



Policybrief

JULY 2022

EAC PHARMACEUTICAL MANUFACTURING

The pharmaceutical manufacturing landscape in East Africa is rapidly transforming with an estimated market size of USD 3 billion (this is set to be even higher with entry of DRC in to the Community) and Compound Annual Growth Rate (CAGR) of 12%. New investments and expansion of existing facilities are ongoing in all the EAC Partner States. The region is implementing policies and strategies that are aimed at promoting local production of medicines. These include the second EAC Pharmaceutical Manufacturing Plan of Action (EAC RPM-POA 2017-2027) and the Medicines and Health Technologies Policy and Strategic Plan (2016-2021). In addition, the EAC Industrialization Policy and Strategy (2010-2030) has prioritized pharmaceutical manufacturing as one of the six key strategic industries for collective support. All EAC Partner States have established semi-autonomous regulatory agencies.

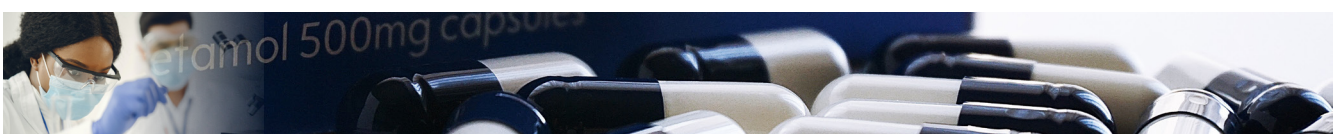
Despite the positive developments the region still imports more than 70% of the pharmaceutical requirements and is 100% dependent on imports for vaccines and active pharmaceutical ingredients. The overreliance on imports was laid bare during the COVID-19 pandemic owing to restriction of exports by manufacturing countries and supply chain disruptions. There is therefore a need for enhanced policy interventions at regional and national levels to spur the growth of the sector and reduce import dependence.

This policy brief highlights **key recommendations** for further support to the sector, which were derived from National Coordination Committee meetings in all EAC Partner States as well as the Regional Steering Committee Meeting with all National Focal Persons, which were all held in June/July 2022:

- ▶ Fast track the development and implementation of national plans of action (adjusting to local context

and priorities) derived from the EAC Regional Pharmaceutical Manufacturing Plan of Action (EACRPM-POA): 2017 -2027.

- ▶ Fast track the implementation of medicines regulatory harmonization to improve access and trade in pharmaceuticals across the region.
- ▶ Streamline the regulation of pharmaceutical sector to avoid duplication of effort by multiple agencies as is currently the case.
- ▶ The national medicines procurement agencies should put in place regularly updated list of pharmaceutical products for preferential procurement from local manufacturers.
- ▶ Implement the regional preferential procurement for pharmaceutical products in the EAC in public tenders in compliance with Article 35 of the Common Market Protocol.
- ▶ Strengthen academia and industry linkages for mutual benefit in capacity building and product development.
- ▶ Promote, mainstream and strengthen regulation on production, distribution and use of traditional medicines and remedies.
- ▶ Introduce a Common External Tariff (CET) that is higher than the current 0% for products where the region has local capacity to produce in the required quality and quantity.
- ▶ Introduce regional pooled procurement and advanced market commitment (AMC) mechanisms in order for the ongoing vaccine production investments in the region to be viable and sustainable.
- ▶ Introduce customized fiscal and non-fiscal incentives to support production of vaccines and APIs in the region.



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