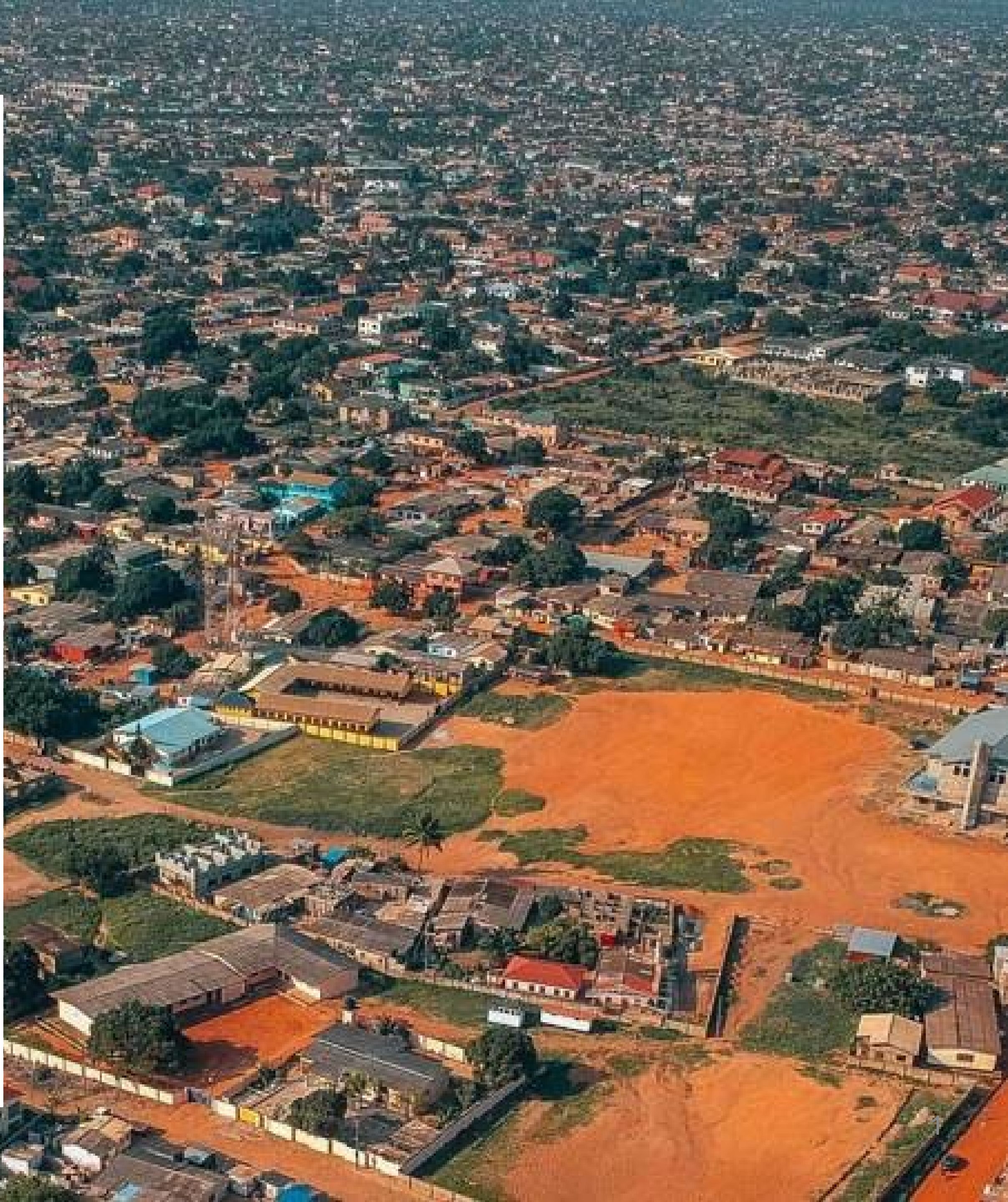
Water & Sanitation Products: Plastic Manufacturing & Distribution in Senegal

Research by:

Archipel&Co.

March 2023



The Partnership for Better Living (PBL) is a five-year cooperative agreement between USAID and LIXIL, through its social brand, SATO.

The partnership aims to expand household access to sanitation and increase adoption of key hygiene behaviors through market-based approaches for at least 2 million people by 2026.

To learn more, please visit:
https://www.globalwaters.org/content/partnership-better-living

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SATO has worked with social innovation agency Archipel&Co to inform its **West African Manufacturing and Distribution approach** as part of its USAID partnership: The Partnership For Better Living

Research objectives

1. **Help SATO** make faster and better decisions about future **manufacturing and distribution expansion in West Africa**.

2. **Help other water and sanitation innovators** make faster and better decisions about future **manufacturing and distribution expansion in West Africa**.

Geographical scope

West Africa
- Ghana
- Ivory Coast
- Liberia
- Nigeria
- Senegal

In 90 days, Archipel&Co has identified long listed organizations, deep dived into short-listed organizations, and developed a data visualization solution

Secondary Research

80+ plastic water and sanitation manufacturers identified

60 plastic water and sanitation distributors identified

Primary Research

5 countries visited in West Africa

20 companies shortlisted across Ghana, Ivory Coast, Liberia, Nigeria, and Senegal

Data visualization solution

1 database built on Airtable for both SATO & open access

24 company profiles built on Shorthand for open access

1 opportunity matrix generated across and within countries

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Terminology of Stakeholders

	BUY FROM	SELL TO
Manufacturers Refers to producers of households plastic goods or sanitary products	Import raw materials or components from abroad	Distributors and big retailers in large volumes
Distributors Refers to companies buying directly from manufacturers or importers and selling in high volumes to sub-distributors and wholesalers	Manufacturers and importers	Sub-distributors and wholesalers in volume
Sub-distributors Refers to companies buying from distributors and selling in medium volumes to wholesalers	Distributors	Wholesalers in medium volumes
Wholesalers Refers to companies buying in high volumes, either from manufacturers/ distributors/ sub-distributors, and selling in smaller volumes retailers	Distributors and sub-distributors in volume	Retailers in medium and low volumes
Retailers Refers to small shops (called *quincailleries* in franchphone West Africa) buying from wholesalers, and selling to end-customers (households, plumbers, or other small retailers)	Wholesalers	End-customers (households, plumbers, other small retailers)

