

# Why can't Africa manufacture the medicines it needs?

By [Janet Byaruhanga](#)

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The Covid-19 pandemic exposed Africa's inadequate capabilities and capacity to manufacture and supply essential drugs and personal protective equipment (PPEs) needed to curb the disease.



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Although pharmaceutical products are currently manufactured in countries such as South Africa, Kenya, Morocco and Egypt, as a whole Africa currently imports more than 80% of its pharmaceutical and medical consumables. It is unsustainable.

But as far back as 2007, the New Partnership for Africa's Development (now the African Union Development Agency, Auda-Nepad) sought to address Africa's overreliance on imports of pharmaceutical products when it developed the Pharmaceutical Manufacturing Plan for Africa (PMPA), as mandated in the Assembly of AU heads of state decision of 2005.

## Pooled procurement

In 2012, the Assembly of Heads of State endorsed a PMPA business plan which consists of a package of technical solutions to some of the critical challenges confronting the continent's pharmaceutical industry.

Some of the proposed solutions include strengthening the regulatory systems and establishing a one-stop-shop for information, data and business intelligence for industry players—governments, the private sector, regional economic communities and so on.

To boost local pharmaceutical production and in turn improve public health outcomes, the PMPA business plan strongly encourages the procurement of medical products from Africa-based companies.

In addition to strengthening the procurement and supply chain management systems, the plan recommends the use of pooled procurement as a mechanism to incentivise local manufacturers to address maternal, new-born and child health.

Improved access, quality, availability and affordability of pharmaceutical products, as well as increased economic benefits through sustainability, competitiveness, and self-reliance of the industry, are some of the objectives of the business plan.

## Challenges

The PMPA business plan underscores the urgency in addressing the challenges facing the industry. One such challenge is a lack of affordable financing and modern technology, which hampers business expansion.

Other challenges are Africa's small fragmented markets and weak regulatory frameworks.

Inadequate human resource capacity also impedes the growth of Africa's pharmaceutical sector as do poor procurement and supply chain systems and policy incoherencies in countries' trade, industry, health, and finance departments.

Due to a lack of financial capacity, companies make little or no investments in research and development and in protecting intellectual property.

No single company, government department or organisation can by itself address these challenges; it is precisely why the PMPA business plan advocates for multisectoral and multi-stakeholder collaboration.

The good news is that some opportunities are available to be explored.

For example, the African Continental Free Trade Area (AfCFTA), if successfully implemented, will address the challenge of small fragmented markets that have for a long time disincentivised pharmaceutical manufacturing investors.

African manufacturers, currently operating in small fragmented markets, cannot compete with their Asian counterparts that operate in vastly larger markets and therefore enjoy economies of scale. Economies of scale help businesses save money due to higher production volumes.

When all African countries ratify the AfCFTA, it will integrate a market of 1.3-billion people and potentially 2.2-billion people by 2050. African manufacturers can be expected to enjoy significant economies of scale and scope. Free trade under the AfCFTA should begin in January 2021.

A pooled procurement mechanism will encourage leading global generic pharmaceutical manufacturers to build plants in Africa or partner with African pharmaceutical companies to manufacture generic products. There is a need for this form of strategic support for Local Pharmaceutical Production (LPP).

Russia and Bangladesh are examples of countries that have deliberately and successfully supported the development of LPP. As a result, these countries have experienced an increase in foreign direct investments in the sector. They have also benefited from training and skills development, accelerated technology transfer and job creation.

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Africa should be expected to reap these kinds of benefits were it to fully embrace strategic support for LPP. Besides, it would compel countries to strengthen regulatory systems.

Already African manufacturers of pharmaceuticals have been brought into a federation to enable them to share information and business intelligence and to have a unified voice. And plans are underway to establish a fund for the sector, which will cushion companies' financial inadequacies.

## **Integrated markets**

In June this year, the AU launched the Africa Medical Supplies Platform which promotes the procurement of medical supplies from local manufacturers and taps into the harmonised regulatory systems created in the context of the PMPA.

Countries will invariably need to formulate education policies that foster research and development in pharmaceuticals as well as encourage thousands to acquire the skills required in the industry.

Undoubtedly, Africa needs integrated markets. It must implement trade facilitation policies. Countries need to strengthen and harmonise their regulatory systems to assure the quality of medical products and ensure that local manufacturers adhere to international standards.

When fully implemented, the PMPA business plan will create jobs for millions of Africa's unemployed and usher in a knowledge economy that will drive the fourth industrial revolution.

To answer the question at the beginning of this piece, yes, Africa can potentially manufacture its medicines. The PMPA business plan is the way to go.

## **ABOUT THE AUTHOR**

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