



The Open University

Local manufacturing and the Tanzanian health sector market

REPOA Policy Dialogue Workshop,
Research project on Industrial Productivity and
Health System Performance

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Presentation overview

- Provide some data from our 'tracer' lists of medicines, medical equipment and medical, laboratory and other supplies, on the role of locally manufactured commodities in supplying the health system in Tanzania, and the main competing import sources
- To present some key responses by health professionals and retail businesses concerning:
 - The competitiveness of the local market for supplies and observed trends;
 - The comparison between local and imported products
 - The desirability (if any) of increasing locally manufactured supplies and the challenges faced in attempting to do so.

The health sector is using medicines from Tanzania and imported medicines; the % of medicines of Tanzanian origin found was higher in the public sector (% of all tracer medicines found on shelves, by sector)

Country of origin	Sector where medicines found			Total
	Public	FBO	Private	
Tanzania	22	12	9	16
Kenya	11	17	21	15
Other	67	71	69	69
Total	100	100	100	100

The health sector uses other essential supplies from Tanzania and also imports: the % of supplies labelled as Tanzanian origin was higher in the private sector (% of all other tracer supplies found on shelves, by sector)

Country of origin	Sector where other supplies found			Total
	Public	FBO	Private	
Tanzania	18	22	30	22
Kenya	5	7	3	5
Other	78	71	66	73
Total	100	100	100	100

Tracer medicines sourced from manufacturers in Tanzania, by country source of all supplies found (% by medicine)

Medicine	Country of manufacture			Total
	Tanzania	Kenya	Other	
SP tab (anti-malarial)	71	21	9	100
Amoxicillin syrup (antibiotic -child)	9	81	9	100
Ciprofloxacin tab (antibiotic)	56	0	44	100
Paracetamol tab (anti-pain)	57	2	40	100
Diclofenac tab (anti-inflammatory)	5	0	95	100
AZT+3TC+NVP tab (ARV)	34	32	34	100
Fluconazole tab (anti-fungal)	25	13	63	100
Mebendazole tab (deworming)	25	21	54	100

Other supplies labelled as sourced from manufacturers in Tanzania, by country source of all items found (% by medicine)

Item	Country of manufacture			Total
	Tanzania	Kenya	Other	
Hydrogen peroxide	100	0	0	100
Alcohol/spirit for wound cleaning	100	0	0	100
Bed nets	100	0	0	100
Bed sheets	100	0	0	100
Emulsion oil for laboratory	100	0	0	100
Disinfectants	38	17	46	100
Detergents	64	28	8	100
Mop or broom	82	0	19	100

Tanzanian pharmaceuticals:

- All face competition from imports
- Production weighted towards tablets and capsules

Country source of tracer medicines by dosage form (% of medicines from each country category)

Dosage form	Country of manufacture			Total
	Tanzania	Kenya	Other	
Tablet/ capsule	97	41	71	71
Injectable	0	1	20	14
Syrup	3	26	1	5
Cream	0	31	2	6
IV Fluids	0	1	7	5
Total	100	100	100	100

Tanzanian medical and other supplies:

- No equipment and very few lab supplies found
- Production predominantly some medical and other supplies
- Data on country of manufacture less good for these supplies

Country of origin of other tracers, by type of item (% of each type of item for which country of manufacture was identified)

Item types	Country of manufacture					Total
	Tanzania	Kenya	India	China	Other	
Medical equipment	0	0	5	25	70	100
Medical supplies	30	5	4	12	50	100
Other basic supplies	63	13	17	3	3	100
Laboratory supplies	3	4	4	3	85	100
Total	22	5	7	12	54	100

Tanzanian manufacturers identified as currently supplying the health sector, with products

Firm name	Products
Shelys	Pharmaceuticals, disinfectants.
Keko Pharmaceutical Industries Ltd	Pharmaceuticals, detergents, alcohol/spirit for wound cleaning.
Tanzania Pharmaceutical Industries (TPI)	Pharmaceuticals
Zenufa Laboratories Ltd.	Pharmaceuticals
A to Z Textile Mills, Arusha	Bed nets.
AA Pharmaceuticals Ltd	Hydrogen peroxide, spirit, emulsion oil.
Murzah Soap and Detergents Ltd. / Murzah Oil Mills	Detergents, mops and brooms.
Rose Laboratories Ltd	Disinfectants, detergents.
SG Star Industries/ SG Pharma.	Alcohol/spirit, hydrogen peroxide.
Tarmal Industries Co. Ltd.	Disinfectants, detergents.
Vitafoam	Bed sheets.