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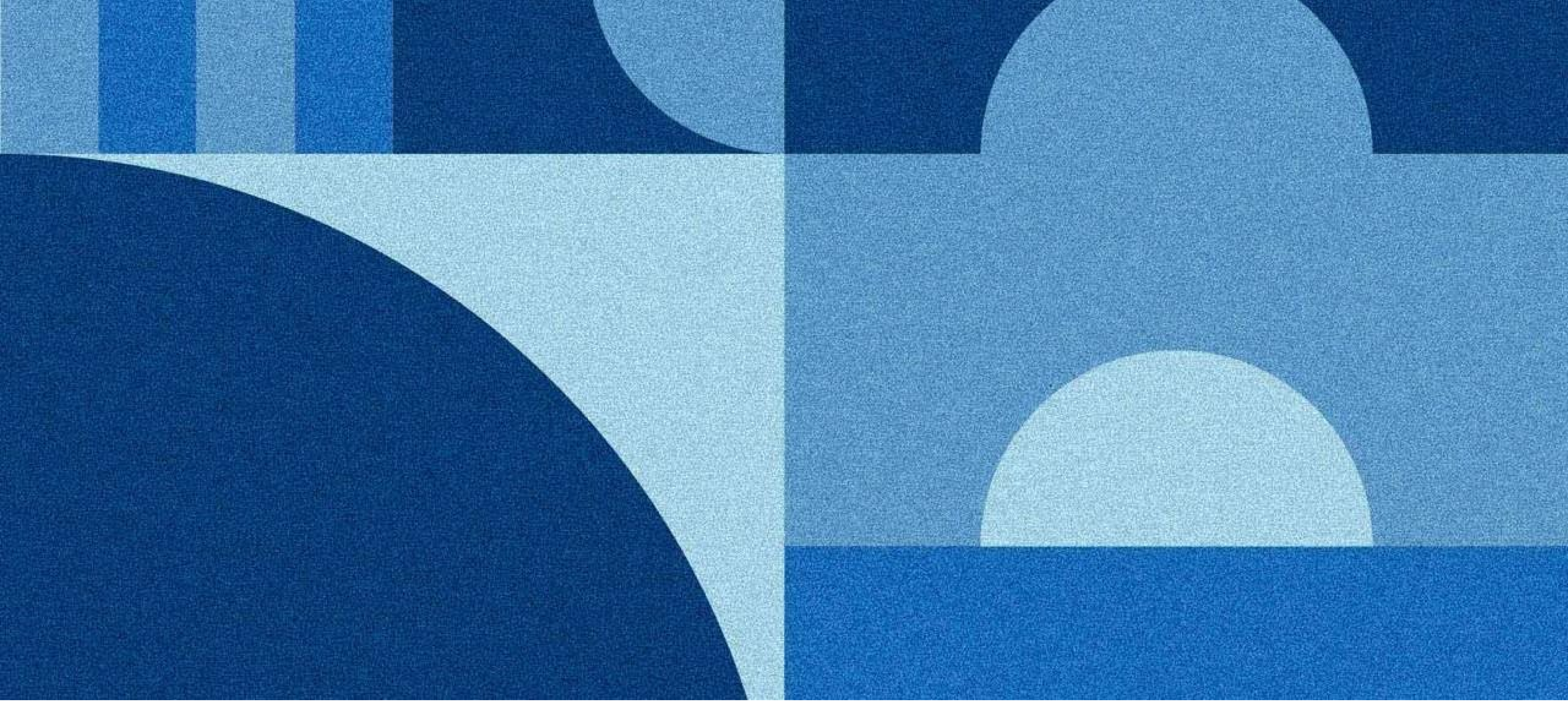
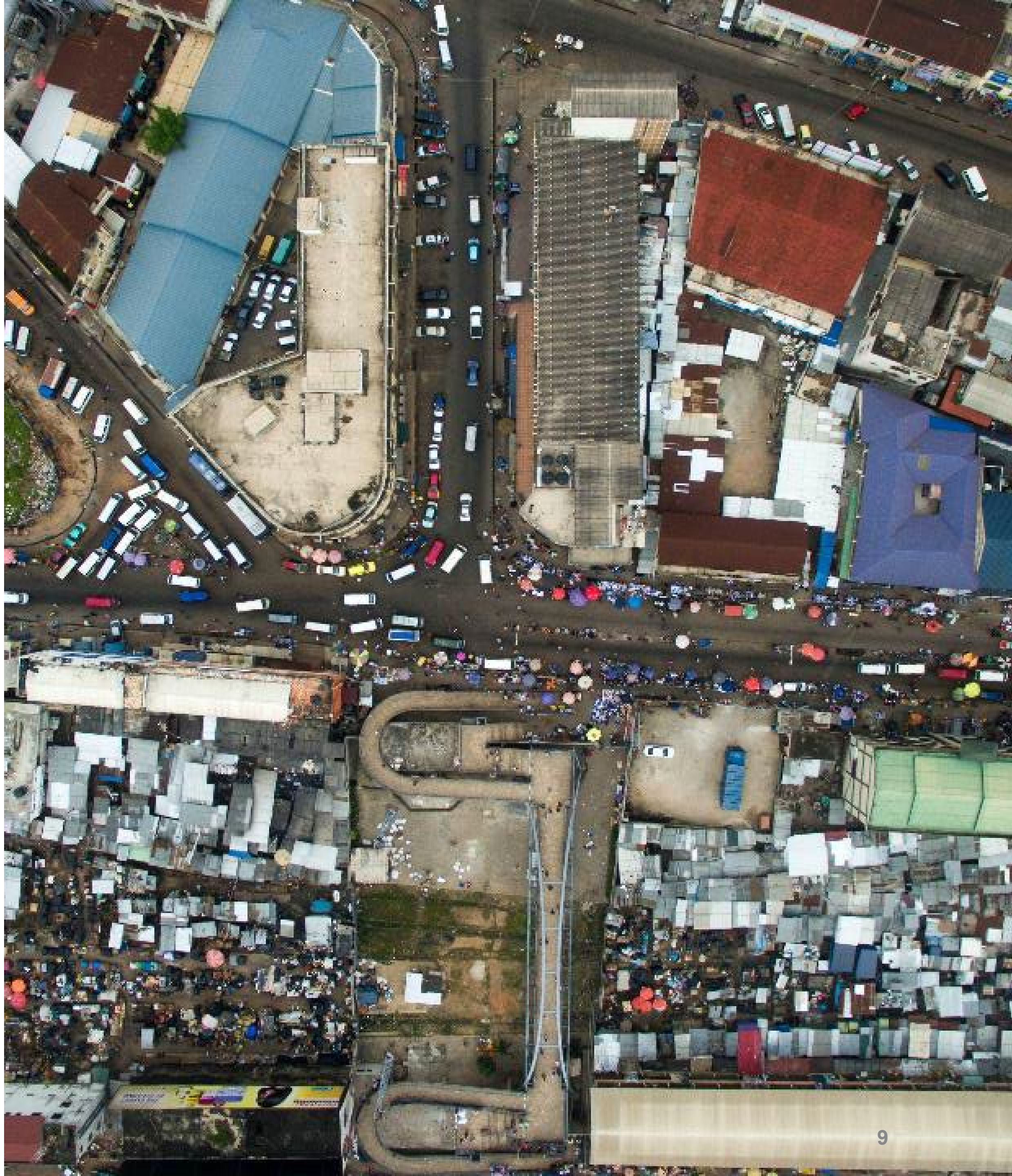


II. EXECUTIVE SUMMARY: WEST AFRICA REGION

A. KEY INSIGHTS

The West African water and sanitation distribution market for plastics is very **un-structured**

- The market is not formally regulated and all players are very opportunistic and **ready to engage with WASH players**
- A player in the distribution supply chain can **play several roles**: Distributor, sub-distributor, wholesaler and/or retailer
- Identifying key distributors can be a challenge, especially as players that may **appear small are sometimes handling massive volumes**



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Learnings across 5 West African markets revealed key next steps and opportunities for WASH product commercial scale-up

1. Every conversation with manufacturers and distributors included the question: **“what volumes?”** Organizations need to have an evidence-based answer and create demand

2. Relationships matter across all markets and any new entrant needs to **build trust with time and presence**

3. Social and public programs could seed and support commercial reach with **strategic links** (eg: combined awareness/ training/demo) and **tactical nudges** (eg: HQ in local market cluster)

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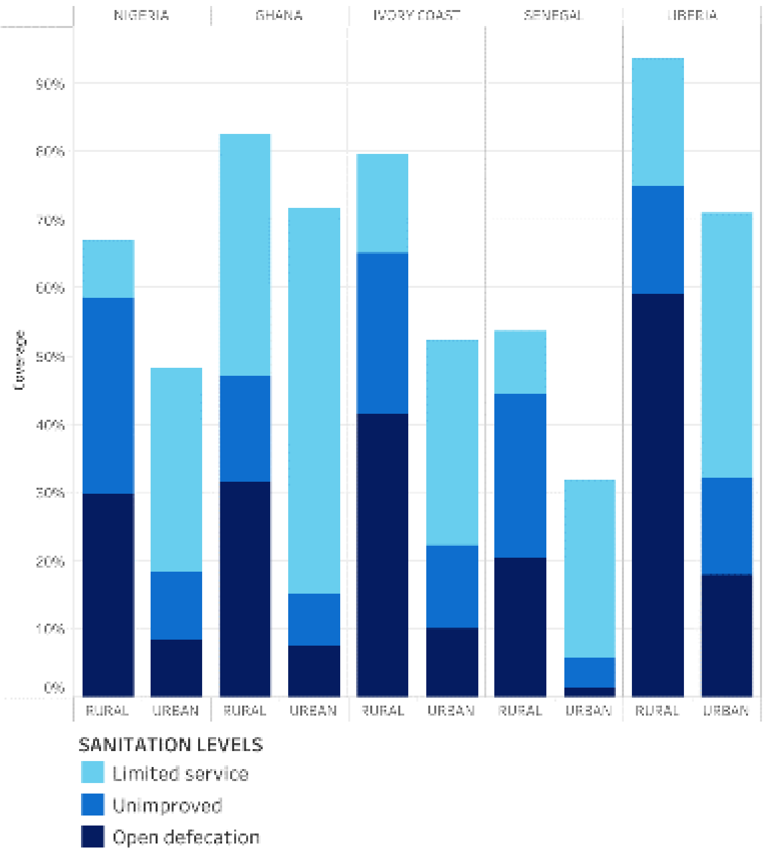
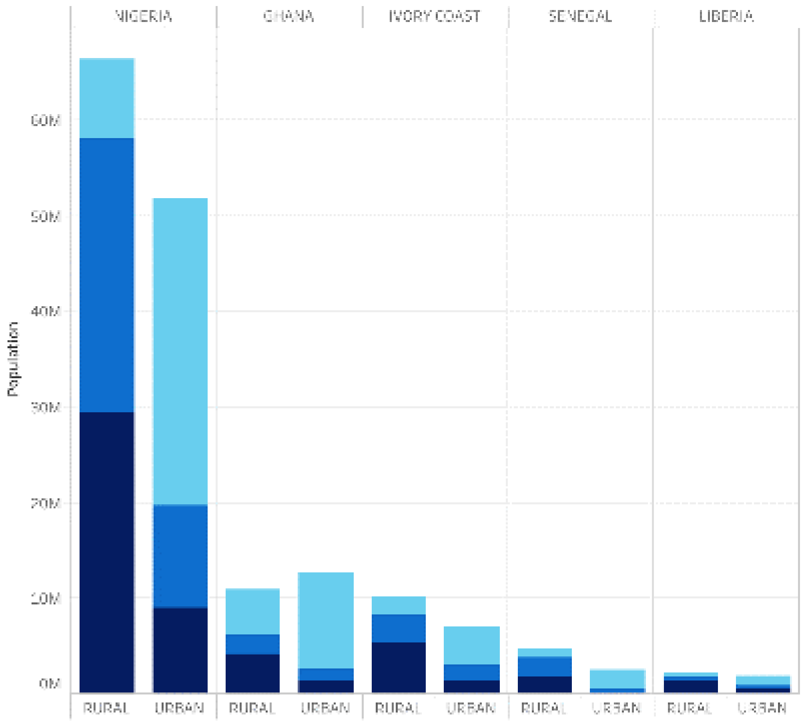
Sanitation levels in rural versus urban areas

SANITATION LEVELS ACROSS COUNTRIES IN RURAL AND URBAN AREAS (%)



SANITATION LEVELS ACROSS COUNTRIES IN RURAL AND URBAN AREAS (# OF PEOPLE)



