; representatives of regulatory agencies that may have reliable data on commercial condom imports, testing, or other relevant areas; and other key stakeholders. The commercial condom market includes a mix of large pharmaceutical and consumer goods importers as well as other wholesalers/distributors, six of which were identified and interviewed for the assessment (see Table 1). All major condom importers were willing to share aggregate sales data for the three-year period of the study, with the caveat that brand-specific information would not be shared. The market assessment also included the collection of pricing data from a variety of outlet types, including bars and pubs, petrol stations, grocery chains, and pharmacies. Most brands were found at varying prices with generally higher prices in petrol stations, pharmacies, and bars and pubs.

¹ The commercial condom market assessment was conducted by HP+ consultant Zengani Mkandawire, who was responsible for interviews and data collection.

Table 1. Malawi's Major Commercial Condom Market Players

Condom Importer	Condom Brands	Price Range*
Pharmanova MW Ltd. is one of the oldest pharmaceutical importers/manufacturers in Malawi. The company has been operational for more than 40 years.	Contempo line (10 variations): Rough Rider, Rough Rider Flat, Bare Back, Endurance, Erotica, Hot, King Size, Midnight Desire, Power Play, and Wet N' Wild (manufactured in South Africa)	1,325–2,000 Malawian kwacha (MK)
Warpack PVT Ltd. is the authorized distributor of Durex condoms in Malawi.	Durex line (6 variations): Extra Safe, Featherlite, Featherlite Ultra, Feels Value, Select Flavour, and Pleasure Max (manufactured in China, India, and Thailand)	MK 1,148–1,900
Intermed, established in 1996, has emerged as one of the leading pharmaceutical companies in Malawi with branches in Lilongwe, Blantyre, and Mzuzu, and a branch in Lusaka, Zambia.	Moods (12 variations): Absolute Xtasy, Allnight, Banana, Bubblegum, Chocolate, Coloured, Dotted, Extralong, Ribbed, Scented, Strawberry, and Ultrathin (manufactured in India)	MK 400–2,000
KGN Distributors is a Blantyre-based wholesaler of consumer goods.	Climaxx (3 variations): Reef Feel, King Size Wider, and Longer (manufactured in the United Kingdom)	MK 2,000 (found only in pharmacies)
Thofu Investments Ltd. is one of the leading suppliers of reagents, chemicals, and laboratory equipment in Malawi.	Regular Flared Standard Size, King Size Wider, and Longer (manufactured in South Africa)	N/A
Fulujasi Enterprises is a Lilongwe-based wholesaler of consumer goods.	UltraStudded (manufactured in South Africa)	N/A

* Prices often vary by outlet type and other market factors. Prices reflect a snapshot during the time of the assessment.

Assessing Condom Market Data Availability from Malawi's Regulatory Agencies

The commercial condom market assessment included in-depth interviews with Malawi's regulatory agencies to understand whether condom import data might be accessible through these organizations. Interviews were conducted with the Malawi Revenue Authority and the National Statistics Office. The Malawi Revenue Authority is the government agency responsible for assessment,

collection, and accounting for tax revenues. The National Statistics Office is the main government department responsible for the collection and dissemination of official statistics in Malawi. Key informant interviews indicated that both agencies collect condom data based on overall condom imports, but the data do not differentiate among public sector, social marketing, and commercial condom imports. For that reason, it is not possible to use these agencies' information for understanding sector-specific trends or for disaggregating commercial sector condom data.

Trends in Malawi's Total Condom Market

Total volume sales data collected from Malawi's major condom importers for 2016–2018 suggests that the commercial market's share in Malawi's total condom market is small at 0.2 percent of the total market (see Table 2). Nonetheless, the data also shows that commercial sector condom sales are growing—with a 62 percent increase from 2016 to 2018 suggesting that some consumers are willing and able to pay for condoms (see Figure 1). It is important for Malawi's national condom program to continue periodic monitoring of trends in the for-profit private sector with an interest in growth of the commercial sector, engagement of the sector, and targeting of condom subsidies to those who are unable to pay. During this assessment, most commercial condom importers said they were amenable to engagement on how to continue to grow the market and address market barriers.

Social marketing brands in Malawi (see Table 3) account for 29 percent of the total condom market (as shown in Table 2), and social marketing brands grew by 4.8 percent from 2016–2018 (see Figure 2). Given the global trend among international donors of moving away from procuring condom commodities, social marketing

organizations in Malawi are likely to face future challenges in sustainable sourcing of condoms. Social marketing organizations are accustomed to sharing their market data widely with condom stakeholders, but the reporting of the data is often delayed and sometimes inconsistent depending upon the timing and source. For future condom market monitoring, it will be important to ensure the accuracy and consistency of reporting as well as analyze distribution and sales data in geographic terms (urban versus rural) and type of outlet (pharmacies versus bars and pubs).

Figure 1. Total Units of Commercial Condom Brands in Malawi, 2016–2018

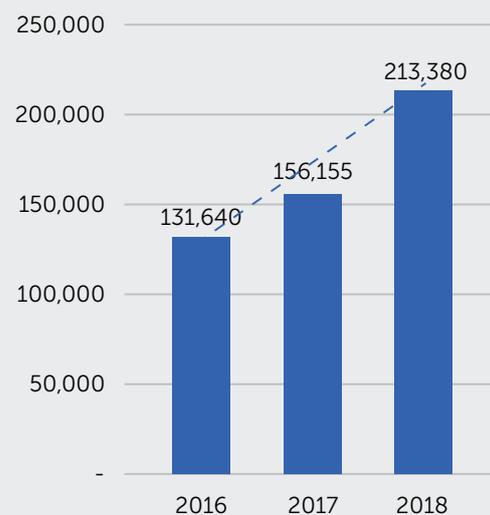


Table 2. Total Condom Market in Units and Market Share Percentage

	2016	%	2017	%	2018	%
Public sector (free)	40,320,000	61.7%	50,436,356	65.9%	64,786,493	71.1%
Social marketing sector	24,907,754	38.1%	25,913,412	33.9%	26,102,240	28.7%
Commercial sector	131,640	0.2%	156,155	0.2%	213,380	0.2%
Total	65,359,394	100%	76,505,923	100%	91,102,113	100%

