

Redoubling efforts to transform the African pharmaceutical industry

Margareth Ndomondo-Sigonda looks at ways to address and transform the pharmaceutical industry through funding and training resources

Introduction

Africa has one of the largest pharmaceutical industries in the world with estimates indicating that this industry will be worth between US\$40–\$65 billion by 2020.¹ The decade preceding 2013 shows that the value of the African pharmaceutical industry increased from £4.7 billion to \$20.8 billion. There is enormous potential for Africa to benefit from this growth not only to improve public health, but also accelerate economic development on the continent.

However, the growth of the pharmaceutical industry in Africa is subdued by three main factors – prevalence of substandard and falsified medical products and technologies, inadequate resources to invest in local production, and inaccurate measurement of the pharmaceutical market size to assist in satisfactory planning and investment. These factors are among several that include inadequate financing, poor infrastructure, lack of access to loans, lack of economy of scale hindering competition, inadequate or untrained human resources, weak or non-coherent regulatory frameworks, and fragmented markets. A recent report on counterfeit medicines in Central Africa indicates that illicit trade in drugs accounts for 25% of the pharmaceutical market size in countries where it is poorly developed, and up to 55% in countries where it is well developed.² This problem is not just in Central Africa, it spans across the continent and affects other regions as well.

In addition, over 70% of medical products and technologies consumed in Africa are imported from outside the continent making the industry largely foreign dominated.³ These factors have contributed to reduced investor confidence, depriving it from the much needed resources to accelerate transformation.

These factors are the bedrock that call for a critical review of the past and more importantly expected growth of the pharmaceutical industry in Africa to make it more responsive to the current challenges on the continent. During a keynote speech at the African Medicines Regulatory Harmonisation (AMRH) organised event at the 2017 World Economic Forum (WEF) on Africa in Durban, South Africa, the President of Mauritius, Her Excellency Dr. Ameenah Gurib-Fakim addressed this very subject by posing to the audience a question for critical reflection – ‘how can we redouble efforts to change this dynamic and produce quality assured medicines to fight diseases?’

Margareth Ndomondo-Sigonda is Head of Health Programmes at NEPAD Agency

What will it take to transform the African pharmaceutical industry?

On 3 May 2017, the AMRH Initiative hosted partners and stakeholders on the side-lines of the WEF on Africa to discuss how to transform the pharmaceutical landscape. The aim of the event was to mobilise political, technical and financial support from governments, the private sector and partners.

During the event, it became clear that different stakeholders need to collaborate much more closely to avoid duplication of work and thinly spreading resources. Transforming the industry will require addressing the lack of adequate human resources. Africa must also consider revamping the regulatory and pharmaceutical sector workforce by promoting and investing in capacity building programmes, and academic training at higher institutions of learning. The outcome of this approach may not necessarily yield results in the short-term, but sustained efforts will definitely bring great results over the long-term.

Under the AMRH Initiative, a total of 11 Regional Centres of Regulatory Excellence (RCOREs) have been designated by the New Partnership for Africa's Development (NEPAD) Agency to produce regulatory workforce in different areas of expertise that the institutions are specialised in. The RCOREs contribute to academic and technical training, skills enhancement, increased operational research, and practical training in different functions. A Clinical Trials Manual was published under the RCOREs recently to build capacity within these trials, and will be piloted by the Ghana Food and Drugs Authority. The RCOREs initiative can be extended to include similar trainings and functions directly related to the pharmaceutical sector. In Mauritius, the Government is partnering with other stakeholders to establish a Centre for Pharmaceutical Advancement and Training (CePAT) for capacity building to reduce that country's human resource deficiency in pharmaceutical manufacturing, quality control and assurance and improve pharmaceutical development of medicines.