KEY FINDINGS

- Nigeria has the highest market potential in terms of market size
- However, Ghana has the highest percentage of limited and unimproved sanitation services in urban areas

5.35M

People living in Senegal only have access to limited or unimproved sanitation services

64%

Of people living in urban areas in Ghana only have access to limited or unimproved sanitation services

Source: WHO/ UNICEF JMP, 2020

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General diagram of primary product flow and market structure for plastic water and sanitation products

PLASTIC MANUFACTURING

81 companies recorded on Airtable

High-end and ceramic sanitary products are imported from abroad

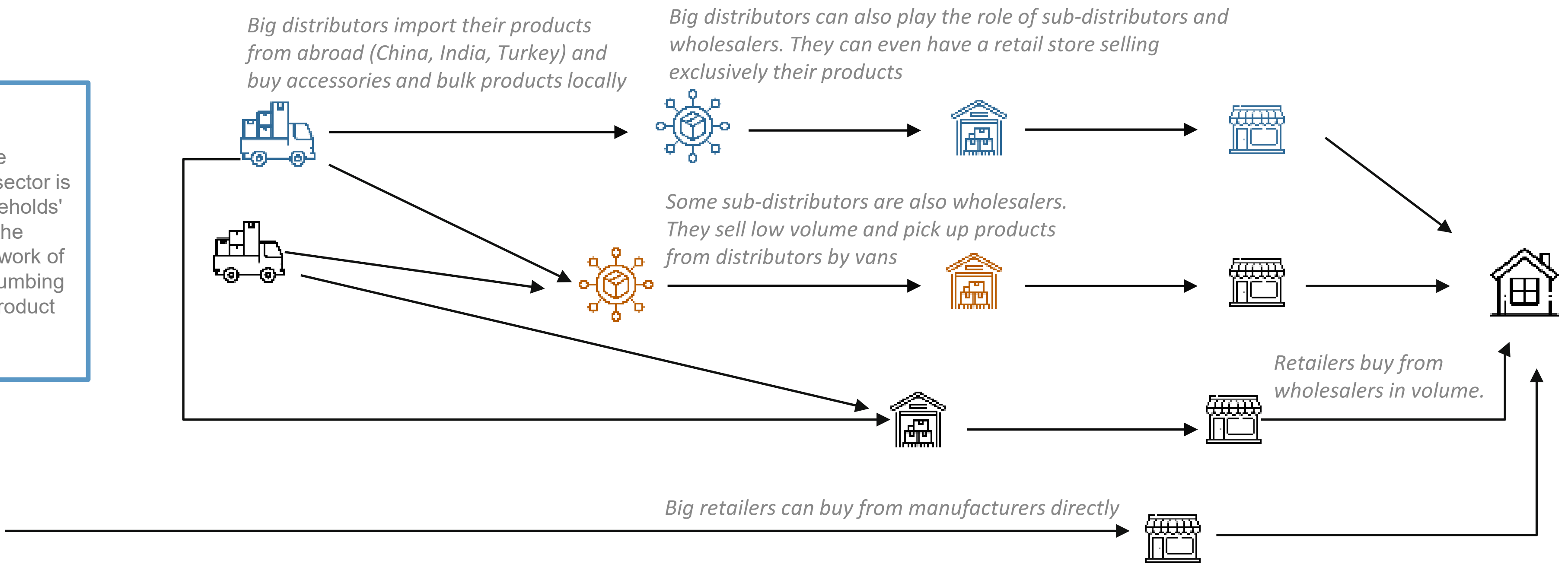
Local manufacturers import raw materials from abroad and produce plastic household items or plastic plumbing products locally

While the manufacturing sector is of plastic households' products, the distribution network of interest is of plumbing and sanitary product

SANITARY AND PLUMBING DISTRIBUTION

60 companies recorded on Airtable

Manufacturers don't own the distribution but work with various major distributors that form their distribution network



Legend

A colour indicates a specific actor. If black, it refers to multiple actors

Product flow · *Manufacturer* · *Distributor* · *Sub-Distributor* · *Wholesaler* · *Retailer* · *Households, plumbers, installers*

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MANUFACTURING

Manufacturers' decisions are mainly **driven by volume**

Organizations can insist on the political capital and benefits* that companies can build

Manufacturers are not ready to assume the **costs for the molds**

Organizations must provide evidence of likely volumes and demand estimation to ensure manufacturers cover costs and/or organizations must provide the molds at their own cost

Manufacturers can easily fake products or **make cheaper copies**

Relationship with manufacturers cannot be based solely on trust

Major players have a **strong distribution network**

Organizations can leverage manufacturers' distribution partners while ensuring the channels they reach are those where plumbing products are expected

**Especially in Liberia*

DISTRIBUTION

Distributors are often found in **market clusters***

Organizations can focus on clusters where distributors are centralised to build relationships and unlock urban and rural distribution

**Except for Liberia and Senegal*

Distributors often **outsource transport***

Organizations can leverage on distributors' flexibility, hiring logistic assets when needed

**Except for Liberia*

Distributors **lack marketing experience** to push sales*

Organizations cannot rely on distributors to promote products. However, most distributors asked for samples to test the product and market before investing

**Except for rare exceptions*

Distributors' decisions are driven by **volume & distance**

Organizations will need to show evidence of demand and work with distributors that already have rural coverage

Major plumbing players are focused on **high-end products**

Organizations could work with major players whose focus is a different type of (non-WASH) plastic product, or smaller players who distribute lower-end products and may be more ready to invest and create demand

Key importation insights across countries

	GHANA	IVORY COAST	LIBERIA	NIGERIA	SENEGAL
Total plastic importation (in millions)	$808	$506	$55	$2,203	$381
Share of plastic importation	5.4%	5.04%	0.58%	4.3%	3.5%
Import duty on plastic products	20%	5%	5%	5%	5%
Main country of importation for plastic products	China	China	China	China	China
Total plastic wash basin importation (in millions)	$7.83	$5.75	$0.309	$11.2	$3.3

Source: The OEC, 2022

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Summary of stakeholders and hubs identified across countries

	GHANA	IVORY COAST	LIBERIA	NIGERIA	SENEGAL
MANUFACTURERS	• QUALIPLAST • KGM	• CORAXEL (TAJ PLAST) • OKPLAST	• DURAPLAST	• MC PLASTIC	• SOTRAMAP • SIMPA
DISTRIBUTORS	• SUNDA • TFHO • MY OWN TRADING STORE • SAMODAK • THE LORD OF HOST	• MCN	• SETHI BROTHERS • CITY BUILDERS • OMEGA	• DIVINE UCHESON INTERNATIONAL • FAVOURED DUBEK INTERNATIONAL • VERIS CHRIS ENTERPRISES • JAKADA BUSINESS ENTERPRISES • TANDO & BROTHERS • SMOOTHFLUSH • ANYITECH • STANTECH • FLOW CITY PLUMBING • ROLEX HOME	• TQG • LEGRAND
MAIN HUBS	• KANTAMANTO	• ADJAME	• GANTA	• ORILE (LAGOS) • KOFAR RUWA (KANO) • ONITSHA (ANAMBRA)	• RUE FLEURUS (LOW REACH)

Online profiles accessible here

II. EXECUTIVE SUMMARY: WEST AFRICA REGION

B. OPPORTUNITY MATRIX

We built a **market prioritisation tool** to select the focus markets for profiling and deeper analysis

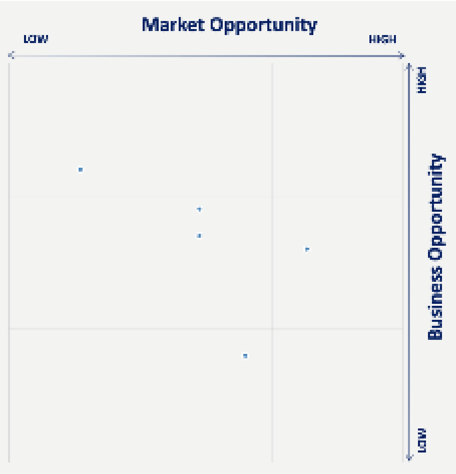
Business impact indicators

Internal stakeholder input
+
Country economic data
+
Country political data
+
Country trade and exchange data

Market need indicators

Access to septic systems
+
Sanitation levels (urban, rural, total)
+
Access to hygiene facilities
+
Access to water source
+
Water stress indicators

Opportunity Matrix



Market segmentation driven by internal data and public data on water and sanitation needs guides execution focus and prioritisation

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Potential business impact indicators are driven by various metrics, organizational capability within regions, strategic and growth trends

POTENTIAL BUSINESS IMPACT INDICATORS

- Ease of Doing Business
- Inflation Rate
- Interest Rate
- Tariffs and Imports Rate
- Trade Facilitation Performance
- Corruption Perception
- Market Readiness
- Market Presence
- Importance of the country in organization's long term plan
- Importance of the country in USAID's long term plan
- Ease of distribution

COUNTRY	Ease of Doing Business Rating	Inflation Rating	Corruption Rating	Interest Rate Rating	Trade facilitation Rating	Market Readiness Rating	Market Presence Rating	Importance of the country in SATO's long term pla	Importance of the country in USAID's long term plan	Ease of distribution Rating	BUSINESS INDEX RATINGS
GHANA	1	4	1	4	1	2	2	2	2	2	2.1
SENEGAL	2	3	1	1	1	2	2	2	2	2	1.6
IVORY COAST	1	1	3	1	3	3	3	3	3	3	2.1
LIBERIA	4	2	4	3	4	3	3	3	2	4	2.8
NIGERIA	3	4	4	4	2	1	1	1	1	2	2.12

