

Executive Summary

Growth Potential of the Menstrual Hygiene Market in Invest for Jobs Countries

Implemented by



About Invest for Jobs

Under the Invest for Jobs brand, the German Federal Ministry for Economic Cooperation and Development (BMZ) has put together a package of measures to support German, European and African companies in investment activities that have a high impact on employment in Africa. The Special Initiative "Decent Work for a Just Transition" – the official title – offers comprehensive advice, contacts and financial support to overcome investment barriers. The development objective is to team up with companies to create good jobs and improve working conditions and social protection in the eight African partner countries (Côte d'Ivoire, Egypt, Ethiopia, Ghana, Morocco, Rwanda, Senegal and Tunisia). The Special Initiative is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH among others. Further information is available at www.invest-for-jobs.com.

Published by:

Deutsche Gesellschaft für Internationale
Zusammenarbeit (GIZ) GmbH

Registered offices:

Bonn and Eschborn, Germany

Country office:

Friedrich-Ebert-Allee 32 + 36, 53113 Bonn
Dag-Hammarskjöld-Weg 1–5, 65760 Eschborn

As at:

07/2023

Contact:

For general and multicountry requests:
info@invest-for-jobs.com
invest-for-jobs.com

On behalf of:

German Federal Ministry for Economic Cooperation
and Development (BMZ)



Growth Potential of the Menstrual Hygiene Market in Invest for Jobs Countries

As part of Invest for Jobs, in 2023 the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH commissioned Dalberg Advisors to carry out the study Growth Potential of the Menstrual Hygiene Market in Invest for Jobs Countries. This executive summary outlines the main findings of this study, which include key insights from cross-country analyses and deep-dive studies of the menstrual hygiene markets, policy environments and investment climates of Egypt, Ethiopia, Ghana and Rwanda. This information provides the basis for the development of business-case opportunities that Invest for Jobs can pursue with a view to attracting private investment and creating jobs in the menstrual hygiene sector in Africa.

Across Invest for Jobs countries, limited access to menstrual health and hygiene (MHH) affects diverse areas of women and girls' lives, including their employment opportunities.

In these eight countries, 86 million people menstruate every month – approximately a quarter of the total population. This number is expected to increase by 26% to 108 million by 2030. However, 31% of those who menstruate lack access to safe menstrual hygiene (MH) products, such as sanitary pads. These gaps are acute in some Invest for Jobs countries. In Rwanda, only 30% of women and girls have access to MH products, while only 12% of the population have access to safely managed sanitation services. This level of access to MH products is lower than that seen in other Invest for Jobs countries such as Egypt (80–90%), Ethiopia (40–45%) and Ghana (60–90%).

Driving this lack of access are barriers imposed by product affordability, availability and acceptability as well as low MHH awareness. In Ethiopia, MH products remain unaffordable for the majority of women and girls, with a pad costing on average USD 0.10 – the same price as in Egypt and Ghana. Yet, among the Invest for Jobs countries, Ethiopia has one of the lowest levels of female income per capita. Annually, the average Ethiopian woman earns USD 1,995 whereas her Egyptian counterpart earns USD 3,536. On average, Ethiopian women spend approximately 1.2% of their annual income on MH product purchases, the highest such share among Invest for Jobs countries (in Egypt the share is 0.6%, Ghana 0.3% and Rwanda 0.7%). Compare this with the average woman in Germany who earns USD 46,150 a year and spends only 0.06% of this annual income on MH products. Additionally, MH products are not always widely available in the Invest for Jobs countries. For example, in Rwanda these products face distribution challenges and taboos around menstruation persist. Access is further restricted by there being

a lack of MH products of acceptable quality and a limited awareness of MHH. All eight Invest for Jobs partner countries have quality standards for disposable sanitary products that define the requirements that these products must meet. However, when it comes to standards for reusables, there is still much work to be done. So far, Ethiopia is the only Invest for Jobs country to have introduced standards for reusable products. The introduction of national quality standards for reusables, tailored to the local context, is crucial if producers are to be able to sell their products at scale. Furthermore, improved knowledge and awareness of MHH can help MH companies grow their sales by reducing stigma and improving the effectiveness of marketing campaigns.



A woman produces reusable sanitary pads in Ethiopia.

These barriers and gaps have adverse impacts not only on women and girls' lives, but also on companies, governments and national economies. One study showed that, for a company with 1,000 employees, 400 of whom menstruate regularly, a total of 2,752 productive working hours can be lost annually if the employees unexpectedly start their period just once a year. For example, in Rwanda 23% of employed women report that they have missed work as a direct consequence of lacking access to MH products. Work absence due to menstruation can result in lost wages for the employees in question and lower output by firms. This has wider effects on the national economy. Women's workplace absences are estimated to cost Invest for Jobs countries up to USD 68 billion in gross national income (GNI) annually.



