

GHANA EXPORT-IMPORT BANK'S COLLABORATION WITH INDIGENOUS PHARMACEUTICAL MANUFACTURING COMPANIES FOR EXPORTABLE PRODUCTS-OUR STORY

The Ghana Export-Import Bank (GEXIM), in 2017, identified the pharmaceutical manufacturing sector in the country as a potential growth pole in Ghana's quest to have an overall positive Balance of Payment position. This choice was premised on the market size and the favourable perception of Ghana's pharmaceutical products locally and within the West African sub-region.

UNIDO (March 2018) estimated the market size of the West African pharmaceutical sector at US\$5.0Billion and that of Ghana at US\$299.0Million (Fitch Solutions, 2018).

This market is served by 30% local production augmented by imports for the remaining 70% of pharmaceutical needs in both Ghana and West Africa. Notably, Nigeria and Ghana are the two countries with any significant manufacturing capacity to serve the sub-region. Ghanaian manufacturers thus have a great opportunity to expand their operations in Ghana and the sub-region on the back of the dearth of regional production capacity, favourable ECOWAS protocols and the Ghana government's moves to create some exclusivity for locally manufactured pharmaceutical products.

The Government of Ghana, through the 1D1F initiative and GEXIM is offering support to Ghanaian manufacturers to build new state-of-the-art factories and/or retool existing facilities to bring them up to WHO/UNIDO "Good Manufacturing Practice" standards to enable them compete favourably locally and in the sub-region.

GEXIM's Objectives

GEXIM's broad objectives are to ensure the transformation of Ghana's economy into an export-driven one by developing trade between Ghana and other countries. This is predicated on the Government of Ghana's 10-point Development Agenda for industrialization. Being a Policy bank, GEXIM has been the spearhead for the realization of the One District, One Factory (1D1F) initiative. For the pharmaceutical sector, GEXIM is poised to make Ghana a net exporter instead of net importer.

Why the Pharmaceutical Manufacturing Sector is Key to GEXIM

Huge Local and ECOWAS Market

There is evidence of high level of education, growth in household disposable incomes, changing life styles that are associated with economic prosperity, as well as rural-urban drift patterns and thus have all contributed to the high demand for orthodox pharmaceutical products in Ghana and West Africa.

Since drugs are a necessity of man and is needed to ensure continuous survival, the high population recorded in Ghana (over 30 million currently) and West Africa (381 million UN, 2018) coupled with high population growth rates ensure that there is consistently high demand for pharmaceutical products in Ghana, West Africa and beyond.

The Sub-Region accounts for the highest level of infectious diseases, example, 80% of the world's deaths from malaria is attributed to 15 Sub-Saharan African countries (WHO). There are many other infectious diseases like tuberculosis, HIV etc which cause substantial mortality in Ghana and West Africa.

Low Production

It is estimated that only about 30% of pharmaceutical products consumed in Ghana are currently produced locally with the remaining 70% being imported mostly from China & India.

There are a limited number of pharmaceutical manufacturing companies in West Africa with 38 companies in Ghana (27 active); 100 in Nigeria; 5 in Ivory Coast and none in Liberia and Burkina Faso.

The high demand coupled with the low production of pharmaceutical products in Ghana and West Africa at large, represents a huge supply gap that our local pharmaceutical manufacturing companies can leverage to expand production capacity.

Restricted Medicines

A total of forty-nine (49) medicines have been restricted from importation and thus are reserved for local production only. This forms part of a long-term plan of the government to reduce imports and allow local manufacturers to expand and build capacity to compete internationally.

Multinational Contract Manufacturing

Multinational Companies are seeking partners to produce drugs on their behalf especially for communicable diseases for the African market. This would have cost benefits for the multinationals while giving local players the benefits of technology transfer, employment and enhanced foreign exchange earnings.

What are the Strengths of the Pharmaceutical Manufacturing Industry in Ghana?

High Quality Products

There is no doubt that Ghanaian Pharmaceutical Manufacturing Companies are well noted for high quality products and Ghana has a highly respected and well-equipped

regulatory body such as the Food and Drugs Authority- FDA in place to regulate and control the industry.

GEXIM'S Support for the Pharmaceutical Sector

GEXIM to date has committed a total of USD \$60 Million into the pharmaceutical manufacturing sector since 2017. This in line with its five-year strategic plan that is aimed at complementing the efforts of the pharmaceutical manufacturers and exporters and enabling the players in the industry take advantage of the numerous opportunities for growth.

To see to the realization of this goal, the GEXIM has already offered support to nine companies in the Pharmaceutical Manufacturing Industry through the provision of long-term finance at concessionary rates. This will help companies construct WHO Good Manufacturing Practice (GMP) compliant plants and augment their working capital.

Some companies that have so far benefitted from GEXIM's support are Ernest Chemists Ltd, Entrance Pharmaceuticals & Research Centre Ltd, Kinapharma, Dannex Ltd, Eskay Therapeutics Ltd, Atlantic Lifesciences Ltd, and Pam Pharmaceuticals Ltd. The funding will enable them set up injectable production lines , enhance the production of solids (tablets), liquids (syrups), , infusions, nasal, eye and ear drops for both the local and foreign markets.

GEXIM has so far disbursed over 75% of the approved amount to the various companies.

Impact of GEXIM's Support

It is projected that the full impact of GEXIM's support will be felt from the fourth quarter of year 2021 in the form of Ghanaian firms doing contract manufacturing for the global pharmaceutical companies, increased employment of skilled and unskilled labour, increased export volumes and consequent foreign exchange inflows.

Made-in-Ghana 4P Campaign

To promote Made-in-Ghana products and services, GEXIM introduced an initiative called the 4P campaign to support key sectors including the pharmaceutical industry and make it more competitive. The campaign focuses on four areas – Produce, Promote, Purchase and Prosper as a nation.

Produce: Ghana's pharmaceutical industry is largely dependent on foreign inputs and finished pharmaceutical products. This is same with many developing countries in West Africa. An estimated 70% of pharmaceutical demand is met by imports, mostly from India and China, with local production accounting for the remaining 30%. This campaign is therefore aimed at encouraging the pharmaceutical industry in Ghana to produce more.

Promote: To encourage the local pharmaceutical industry to promote their products and services for both local and foreign consumption

Purchase: To encourage the patronization of products and services offered by local pharmaceutical industries. This will consequently lead to the generation of more revenue at the local level.

And finally Prosper: To garner investment in the local pharmaceutical industry; boost local production, improve health of our citizens and make Ghana a prosperous nation.