Ease of Doing Business Score (from 0 to 100, where 0 is the lowest and 100 the best performance) (2020)
60
59.3
60.7
43.2
56.9

SATO	COUNTRY	Market Readiness Rating	Market Presence Rating	Importance of the country in SATO's long term plan	Importance of the country in USAID's long term plan	Ease of distribution Rating
Dante	GHANA	1	1	1	1	
	SENEGAL	2	3	2	1	
	IVORY COAST	4	4	4	4	
	LIBERIA	3	2	2	1	
	NIGERIA	1	1	1	1	
Jed	GHANA	2	2	2	4	2
	SENEGAL	3	3	2	2	3
	IVORY COAST	3	4	3	4	2
	LIBERIA	3	3	3	1	3
	NIGERIA	1	1	1	1	1
SATO/USAID Average	GHANA	2	2	2	2	2
	SENEGAL	2	2	2	2	2
	IVORY COAST	3	3	3	3	3
	LIBERIA	3	3	3	2	4
	NIGERIA	1	1	1	1	2

Market need indicators are driven by A&Co research and publicly available WASH data

MARKET NEED INDICATORS

- Coverage of septic tank and latrines
- Access to unimproved, limited, basic, and safely managed sanitation facilities in rural and urban areas (coverage and total number of people)
- Open defecation in rural and urban areas
- Coverage of basic hygiene facilities in rural and urban areas
- Coverage of basic, limited, and no sanitation in schools
- Share of the population without access to an improved water source
- Water stress level

COUNTRY	Coverage of Septic Tank - Rating	Coverage of Latrine - Rating	Access to sanitation RURAL - Rating	Open defecation RURAL - Rating	Access to sanitation URBAN - Rating	Open defecation URBAN - Rating	Open defecation TOTAL- Rating	Coverage of basic hygiene facility - Rating	Access to sanitation in schools - Rating	Access to water source - Rating	Water stress level - Rating	MARKET INDEX RATING
GHANA	1	1	1	3	1	4	4	3	4	4	2	2.55
SENEGAL	4	3	3	4	3	4	4	1	4	4	4	3.45
IVORY COAST	1	2	2	2	3	2	2	1	1	1	2	1.73
LIBERIA	3	4	3	1	2	1	1	No data	3	3	1	2.20
NIGERIA	2	2	2	4	3	3	3	2	2	2	3	2.55

1. Coverage of Septic Tank (2020)
19.59%
36.70%
17.28%
25.50%
21.26%

3.a Coverage of unimproved sanitation facilities in rural areas (2020)	3.b Coverage of limited sanitation facilities in rural areas (2020)	3.c Coverage of basic sanitation facilities in rural areas (2020)	3.d Coverage of safely managed sanitation facilities in rural areas (2020)
15.57%	35.39%	2.44%	14.98%
24.04%	9.29%	22.34%	23.90%
23.53%	14.48%	20.50%	No data
15.72%	18.88%	6.36%	No data
28.94%	8.34%	7.44%	25.59%

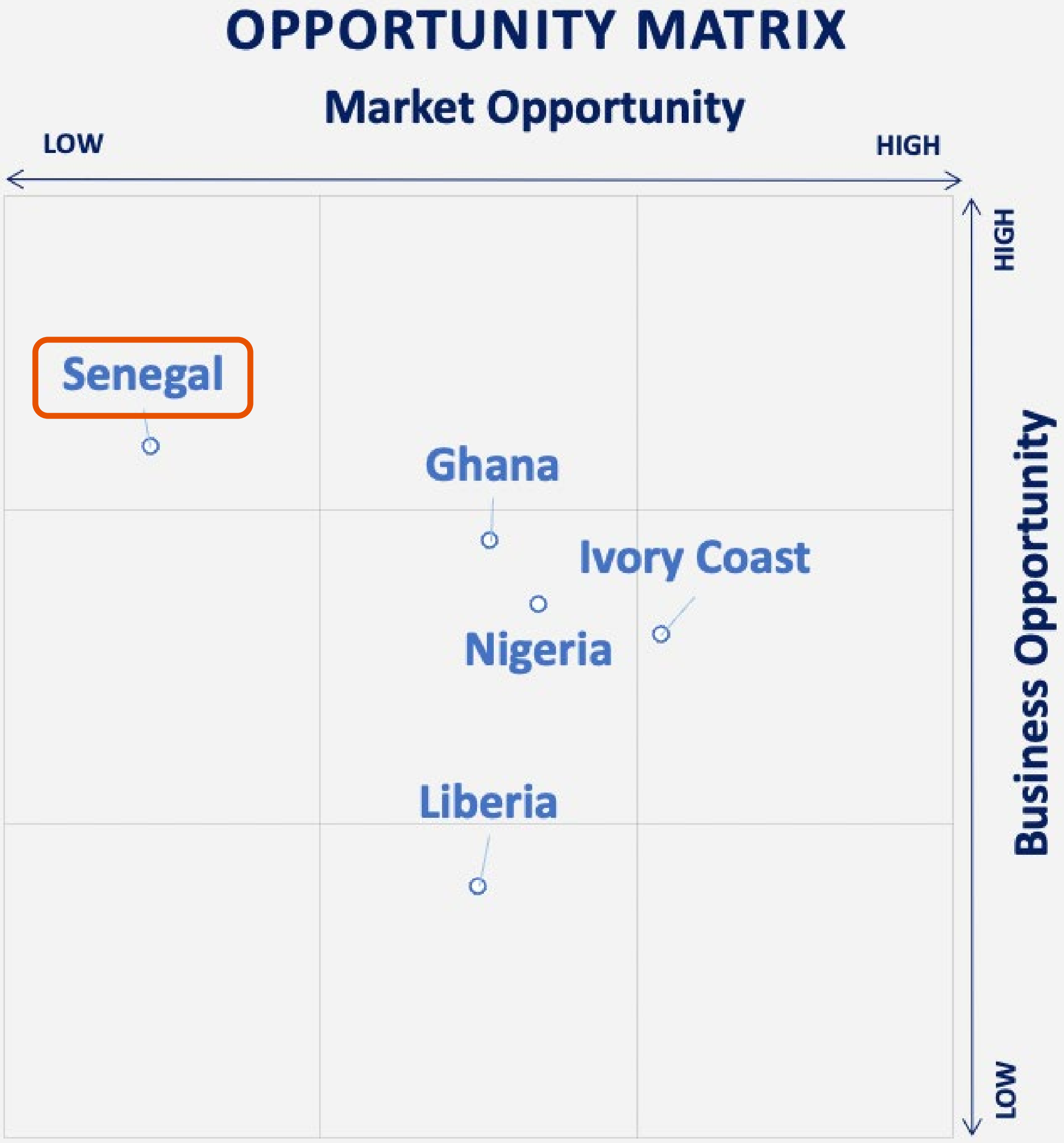
2. Coverage of Latrine (2020)
48.43%
29.31%
33.11%
23.24%
32.03%

Opportunity Matrix results for commercial scale-up

- **Senegal ranks highest for the Business** Index with **manufacturers and distributors ready to partner** with WASH companies. However, the market opportunity ranks lowest compared to the other countries: while the sanitation need is high in Senegal, it is mostly located in rural areas.

- **Ghana, Nigeria, and Ivory Coast are more attractive for both Market and Business** Indexes and seem to be optimal markets, with a sanitation need that remains high in peri-urban areas and potential partners with good capacity.

- Comparatively, **Liberia** may be more be **difficult to enter commercially**



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A. COUNTRY OVERVIEW

Senegal

Demographics

- **Population**: 16.88 Million, 47% rural[1]
- **Households:** 1.6 Million HHs[2]
- **Economy:** Services (50%), Industry (25%), Agriculture (15%)[3]

Water & Sanitation

- **57%** of the population use **basic sanitary services** (basic and safely managed)[1]

Plastic WatSan Products

- The market is saturated for household plastic products
- The main players are owned by Senegalese and a strong Lebanese community
- General market observation:
  - Electricity network is very reliable compared to a few years ago
  - No specific development for sanitary plastic products

Sources: 1. World Bank, 2021
2. ANSD, 2019
3. Statista, 2021

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Country and market general information

Demographics

- Population: 16.88 Million (2021)[1]
- Median age of the population: 17.8 years old[2]
- Urban (47%), rural (53%)

Geography

- Country size ranking #88[3]
- Nature of land: Mostly flat with savanna-type vegetation

Economy

- GDP per capita: 1,636.9$[1]
- Poverty rate: 30.3% (2022 projection), -2.6 pts vs 2019[4]
- Economy model: Gradual increase in foreign direct investment. Social services remain limited (especially in health and education)[5]

Politics

- Political stability index: 0.07 (-2.5 weak ; 2.5 strong)[6]
- Political system: Democracy
- State administration extends to the whole country[5]

Culture

- Secularism is a constitutional principle in Senegal[5]
- Religious authorities still exert significant influence
- Around 95% of the population is Muslim, 4% Christians and 1% Animist
- Wolof is the main ethnic group in Senegal. Most people use Wolof language as the second language

Sources: 1. World Bank, 2021
2. World Economics, 2022
3. World Population Review, 2023
4. World Bank, 2020
5. BTI Project, 2022
6. The Global Economy, 2022

