

Study calls for reversal of pharmaceutical decline

By **ORTON KIISHWEKO**

THERE is urgent need for active industrial regeneration in pharmaceuticals to serve local industries, a new study proposes.

The study, titled "Reversing Pharmaceutical Manufacturing Decline in Tanzania: Policy Options and Constraints" by Prof Samuel Wangwe, Paula Tibandebage, Edwin Mhede and Caroline Israel, suggests that the government restructures trade, tax, and credit policies to favour local producers over importers.

It recommended that as successful African experiences show, the pharmaceutical industry in Tanzania can be sustained and grown with an active industrial policy.

Others researchers who released the study include Phares Mujinja and Maureen Mackintosh.

Prof Wangwe noted that turnaround to renewed growth demands, however, unprecedented collabora-

tion between Health, Industry, and Finance to create a policy framework of active support and facilitation for pharmaceuticals.

"That in turn requires an effective champion within government, donor support, and active involvement of manufacturers.

Manufacturing expertise within TFDA could be tapped, perhaps through secondments to Ministries," he noted.

The REPOA study also called for restructuring of trade, tax, and credit policies to favour local producers over importers.

"The key constraint in this market is demand" (local manufacturer). Local market access generates cash flow to support investment and expansion, so the low-price essential medicines market needs trade protection," it notes.

It calls for reducing or removing VAT on inputs to pharmaceuticals, or at least faster reimbursement.

The study has also called for raising of the lo-

cal preference rate above 15 per cent in public procurement.

"Also required is for TFDA fast-tracking of tests and registrations of local products, Trade credit for local suppliers to public procurement," noted the study.

It pointed out that pharmaceutical production has been a Tanzanian industrial success, generating industrial skills and employment and sustaining access to essential medicines for the Tanzanian population, especially in rural areas.

According to the study, Tanzania now risks accelerated loss of this key industrial sector, under interacting pressures from external competition, requirements to upgrade technology, unsupportive procurement and tax frameworks, and problems of probity and management oversight.

It warned that loss of the local pharmaceutical industry threatens security and flexibility in supply of essential medicines, contrib-

utes to industrial decline, and adds to the trade deficit.

It however added that policies to reverse decline exist, though they require "joined up" government action on tax and trade policies, procurement policies, and targeted business support, plus active government collaboration with manufacturers.

It cautioned that Tanzania is rapidly losing its pharmaceutical production capability, and therefore its ability to supply one of its population's basic needs.

"The loss undermines Tanzania's medium-term security of supply of essential medicines.

It threatens cumulative industrial and employment decline in one of Tanzania's few higher-skill sectors and in local suppliers, including plastics and packaging.

It increases the trade deficit, and misses opportunities to exploit development synergies between health needs, health financing, and industrial growth," added the new study.