Then there is need to develop and promote sustainable financing mechanisms and engage in public-private partnerships (PPPs) to bring on-board private sector and attract investments for the required capitalisation. Working towards this milestone, the African Union (AU) Specialised Technical Committee of Ministers of Health, Population and Drug Control (STC-HPDC) considered a position paper on the establishment of a Fund for the



Pictured left to right: Dr. Paul Lartey, Former Chairperson, Federation of the African Pharmaceutical Manufacturers' Association (FAPMA); Precious Matsotso, Director General, South Africa Dept. of Health; H.E. President of the Republic of Mauritius, Dr. Ameenah Gurib-Fakim; Symerre Grey-Johnson, Head, Infrastructure Strategic Business Unit & Partnerships and Resource Mobilisation Division at NEPAD Agency; and Mike Ward, Coordinator, Regulatory Systems Strengthening (RSS), the World Health Organization-HQ

Development of the African Pharmaceutical Manufacturing Sector in March 2017.

The above approach is guided by the AU Pharmaceutical Manufacturing Plan for Africa (PMPA), which is a continental Framework endorsed by Heads of State and Government at the summit in Accra, Ghana in 2007, specifically to promote the local pharmaceutical industry. The PMPA has the potential to accelerate local manufacturing of medicines in Africa that meet international standards of production and best practices in line with its vision to develop a competitive and enduring integrated pharmaceutical manufacturing industry in Africa, able to respond to the continent's need for a secure and reliable supply of quality, affordable, accessible, safe, and efficacious medicines.

Embedded in the PMPA is the Business Plan which is focussed on strengthening the ability to produce high quality, affordable pharmaceuticals across all essential medicines to contribute to improved health outcomes and the realisation of direct and indirect economic benefits. The biggest challenge in terms of access to private finance is competition from other sectors that are able to provide returns quicker, making them attractive for investments.

Therefore, the private lending institutions need to create awareness of the long-term and sustainable benefits that the pharmaceutical industry is capable of delivering, and continue engaging in bilateral talks in a multisectoral approach to attain a level of investor confidence desired to attract the required funding to revamp the sector.

In addition, different partners and stakeholders working in the pharmaceutical industry in Africa must seriously consider establishing a Continental Business Network (CBN) where they could convene regular conferences to bring together potential investors in one location with the aim of marketing potentially bankable pharmaceutical investment projects. Identifying potentially bankable pharmaceutical industry and mapping these projects with potential investors across the world for potential PPPs will help to increase investment in the industry. In addition,

these networks will also be critical in addressing myths and de-risking investment.

If data is the new oil, where are the refineries in the African pharmaceutical industry?

Thirdly, in order to effectively plan and design initiatives that will transform the pharmaceutical industry there is need to begin a robust collection of the necessary data that can later be analysed to help in making these important decisions. The pharmaceutical market size in Africa is very large and there is a need to collect the necessary data required to generate market intelligence. Currently, estimates of the market size are largely speculative and not informed by the necessary data. National level institutions need to be trained in collecting data in the pharmaceutical industries and this must be harmonised at regional and continental level to ensure coherent data and sufficient analyses that will 'paint a picture'.

Partners and stakeholders in the pharmaceutical industry in Africa need to come together and galvanize support to engage research institutions to effectively and scientifically collect data and generate market intelligence. This statistical information will be critical in advocacy and lobbying for support from the public and private sector, and also provides the much required confidence to attract investment. Inaccurate measurements of the pharmaceutical market size in Africa hampers its very own development and growth, and now is the time to redouble efforts to reverse this dynamic.

Conclusion

The AMRH event helped to bring together different partners and stakeholders to discuss and highlight the above challenges in the African pharmaceutical industry and devise potential solutions that might help to accelerate sustained investment in the sector. Although the work needs to start now, addressing the challenges outlined during the AMRH on the sidelines of the 2017 WEF on Africa will yield results in the long-term. Bringing different stakeholders and partners together is a step in the right direction to establish the networks required to deliver on the promises of increased investment and growth of the sector. The AMRH session on the margins of the 2017 WEF on Africa was critical in mobilising not only political support, but also breaking silos in financial and technical support to double up on efforts to accelerate the growth of the pharmaceutical sector.

References

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