VII. SENEGAL

B. OPPORTUNITY MATRIX

Senegal

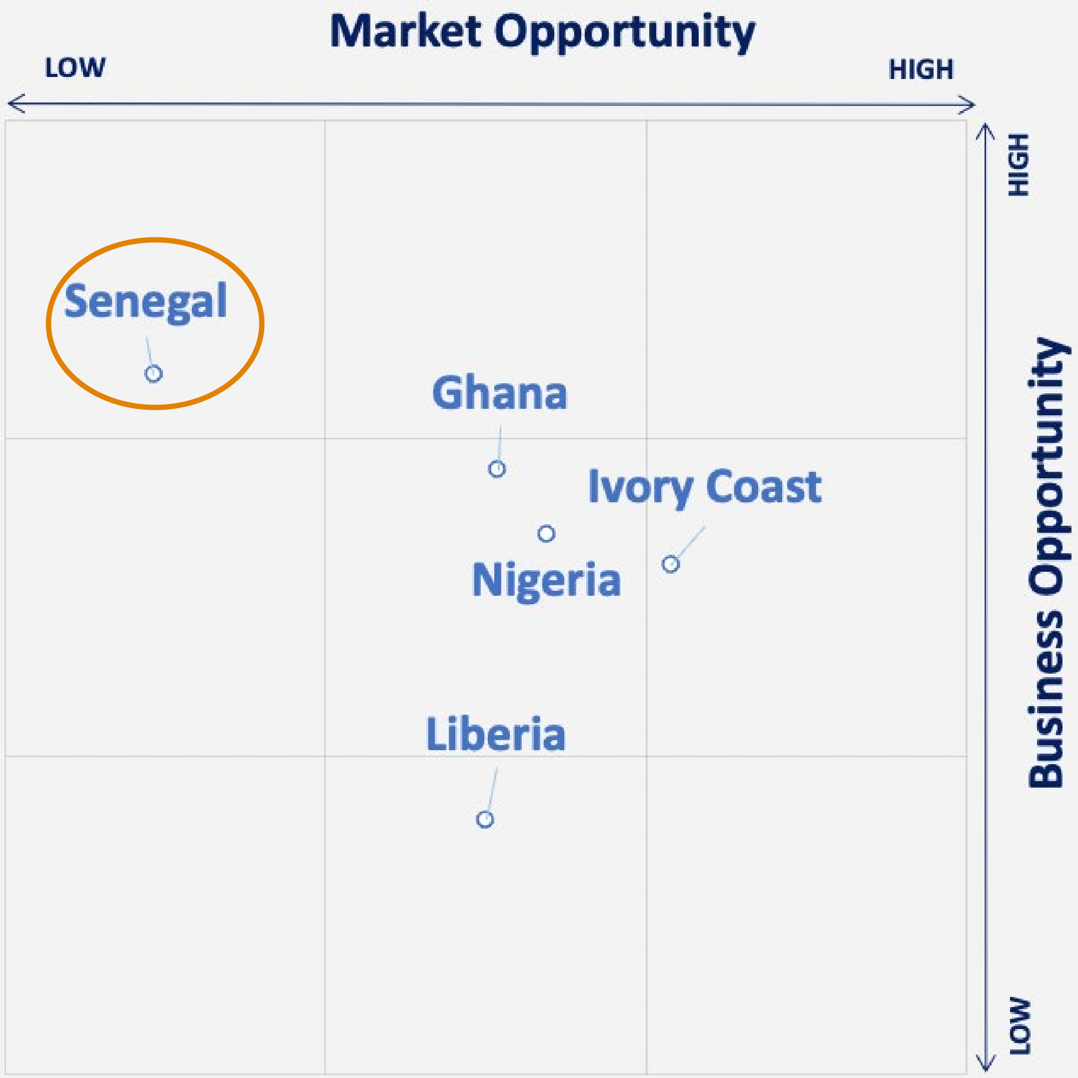
CHALLENGES

1. Depreciation of the West African Franc against the U.S. dollar leading to high price for imported goods (priced in USD)
2. High need for communication and marketing around SATO products due to a lack of awareness and sometimes mistrust

OPPORTUNITIES

1. Possibility to leverage existing market presence through the ACCES project, with a need to communicate more in around SATO products in rural areas
2. Household plastic product market is saturated, and there is no specific development for the sanitary plastic product market, leading to a diversification opportunity for manufacturers and distributors

OPPORTUNITY MATRIX



Access to the full matrix here

Eastern regions, which are mostly rural, have a higher critical need for access to basic sanitation facilities

While the majority of the population has **access to basic sanitation in the Western regions, there is a higher need for sanitation facilities in the Center and East:**

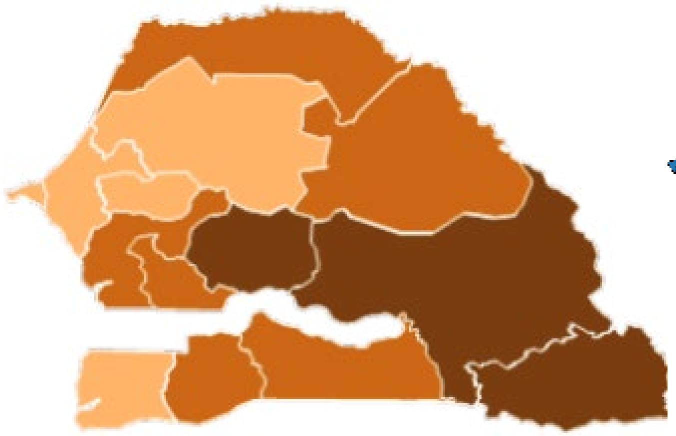
- Less than 30% of the population is the Central and Eastern regions have access to improved basic sanitation facilities (Kaffrine, Tambacounda, Kédougou)
- Kaffrine and Kédougou, which have the lowest improved basic facilities coverage, have theb highest rate of open defecation

There is a clear distinction between urban/ peri-urban areas and rural areas where sanitation need is critical:

- 46% of rural population have access to at least basic sanitation facilities, compared to 70% of the urban population
- Over 20% of rural population practices open defecation, compared to less than 2% in urban areas

» **USAID ACCES project has focused its efforts on distributing to Eastern regions so far, where the sanitation need is critical. Organizations could focus efforts in Central and Northern regions**

PROPORTION OF HOUSEHOLDS USING IMPROVED BASIC SANITATION FACILITIES[1]

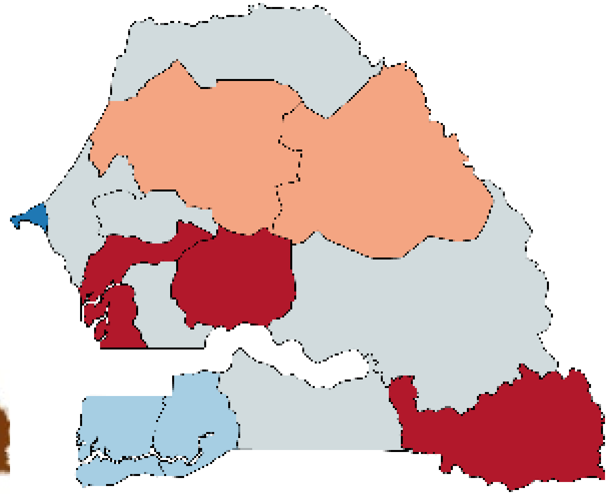


Access to improved basic sanitation facilities

>60%
30% - 60%
<30%

Source: WHO/UNICEF JMP WASH Data, 2019

PROPORTION OF HOUSEHOLDS THAT PRACTISE OPEN DEFECATION[2]



Open defecation coverage

(30,40]
(20,30]
(10,20]
(1,10]
[0,1]

Source: ANSD, 2017

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While sanitation efforts should be focused towards Eastern regions, population is mainly concentrated in the West

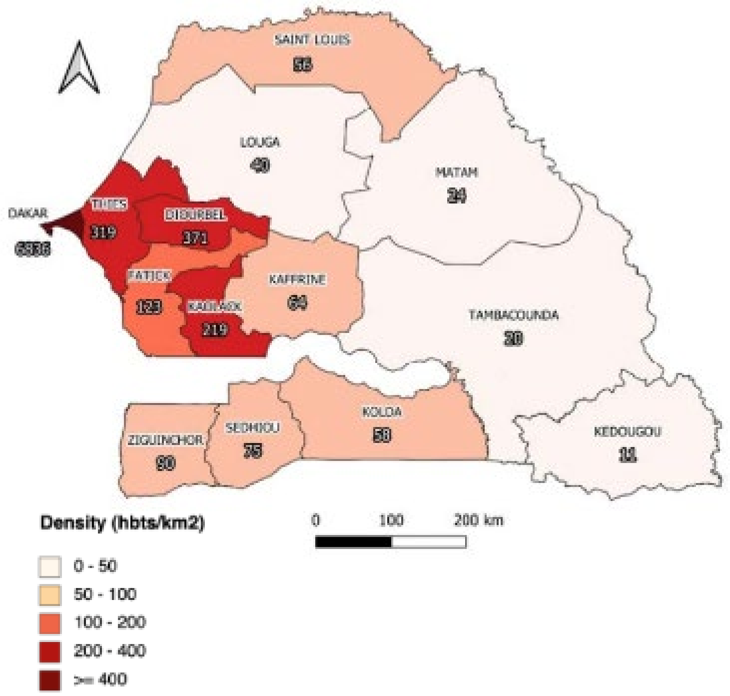
Population is highly concentrated in the West with a quarter of the population living in Dakar (0.3% of the territory)[1]:

