Prices and Availability of Locally Produced and Imported Medicines in Tanzania

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Executive summary
A survey was undertaken in Tanzania in August 2013 to measure and compare the price and availability of locally produced and imported medicines. The survey used a draft methodology developed by Health Action International (HAI) and the World Health Organization (WHO). Professor Mary Justin-Temu from the Muhimbili University of Health and Allied Sciences was the survey manager.

Methodology:
Price and availability data was collected for 24 medicines, both locally produced and imported, in a total of 33 public sector health facilities, 30 private sector medicine outlets, and 30 mission sector health facilities across six areas of the country i.e. the capital Dar es Salaam, Manyara, Mbeya, Mtwara, Shinyanga and Tabora. Each medicine was strength- and dosage-form specific. Data was collected for all products in stock in each facility on the day of the survey. Government procurement prices and quantities purchased were collected from the Medical Store. Wholesale procurement prices and selling prices were collected from a single private wholesaler in Dar es Salaam.

Key findings:

Government procurement prices

• For each medicine, either locally produced products or imported products were procured, but not both.

• Approximately equal numbers of locally produced products and imported products were procured

• Overall, imported products were 94% higher priced than locally produced products. Locally produced products were 31% below international reference prices whereas imports were 34% higher in price.

Availability and patient prices in the public sector

• Locally produced products and imported products had poor mean availability at 21% and 32% respectively.

• Across the 9 medicines where both locally produced and imported products where found (paired analysis), locally produced products were 7% higher in price. Across all

medicines, locally produced products and imported products were 67% and 120% above international reference prices, respectively.

• The government was charging patients 135% more than the procurement price for locally produced products, and 65% more for imported products.

• Branded generics were predominant. The availability of imported branded generics was higher than those made in Tanzania (27% vs. 15%), and overall patient prices of imported branded generics were 32% higher than those locally produced. Few originator brands and INN generics were found.

Availability and patient prices in the private sector

• Locally produced products had lower mean availability (21%) than imported products (70%).

• Across the 12 medicines where both locally produced and imported products where found (paired analysis), there was little difference in price. Across all medicines, locally produced products and imported products were 101% and 201% above international reference prices, respectively.

• Branded generics were predominant. Few INN generics and originator brands were found. The availability of imported branded generics was higher than those made locally (58% vs. 19%), and overall patient prices of imported branded generics were 48% higher than those locally produced.

Availability and patient prices in the mission sector

• Locally produced products had lower mean availability (18%) than imported products (54%).

• Across the 10 medicines in the paired analysis, imported products where 47% higher priced than locally produced products.

• Branded generics were predominant, with few INN generics and originator brands found. The availability of imported branded generics was higher than those made in Tanzania (45% vs. 16%). Overall patient prices of imported branded generics were 49% higher than those locally produced. For INN generics, imported products were also higher priced (39% more) than local products

Cross-regional analysis

• In all six survey regions the availability of locally produced products was lower than the availability of imported products in each of the three sectors.

• There was insufficient data to calculate patient prices for locally produced products, per sector, in the six survey regions so a price comparison with imported products was not possible.

Country of manufacture

• Across the three sectors, 91% of the products found were made in India (46.1%), Tanzania (22.6%) and Kenya (22.3%)

• Products from five Tanzanian manufacturers were found in the outlets. Of these, about 60% were made by Shelys Pharmaceuticals Ltd.

Recommendations:

• Where high priced imported products were awarded tenders, the government should investigate if any medicines have locally produced quality-assured versions that may offer savings. If so, the local manufacturer should be prequalified and encouraged to submit bids. If not, local manufacturers should be encouraged to produce these products.

• The government should pass on low procurement prices for locally produced medicines to patients in the public sector, in order to improve the affordability of medicines, especially for the poor who have to pay out-of-pocket.

• The reasons for the low availability of locally produced products should be identified.

• Health professionals and patients should be encouraged to prescribe, dispense and use lower priced quality-assured locally produced products rather than higher priced imported products.

• The influence of retail mark-ups and manufacturers' selling prices on the final patient price for locally produced and imported products should be investigated. If retail mark-ups are high, the government should consider regulating them using regressive margins to incentivize the selling of lower priced products.

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