To avoid these costs, companies in these countries should look to improve MHH access in the workplace as a means to improve their performance. It is, after all, not only female employees who benefit but also the businesses themselves. For instance, a textile sector factory in Egypt saw a USD 4 return for every USD 1 invested in MH education and product access, the gains being achieved through reduced female staff turnover and absences. Similar interventions would be particularly effective for companies in Egypt's and Ghana's service sectors, which employ 71% and 55% of working women respectively. In Rwanda this would benefit agricultural businesses as most women (67%) work in the agricultural sector. By enhancing female workforce participation, MHH access can drive country-wide impacts. Across Invest for Jobs countries, increasing women's work attendance each month by just one day could increase GNI by up to USD 27 billion. In Egypt and Ethiopia alone, this could increase GNI by USD 10 billion and USD 5 billion respectively.



The Ethiopian company Mela for Her produces reusable sanitary pads that ultimately generate less plastic pollution and waste.

Beyond employment, a focus on MHH can deliver benefits in areas including environmental sustainability, education and health, whereas poor MHH will negatively impact these areas. Sanitary pads typically comprise up to 90% plastic. Without adequate waste systems, they end up in landfills, where it takes 500 to 800 years for them to break down. This can have far-reaching impacts, as the average woman uses and disposes of between 50 kg and 150 kg of pads and tampons throughout her life. For comparison, the average person discards approximately 300 toothbrushes in their lifetime, producing only 6 kg of waste. Increased adoption of reusable and biodegradable MH products can help reduce the current environmental footprint of their disposable equivalents. Disposable MH products make up more than 6% of the sewage-related debris around waterways and beaches, and a study in Ethiopia found that 69–78% of women

dispose of sanitary pads in latrines. To tackle this problem, companies like Mela for Her and Adey Pads produce reusable sanitary pads that ultimately use less material and generate less plastic pollution and waste.

Access to MHH can also improve girls' school attendance and education outcomes. In sub-Saharan Africa every additional year of schooling is associated with a 13.5% increase in earnings later in life. In Ethiopia this would translate to USD 12 billion in additional economic output, a 5% increase in the country's GNI. Similarly, better awareness of MHH can improve women's sexual and reproductive health and pain management. In rural areas in particular, women and girls tend to use cloths rather than packaged MH products – for instance, in Ghana 21% of women living in rural areas still use cloths, compared to 4% of women in urban areas. This can have adverse implications for rural women as inadequate products increase the risks of reproductive tract and urinary tract infections, which can result in infertility, birth complications and maternal mortality. In Ethiopia alone, the economic cost of maternal mortality is estimated at USD 240 million each year.

In the last five years, revenues from MH product sales have grown by 41% across Invest for Jobs countries.

Despite these challenges, the MH sector has growing market potential and presents Invest for Jobs with a unique opportunity to attract investment, create scalable jobs and deliver cross-cutting impacts, particularly in Egypt, Ethiopia and Ghana. In the last five years, revenues from MH product sales have grown by 41% across Invest for Jobs countries. Innovative players seeking to increase women's access to a greater range of more affordable MH products are emerging in Africa. In Ethiopia alone, there are some 27.5 million people who menstruate, 55–60% (16.5 million) of whom still lack access to adequate and affordable MH products. In total, the country has nine MH companies, seven of which are small or medium-sized enterprises (i.e. with fewer than 250 employees). This presents an opportunity to build Ethiopia's MH sector and create jobs. For example, scaling the country's domestic MH product manufacturing to supply all those who menstruate with purpose-made products could create approximately 2,500 new jobs in a baseline scenario where 5% of people who menstruate use reusable MH products. In a scenario where 25% of people who menstruate use reusable MH products, up to 3,600 new jobs could be created. Supporting local distributors of MH products to scale operations could create between 500 and 2,000 jobs in an Invest for Jobs country within two years.



Egypt is also full of potential. It has a large population, with 27.3 million people who menstruate, and a large and growing MH sector worth USD 597 million in annual sales. High levels of social stigma around menstruation do persist in the country. However, improved knowledge and awareness of MHH can help Egypt's MH companies grow their sales by reducing stigma around menstruation and improving the effectiveness of marketing campaigns. Note that projected growth is more pronounced in the country's reusables segment: the number of people who menstruate using reusable MH products is expected to grow by 23% between 2019 and 2030, from 1.1 million to 1.3 million.

The MH sector offers a unique opportunity to attract investment, create scalable jobs and deliver cross-cutting impacts, particularly in Egypt, Ethiopia and Ghana.

Ghana has a dynamic, high-potential MH sector comprising four social enterprises (three of which focus on reusable products) and seven large producers of disposable MH products. Also, relative to Egypt and Ethiopia, there are low levels of stigma around menstruation in the country. Similar to Egypt, the growth in the number of people who menstruate using reusable MH products is projected to increase by 28% between 2019 and 2030. This projected growth, and the potential for job creation that comes with it, is likely to be driven by growing awareness, rising incomes and ongoing policy progress.



Invest for Jobs supports the Ethiopian social enterprise Mela for Her in creating good local jobs through training in the production of menstrual products.

The MH sector has scalable growth and job-creation potential, provided that demand for MH products continues to grow, local MH companies are enabled to prosper, and governments advance MH policy and reusable product quality standards that enable innovative companies to certify their products and sell them at scale. Government actions to promote the growth of MH markets (including MHH-related policies, product quality standards and tax regulations) are critical factors driving commercial actors' willingness to enter MH markets and scale.