- Dakar (23%)
- Thiès (12.99%)
- Diourbel (11.12%)
- Kaolack (7.12%)

Central (Kaffrine) and Northern regions (Saint Louis) have a higher population density than the Eastern regions and can be more **attractive for private distribution.**

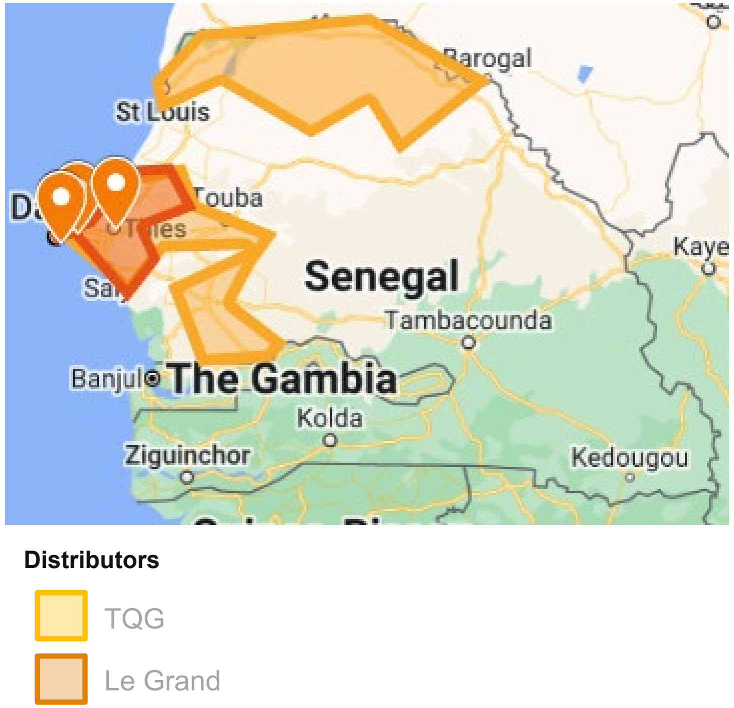
» **Organizations could partner with distributors like TQG that can distribute in Northern regions, with a distribution reach that goes beyond the peri-urban Dakar area**

POPULATION DENSITY BY REGION



Source: ANSD, 2019

MAIN DISTRIBUTORS' REACH



Source: Map by Archipel&Co based on in-field study

Plastic imports amounts to $381 million in 2020, representing a 9.8% increase in value since 2019[1]

- Plastic products are classified as category 1 (Category 1 includes basic necessities, basic raw materials, capital goods and specific inputs)
- The MFN applied duty rate for plastic products are 5% AVE, to which VAT must be added[2]
- Products manufactured in the ECOWAS region are exempt from duties and taxes
- The major risk of importation include delay in clearing of goods from the port and corruption from customs officials
- Senegal imports plastic primarily from China (34.2%), followed by France (7.04%)[1]
- The import process takes between 72h to 1 week
- In 2020, Senegal imported $3.3 million worth of plastic wash basins. These came primarily from China (41.4%), followed by France (15.7%)[1]

3.5%

Share of plastic import in overall import in 2020[1]

5%

Import duty on plastic products[2]

34.2%

Plastic import from China (highest)[1]

Source: 1. The OEC, 2022
2. WTO, 2023

VII. SENEGAL

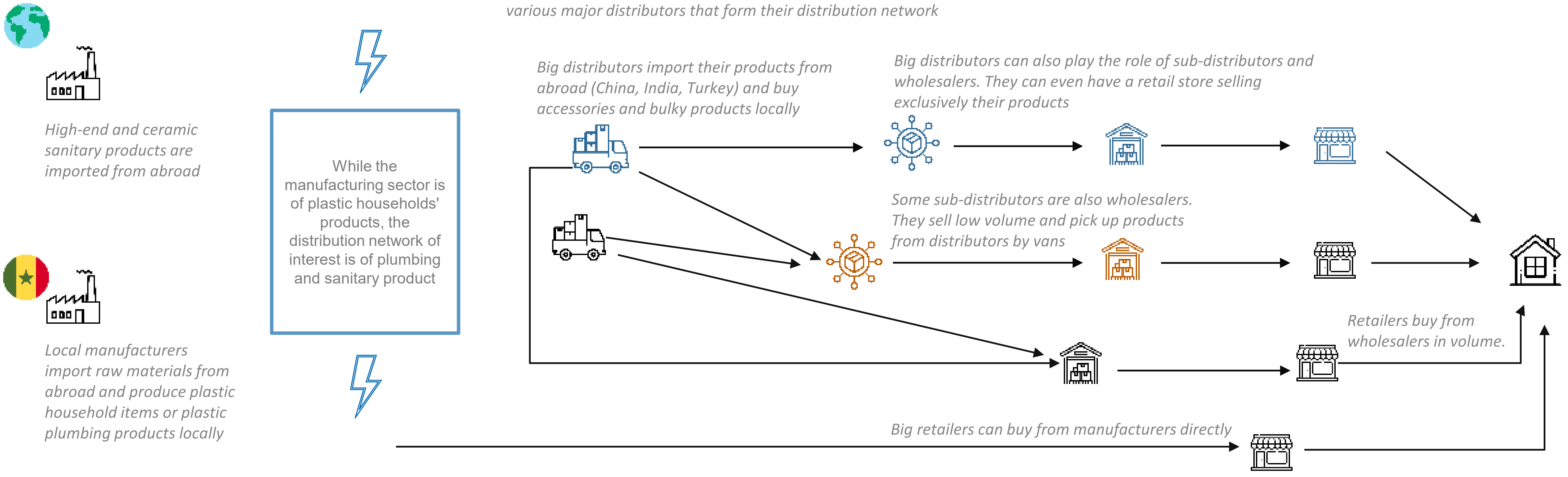
C. MARKET STRUCTURE

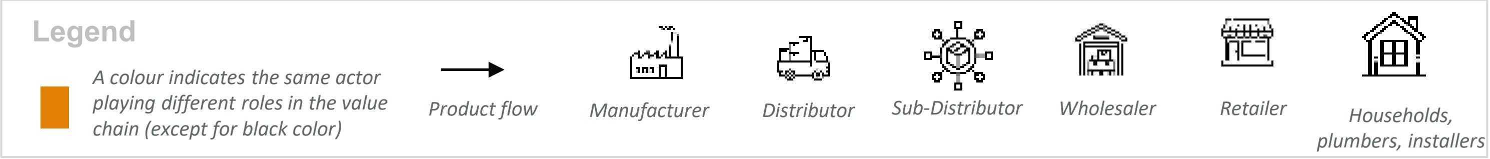
General diagram of primary product flow and market structure

PLASTIC MANUFACTURING
18 companies recorded on Airtable

SANITARY AND PLUMBING DISTRIBUTION (ceramic toilets, pipes, fittings…)
11 companies recorded on Airtable

Manufacturers don't own the distribution but work with various major distributors that form their distribution network





VII. SENEGAL

D. STAKEHOLDERS

Amongst our interviews, we have shortlisted 2 manufacturers and 2 distributors in Senegal

MANUFACTURERS

1. SOTRAMAP
2. SIMPA

DISTRIBUTORS

1. TQG
2. Legrand

MANUFACTURING

Manufacturers' decisions are mainly **driven by volume**

Organizations can insist on the political capital and benefits that companies can build

Manufacturers are not ready to assume the **costs for the molds**

Organizations must provide evidence of likely volumes and demand estimation to ensure manufacturers cover costs and/or provide the mold at their own cost

Manufacturers can easily fake products or **make cheaper copies**

Organizations' relationship with manufacturers cannot be based solely on trust

Major players have a **strong distribution network**

Organizations can leverage manufacturers' distribution partners while ensuring the channels they reach are those where plumbing products are expected

MANUFACTURING

Major players are **Senegalese and Lebanese communities**

Organizations can unlock a distribution network by working with manufacturers who hold strong power in the plastic manufacturing industry

Manufacturers can **export products internationally**

Plastic toilets could be produced in Senegal and exported to other West African countries

Manufacturers' **distribution networks span across Senegal**

Organizations' distribution could be facilitated as most manufacturers have warehouses indifferent cities in Senegal. This would avoid having too many intermediaries to handle distribution

All manufacturers have **recycling facilities and capabilities**

Plastic toilets could be produced with recycled content but it would also change the cost of production and lifecycle of the product

SOTRAMAP

Manufacturer in Dakar

[Access to the online profile here]

INTERVIEW MAIN FINDINGS

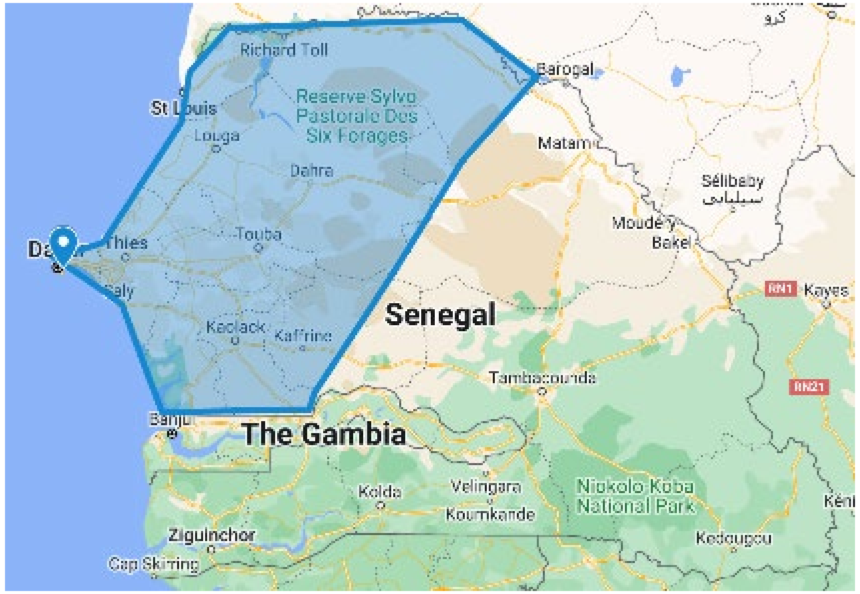
PRODUCTS & CUSTOMERS

- Rigid packaging and households products
- Sells to distributors, wholesalers and large retailers of households and plumbing products, who then sell to retailers in regions
- Customers with big warehouses come to pick up the products
- Didn't want to disclose their market position

TECHNICAL INFORMATION

- 12 machines (injection, up to 490t) from India (3 colours printing)
- Use every type of plastic raw materials
- Has a recycling department and is starting to look at carbon reporting.