Sources of imported medical equipment, medical, laboratory and other essential supplies

India (7%)	China (13%)	UK (15%)
BP machine	BP machine	
Emulsion oil	CD4 machine	Emulsion oil
Microscope	Microscope and slides	Microscope slides
Gauze bandages	Gauze and crepe bandages	Gauze, crepe bandages
Surgical gloves	Surgical gloves	Surgical gloves
Syringes and needles	Syringes and needles	Syringes and needles
Giemsa stain	Thermometer	
Disinfectants	Weighing scale/ paediatrics	Weighing scale/ paed.
SD Bioline for syphilis	SD Bioline test for syphilis	SD Bioline for syphilis
Sharps box	Foetoscope	
Mackintoshes	Mop, broom, mackintoshes	

The Tanzanian market for health-related supplies is perceived by health system respondents to be very 'open' to imports

“I think availability of medicine and other supplies has increased to some extent over the years. There are now numerous pharmacies. Manufacturers have also increased. Nowadays its not just India or China, we hear about supplies from Indonesia, Italy, Germany and USA.” [Public hospital, Ilala]

Yes, in recent years, there have been tremendous changes in accessibility and availability of drugs and other medical supplies. We are operating under the open market. [Private dispensary, Ilala]

Most respondents thought availability of supplies and medicines on the Tanzanian private market is better than a few years back

Yes, more supplies are available nowadays. Many countries are producing various types of supplies. In the past we used to buy supplies from India. Nowadays we buy from different countries including Tanzania...” [Private dispensary, Ilala]

These changes in medical items supply has not brought any change to this [government] dispensary... but it has been a very good opportunity for patients. They are able to get medical items from private pharmacies and drug shops if they are able to [pay]. This is a good thing. [Public dispensary, Meru]

The private wholesale market is very competitive, and supplies can run out

Some few years back, most products were easily available and the prices were too low. These days, it is not easy to access all the medical-related products. For example it has been two months now I cannot get hydrogen peroxide. ...Imported products are just a call away, only sometimes one can fail to purchase because of the high price There are very many wholesalers and new ones come up everyday. This is an open market thing. I tell you, I know more than 30 companies or agents I can source from and all these are within a radius of not more than 15 kms from Kariakoo. [Private Pharmacy [retailer and wholesaler, Ilala].

This competition was thought by health sector respondents to pose a challenge for local manufacturers

One respondent thought locally made supplies had increased:

There are lots of medicines/ medical goods in the market in recent years from local manufacturers because for example Shelys is nowadays making more varieties of medicines.” Public dispensary, Ilala].

But many observed that the share of local manufacturers in the health sector market appeared to be falling:

For the local manufacturers, their products are available but their prices are so high and I have a feeling the consumption of local products has gone down. This is because of the availability of many, cheap imported products that serve the same purpose, especially drugs . [In-charge, FBO dispensary, Meru]

Views of health sector professionals on locally manufactured supplies

1. Concern that not more is produced locally

“All medical equipment is imported I would say even small things like gloves, syringes and needles, drips and even gauzes/cotton I have not seen the locally made among the things we are supplied with. The main reason I think, there aren't many factories manufacturing such supplies locally.” [public dispensary, Mkuranga]

“It's astonishing that Tanzania cannot manufacture gloves, which I think needs a simple investment ... Gloves (many) come from China who are good manufacturers.” [private pharmacy, Monduli].

2. Mixed views on whether local supplies are of good quality

“... certainly we would prefer good quality medicines and other supplies. Shelys have good quality drugs which are readily available and price is affordable. It does not mean that the drug is of good quality if it is from outside Tanzania.” [in charge, public health centre, Ilala]

“It depends. Some local suppliers have better supplies than imported supplies and vice versa. For instances we order beds from China and from Keko area in Tanzania. After some time, all beds from China break. We have continued to buy beds from Keko because they are durable and have reasonable price.” [procurement officer, public hospital, Ilala].

