

Measuring Prices and Availability of Locally-produced and Imported Medicines

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Health Action International Releases New Study on Prices of Locally-produced Medicines in Ethiopia and Tanzania

Governments supporting local production of medicines urged to monitor and compare prices and availability of locally-produced and imported medicines

[A study](#) led by Health Action International published today in the Journal of Pharmaceutical Policy and Practice has found that the local production of medicines in low- and middle-income countries does not necessarily result in lower priced medicines for patients.

The research comes as numerous governments in low- and middle-income countries continue to count on local production to make medicines more affordable and available to patients. As this is not always the case, the authors of the study urge governments to monitor the patient prices of locally-produced and imported medicines.

Researchers developed a new tool to assess the impact of local production for improved access to medicines in low- and middle-income countries. Applying their methodology to Ethiopia and Tanzania, they found two contrasting situations. In Ethiopia, the government paid more for local products, then applied a lower mark-up, compared to imports. In Tanzania, the government paid less for local products, then applied a higher mark-up, compared to imports. Both scenarios resulted in patients paying higher prices for locally-produced medicines than for imported medicines in public sector outlets. In the private sector, imported medicines were higher priced than local products in Ethiopia, but similarly priced in Tanzania.

Availability of locally produced medicines also differed between Tanzania and Ethiopia. In Ethiopia, locally-produced medicines were more available than imported medicines in both the public and private sectors. In Tanzania, locally-produced medicines were less available than imports in both sectors.

Study co-investigator, Zafar Mirza, with the World Health Organization said: “Many governments support local production with a view to improving access, but this does not happen automatically. Balancing local production policies is critically important to ensure that patients don’t end up paying for these policies through higher medicine prices. This would defeat the public health objective of supporting local production.”

The study was conducted as part of the second phase of a project initiated by the World

Health Organization, the United Nations Conference on Trade and Development and the International Centre for Trade and Sustainable Development in 2012 to assess the impact of local production of medical products for improved access in low- and middle-income countries.

“Little evidence is available on the impact of local production on medicine prices,” said Margaret Ewen, global pricing coordinator with Health Action International and study lead. “Now we have a tool to collect and analyse this data. Countries supporting local production should now regularly monitor the availability and prices of locally-produced and imported medicines.”

Reports of the surveys in Tanzania and Ethiopia are available on Health Action International’s website. Those wanting to survey the price and availability of locally-produced and imported medicines can sign-up to receive the methodology manual, which will soon be [published online](#).

Access the research paper [online](#) or [download the PDF](#)

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