GEOGRAPHICAL REACH



- Internationally, they sell across Mali, Gambia, Guinea
- In Senegal, they are active in all regions, especially Kaolack and Saint-Louis

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SOTRAMAP

Manufacturer in Dakar

Facility is in a remote area, difficult to access

Entrance gate

Trucks to pick up products

Manager of the facility

SOTRAMAP

Manufacturer in Dakar

Recycled plastics

Maintenance leaves room for improvement

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SOTRAMAP

Manufacturer in Dakar

SIMPA

Manufacturer in Dakar

[Access to the online profile here]

INTERVIEW MAIN FINDINGS

PRODUCTS & CUSTOMERS

- Households plastic products (40% rigid and 60% flexible packaging)
- Sells to distributors and wholesalers or corporations (Coca-Cola, Nestlé…). Wholesalers buy cash.
- Use the same mold for different customers

TECHNICAL INFORMATION

- Around 60 machines and 7 new machines
- Injection molding, extrusion of plastic film, thermoforming, printing and converting.
- Main raw materials are LDPE, PP, BOPP, CPP, PET and aluminium
- Rigorous maintenance process
- Uses quality rejects (and scrap collected from outside through resellers), and is procuring raw materials from abroad

GEOGRAPHICAL REACH

- Established in Senegal, Mali and Ivory Coast
- Internationally, they sell across Mali, Mauritania, Gambia, Guinea, Ivory Coast
- Plant in Dakar is 41,200 m2

- Has the capacity to produce products once they have the molds
- They want a minimum quantity otherwise they will not market

CERTIFICATIONS

- FSSC 22000
- ISO 9001

SIMPA

Manufacturer in Dakar

Entrance gate & security

Outside facility

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SIMPA

Manufacturer in Dakar

Inside facility & raw materials

Injection machines

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DISTRIBUTION

Distributors often **outsource transport**

Organizations can leverage on distributors' flexibility, hiring logistic assets when needed

Distributors **lack marketing experience** to push sales*

Organizations cannot rely on distributors to promote products. However, most distributors asked for samples to test the product and market before investing

**Except for rare exceptions*

Distributors' decisions are driven by **volume & distance**

Organizations will need to show evidence of demand and work with distributors that already have rural coverage

Major plumbing players are focused on **high-end products**

Organizations could work with major players whose focus is on a different type of (non-WASH) products, or smaller players who distribute lower-end products and may be more ready to invest and create demand

DISTRIBUTION

Sanitary product distributors don't work with manufacturers of **households plastic products**

Organizations must look at the distribution network of plumbing and sanitary products rather than households products

The scope of a distributor spreads across **different levels of the supply chain**

Organizations must navigate through a blurred distinction between distributors, sub-distributors, and wholesalers

Distributors and wholesalers will **not engage in promoting** the product and raising awareness

Organizations must create awareness for their products and train plumbers

Wholesalers distribute to retailers in **remote areas**

Organizations can rely on wholesalers' reach to distribute to remote areas where there is a higher sanitation need

Distributors have the **capacity to import** product

Plastic toilet pans could be produced elsewhere in West Africa

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TQG

Distributor/ Wholesaler/ Retailer in Dakar

Access to the online profile here

INTERVIEW MAIN FINDINGS

PRODUCTS & CUSTOMERS

- TQG handles big volumes and sells mostly to major wholesalers, subsidiaries, and big retailers
- TQG is not a leader in sanitary products. They didn't put much efforts on PVC and toilets because it's a saturated and complicated market with lots of counterfeiters.
- Their warehouses are located in industrial zones
- They import 95% of their products from Turkey, China, India, and Italy. It's very rare to buy locally.
- They master the whole value chain for importation and delivery
- They have several retail stores across Dakar

GEOGRAPHICAL REACH

- Distributes only in Senegal, to both urban and rural areas.
- Distributes around 35% of products to rural areas
- TQG said they distribute in all regions, but their sub-distributors and wholesalers are located in Thiès, Diourbel, Saint-Louis and Kaolack

TRANSPORTATION

- They have an entity for TQG distribution
- They have their own trucks: 5 big trucks and 5 small trucks/ vans
- TQG ensures all transportation, up to the major cities in regions

TQG

Distributor/ Wholesaler/ Retailer in Dakar

TQG has shops in Dakar

TQG has some stocks in their store*

**We were not able to visit their main warehouse*

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Legrand

Distributor/ Retailer in Dakar

Access to the online profile here

INTERVIEW MAIN FINDINGS

PRODUCTS & CUSTOMERS

- Leader in electrical and digital infrastructures for buildings
- Sells a variety of sanitary (ceramic) and plumbing products
- Sells mostly to wholesalers and end-customers
- They import 70% of their products from China, Turkey, Morocco, Italy, and France
- For pipes, they buy locally
- Wholesalers usually come to pick up products
- Le Grand can ensure delivery in Dakar if it's high volume. They have one truck to ensure delivery
- Distributors in regions come to Dakar to distribute in the country afterwards

GEOGRAPHICAL REACH

- Their clients are across regions
- Wholesalers are mostly in Dakar
- They have 4 different sites in Dakar (Mermoz, Zac Mbao, Maris and Keur Massar) and one in Thiès

COMPETITORS

- Le Grand is not a leader in the market
- CCS is a leader in plumbing and sanitary products, but didn't show interest in distributing plastic toilet products as they are focused on more high-end products

Legrand

Distributor/ Retailer in Dakar

Entrance of the depot

The depot is located in an old house and split in several floors

Legrand

Distributor/ Retailer in Dakar

Sanitary products are all ceramics and are not well maintained

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TABLE OF CONTENTS

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From building demand for WASH products to building a network in the field

1. Demand creation

Every conversation with manufacturers and distributors included the question: “what volumes?” Organizations need to have an evidence-based answer and create demand.

- A&Co’s 2020 Go To Market study in peri-urban Accra included initial recommendations for a combined training, demand and sales model.
- Further demand quantification studies may be necessary to focus commercial efforts.
- Partners like WRP can also be helpful to build sales capacity.

2. Network building

Relationships matter across all markets and any new entrant needs to build trust with time and presence.

- Organizations can do so with incentivised local agents based in key market clusters.
- Social and public programs could seed and support commercial reach by locating staff and facilities in key market hubs
- Understanding product flows to tier 2-3 cities and rural areas to “reverse engineer” routes to these key markets would be a valuable build on this study

NEXT STEPS

Volume is the key element to unlock business opportunities

- **Manufacturers will only invest if there is enough volume**. In Ghana, for example, KGM mentioned a minimum of 10,000 to 15,000 units per month
- Volume will **determine distributors' level of interest**
- **Distributors are not reliable or experienced partners for demand creation**, but can and should participate in trials.
- Distributors expect **demand creation to be driven and delivered by organizations themselves**

Likely volumes must be supported by a **strong business plan** with both elements of:

1. **Likely market demand** through consumer research
2. **Funded plans for demand creation** & growth

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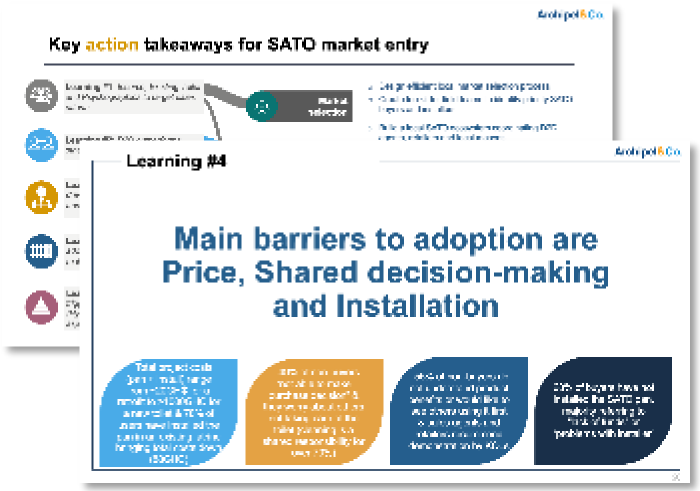
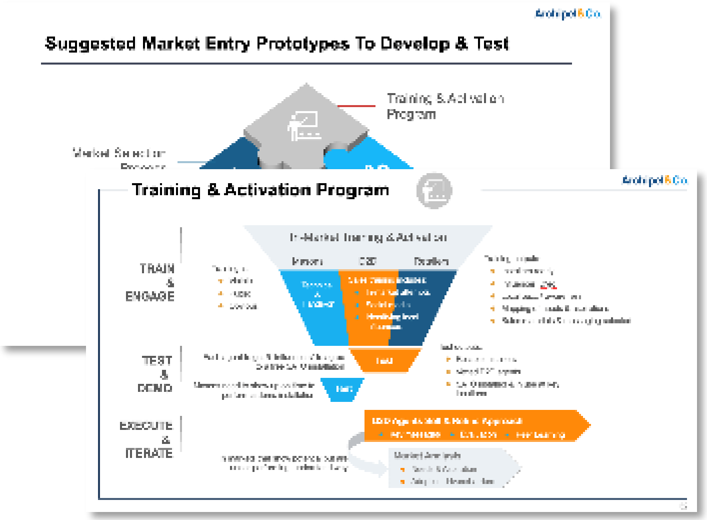
A&Co's 2020 GTM study included initial recommendations for a combined training, demand and sales model