3. Criticisms of local production quality: compaction of tablets, packaging and presentation

“The local commodities especially tablets are not of good quality, they are not as compact as those imported.... Medicine may be there for only a week and as you dispense some tablets break into pieces” [pharmacist, public hospital, Meru]

“Most of the local manufactured supplies do not look attractive or well made, especially drugs. Packaging also has its effect on demand. The local goods are also not much promoted or marketed and this is the manufacturer’s duty; make their products visible in the market.” [pharmacist, FBO hospital, Meru]

“As for the packaging especially of the liquid items; they need to make further improvements.” [in-charge, private dispensary, Ilala]

4. Competing comments on price; some agreement on problems of availability on the market

“Local companies/ manufacturers do manufacture good quality products but they do not produce enough to meet the needs and demand. for example Shelys Diclopar, Keko’s Paradiclo have a very high demand. The last time I sourced 50 cartons, and were all out in about 7 days, when I went to source more, I could not get them.” [pharmacist, private pharmacy, Ilala].

“We prefer locally manufactured pharmaceuticals because of the price – they are cheaper. Drugs and other supplies from outside are more expensive.” [pharmacist, public hospital, Monduli]

“Currently locally manufactured pharmaceuticals and other medical supplies are relatively more expensive (e.g. compared with those from China and India) the situation which makes it difficult for our patients to afford.” [in-charge, private dispensary, Ilala].

Views of health professionals on whether local manufacturers can supply more

1. Only if the technology in local firms is improved

“Medical supplies, medical equipment and laboratory supplies are all made outside Tanzania because they require high technology maybe. .. I am not sure why Tanzania even after 50 years of independence cannot manufacture medical supplies like syringes/needles and gloves.” [In-charge, private dispensary, Mkuranga].

“All medical equipment is imported .. the reason is that Tanzania has low technology and there are no investors who are interested to invest in those areas.” [public dispensary, Ilala]

2. Input costs need to be reduced, to make it easier to compete with imports

“There are products from different countries and at different prices. And I think this has had a negative effect on the local manufacturers who expect to import the raw materials and by the time their products hit the market, cannot compete with the low prices of same products imported from other countries.” [In-charge, public health centre, Mkuranga].

“I think the government should support the manufacturers, especially remove taxes on the raw materials and products; and the issue is importing raw materials requires a lot of foreign currency and this is beyond the capacity of many manufacturers.” [pharmacist, private pharmacy, Ilala]

3. Better marketing and distribution is needed

“..more advertisements: many patients do not have information about local industries and what kind of medicine and other supplies they make. The use of seminars, events and commercials should be introduced putting ...as it will help to increase awareness.” [in-charge, private dispensary, Ilala]

“... they should advertise (marketing) their products in radios and TVs. Some people just do not buy a product because they have never seen it anywhere. They should also think of taking the drugs depot near the customers. For example if Shelys industries had their depot in Mkuranga I do not think I would be going all the way to Kariakoo to get [imported] drugs.” [pharmacist, private pharmacy, Mkuranga].

4. Reduce prices and increase quality

These two are hard for manufacturers to combine – requires upgrading and increased efficiency.

“They should produce medicine and other supplies in a better way (improve quality). So that when patient come to us, they should not say I want panadol from Kenya or India. We want patients to say I want panadol from Tanzania. .. They should also reduce their prices to attract people to buy their products.” [in-charge, private dispensary, Ilala]

Views on potential benefits of increased local supply.

“This is very important for the private sector. We are facing a big problem and we cannot afford to pay high salaries. If medicines and supplies were cheaper, we could manage to increase salaries. Also, if supplies are locally produced, it would be easier to control quality.” [in-charge, FBO health centre, Meru]

“It is possible for the health system to source more from local manufacturers than it does now because the process of ordering and delivering will be much easier ...The monitoring process would also be easy, since the health system will be in a position to monitor right from the primary stage of production and quality of drugs would be assured right at the factory level. The effect of damages, delays in ordering and actual supplying, issues of transport and quality check of drugs for quality after delivery would all be avoided. “[In-charge, FBO health centre, Monduli]