Figure 2. Total Units of Social Marketing Condom Brands in Malawi, 2016–2018

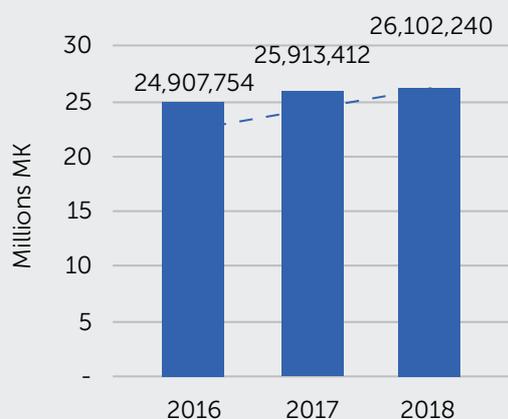


Figure 3. Total Units of Public Sector Condom Distribution in Malawi, 2016–2018

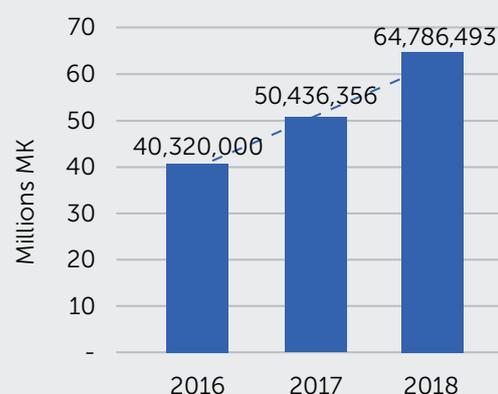


Table 3. Malawi's Major Social Marketing Organizations

Condom Importer	Description	Condom Brands	Price Range
Banja La Mtsogolo (BLM)	Established in 1987 as a local affiliate to Marie Stopes International, Banja La Mtsogolo has a condom social marketing program.	Manyuchi	100–500 MK
PSI/Malawi	Formed in 1994, PSI/Malawi's portfolio includes a range of products and services that include HIV self-testing, voluntary medical male circumcision, water-borne disease prevention, malaria prevention, male condoms (Chishango), and female condoms (Care and Whisper).	Chishango	100–500 MK

The public sector distributes the largest share of condoms in Malawi and its overall share of the total market grew in the years under study from 62 percent to 71 percent (as shown in Table 2). Distribution has increased significantly in the last three years, by 61 percent for a total of 64.7 million condoms distributed in 2018 (see Figure 3). Given that Malawi still relies extensively on donors to supply the government with

condoms for public sector distribution, this quantity of condoms (valued at US\$1.4 million in 2018) will require a significant investment by the government of Malawi when it assumes full procurement.² It is unclear when international donors (e.g., the United Nations Population Fund and the Global Fund to Fight AIDS, Tuberculosis and Malaria) will phase out commodity support to Malawi's government.

² Valuation is based on the United Nations Population Fund's 2018 Contraceptive Price Indicator of US\$.021 per condom unit.

Addressing Market Barriers to Commercial Market Growth

Government, donors, and private sector stakeholder representatives voiced concern that there was a current over-reliance on the social marketing sector, with price subsidies limiting consumer interest in purchasing commercial brands. These sentiments were expressed both by international organizations as well as by the commercial sector directly. One key constraint mentioned by various interviewees was the issue of leakage of public sector condoms into the private sector; in other words, commodities intended for free distribution being sold through various channels. Other factors were a lack of clear guidelines regarding the regulatory processes for condoms and the high costs associated with importation and testing of condoms.

Key Findings and Recommended Next Steps

The commercial condom market assessment quantified Malawi's commercial and social marketing condom sectors with the goal of better understanding recent trends in the private sector market. Although Malawi's commercial condom market is small compared to the public and social marketing sectors, the for-profit sector is growing. This growth should be taken as a positive sign and an important opportunity for continued engagement.

This commercial condom market assessment is an important first step toward achieving the total market vision described in the *Malawi National Condom Strategy 2015-2020*, which recognizes that all sectors will need to be engaged to ensure a sustainable condom supply. To continue to strengthen private sector engagement, some key issues must be addressed:

- Most commercial condom importers and distributors said they were interested in discussions on how to grow the market and address market barriers. The National Condom Coordination Committee will need to engage directly with the private sector to take advantage of this opportunity. Targeted, goal-oriented meetings with concrete objectives will be the best way to ensure strong commercial sector participation. Possible first topics are clarification of condom regulatory processes and determination of where policies and protocols could be streamlined. One possible topic is the high cost associated with testing imported condoms.
- Social marketing agencies are accustomed to sharing their sales data but reporting of the data is often delayed and sometimes inconsistent, depending upon the timing and source. Stakeholders should ensure that reporting timelines and data accuracy are improved.
- Regulatory agencies (the Malawi Revenue Authority and the National Statistics Office) do not disaggregate condom import data. There may be an opportunity for the government and partners to address this situation to allow for comprehensive, regular access to commercial sector import data to compare against annual sales reporting. At the same time, condom stakeholders may continue to reach out to the major condom importers on an annual or biannual basis to collect aggregate sales data.

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Photo courtesy Lindsay Mgbor/Department for International Development.

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