

Time to revisit local production of medicines in low-income countries? Insights from the experience of the ARV factory in Mozambique

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Until recently a consensus existed that local production of pharmaceutical in low-income countries could not guarantee quality drugs at competitive prices. However, there are signs that positions may be shifting on this issue, as recent research has shown that the evidence on local production costs is at best mixed, pharmaceutical enterprises are coping in several African countries, and international agencies are launching initiatives to support local production. On the back of its growing South-South cooperation programme and strength of its domestic success in the AIDS fight and in influencing the global treatment prices, Brazil is helping the government of Mozambique to set up an antiretroviral (ARV) factory in its capital city, Maputo. The present work draws from first-hand experience of the Brazilian officials in charge of the project, from review of diplomatic agreements and business reports from the factory project, and from semi-structured interviews with Brazilian and Mozambican key informants to gain an insight from the Maputo factory experience, and contribute to the global debate on local production of pharmaceutical in low-income countries.

Our study shows that setting up the factory cost USD37.1 million, funded by multiple public and private agencies, and this will be able to produce 21 drugs through secondary and tertiary manufacturing, including 11 ARVs, for a price comparable to those of the drugs currently imported in the country. As a pharmaceutical quality control laboratory is being set up and local capacity is being created through national and international training, offering quality assurance checks, feeding back information on products' efficacy, buffering drugs import plans in emergencies, complementing the existing drug supply chain, and helping the local government regulate the pharmaceutical sector by participating in the market, are likely to be the main benefits from the Maputo pharmaceutical factory. However, a number of unresolved issues still require close attention, from ownership of the project, to the ability of the government to purchase the factory's output, to its access to national and international pharmaceutical markets.

The authors arrive at the conclusion that lack of flexibility of the current drug-financing environment represents the main threat to local manufacturing in low-income countries, together with the lack of commitment of local governments to take full advantage of the benefits accruing from local production of drugs.