- While open defecation presents an opportunity for the social channel, a WASH commercial strategy resides in unimproved and improved sanitation facilities
- Commercial opportunity is both B2C sales (for households), and B2B sales (for large implantations with households and employees)

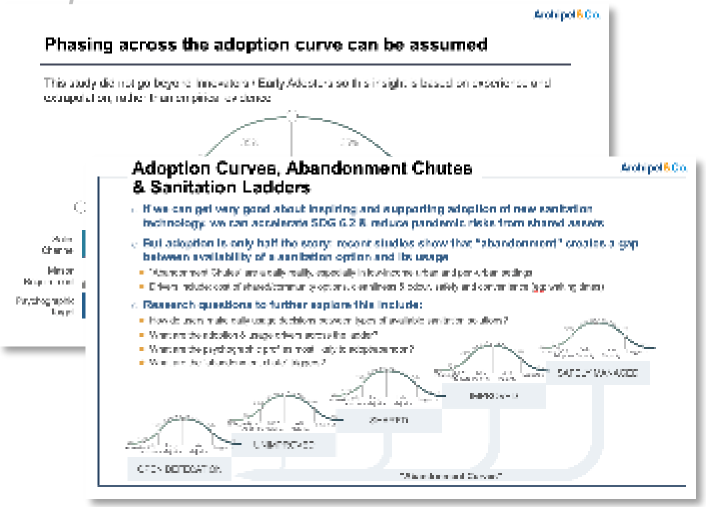
Key takeaways and learnings



Market entry training program



Adoption curves across sanitation levels

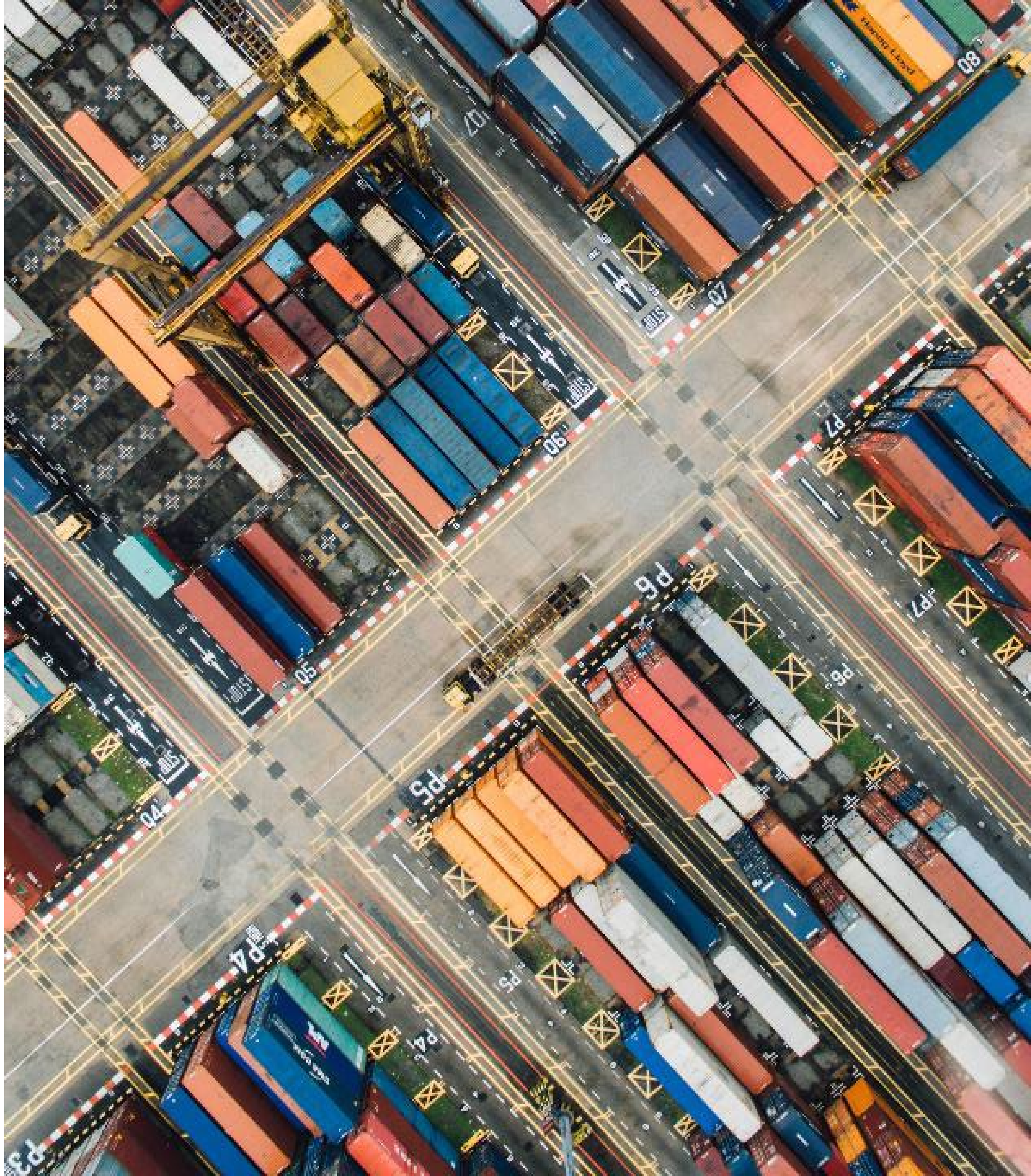


NEXT STEPS

Localised manufacturing or a hub and spoke model?

- All local distributors interviewed preferred locally made products
- For public tenders projects, bonus points can be given when products are locally made*
- There are viable manufacturers across all 5 West African countries studied
- An economic model should be built to quantify the thresholds for investing in local manufacturing

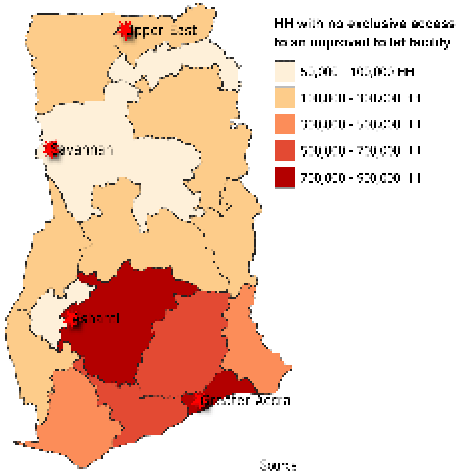
Import duties saved (~5%)	Fixed mold investment
Transport Cost & Time	Variable production costs
Product leakage & breakage	IP risk
Market positioning	Complexity



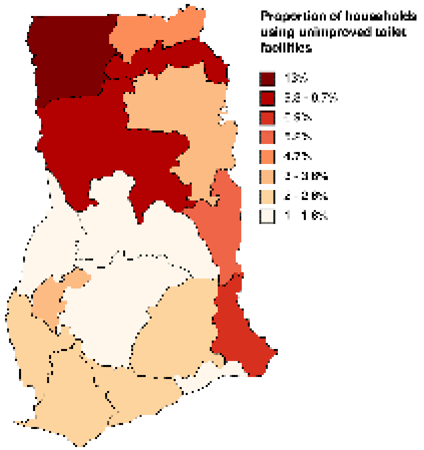
Success may depend on a dynamic symbiosis between social (meeting needs) and commercial (fulfilling demand)

- While the need for sanitation facilities might be greater in rural areas, the **demand for sanitation improvement may be higher in urban and peri-urban areas** due to population density
- Organizations should build the **commercial demand in urban and peri-urban areas**, where consumers have a slightly higher income and pre-existing infrastructure
- Improved **knowledge and experience sharing** across programs and geographies will be a driver of success
- Build **strategic links** (eg: combined awareness/training/ demo) and **tactical nudges** (eg: HQ in local market cluster) between social and commercial approaches

NUMBER OF HOUSEHOLDS WITH NO EXCLUSIVE ACCESS TO AN IMPROVED TOILET FACILITY



PROPORTION OF HOUSEHOLDS USING UNIMPROVED TOILET FACILITIES



In Ghana, for example, while the proportion of households using unimproved toilet facilities is predominant in the North, the number of households with no access to improved toilet facilities is higher in the South

Thank You

To learn more about ways of working with SATO and the Partnership for Better Living, please contact:

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