

Remarks by the Deputy Minister of Health, South Africa, Dr Sibongiseni Dhlomo during the events on the side-lines of 2022 World Health Summit in Berlin, Germany on Monday, 17 October 2022

Session Title: Sustainable Pharmaceutical Manufacturing in Africa: Towards the global procurements of African-manufactured medical products

Thank you for the kind invitation to this important discussion and all protocol observed.

It is a privilege to be part of the World Health Summit and participate in a global debate in the spirit of the UN Sustainable Development Goals.

I wish to take this opportunity to thank His Excellency the President of South Africa and the AU Champion on COVID-19 H.E. Matamela Cyril Ramaphosa, for his unwavering commitment to Universal Health Coverage in Africa.

He has been championing some of the most difficult reforms in pursuit of biotechnological sovereignty: like the TRIPS Waiver and the creation of pooling instruments to secure medical countermeasures.

At the G7 this year, he pushed health to the forefront of the agenda and articulated the investment case for investing in African biomanufacturing for global health, food and energy security.

I am therefore honoured to participate in this conversation, taking a cue from the leadership that has been provided and exploring ways to strengthen Africa's health resilience through sustained manufacturing for the world market.

By 2040 the world population will have increased to an estimated 9,4 billion: this represents a growth of 1,4 billion between 2020 and 2040. In 2021 an International Monetary Fund publication reported that Africa, with a population of about 1,3 billion people at the time, had 375 drug makers. Most of those manufacturers were in North Africa. Those based in Sub-Saharan Africa were clustered in nine out of 46 countries. By comparison China and India, each with roughly 1.4 billion in population, have as many as 5,000 and 10,500 drug manufacturers, respectively.

When we consider the worldwide population growth against the manufacturing capacity we need to achieve, we should take this as a great opportunity for Africa to manufacture for the world. However, we are a long way from competing, having to claw our way into the market with barely 3% share to start with. Today, I believe we are here to discuss how each of us have a role to play to ensure Africa has adequate capacity to satisfy the growing demand.

Manufacturing geo-diversity for public health goods is a non-negotiable for global health security. As South Africa we can never forget that, despite being able to afford vaccines, our COVI-19 inoculation campaign was delayed by export bans and contamination in foreign manufacturing plants. This compounding the fact that we were already at the back of the queue because our volumes and market influence could not compete with those of rich nations.

As a continent, we cannot forget that hundreds of millions have died of preventable, infectious diseases in the past century while we negotiated for the right things to be done- for prices to come down; for technology to be shared and for those who need it most to be prioritised. It was never sustainable to depend on others for our own needs and the AU has therefore called on all of us to shift gears and create domestic capacity for domestic resilience.

Our conversation takes place in the context of the World Health Summit, which this year focuses on key themes such as pandemic preparedness, strategies for improving global healthcare, digitalization, the health aspects of climate change, interdisciplinary cooperation in research, and the UN Sustainable Development Goals (SDGs).

As we discuss pharmaceutical manufacturing we will go deeper into the enablers of these ideals: such as financing, policymaking and law-making. From the governance perspective, we look forward to your insights on what sovereign states and governments, regional organisations and global organisations that represent governments should be taking responsibility for and how we can enable the private sector and civil society to honour their responsibilities.

I use the word “responsibility” rather than “roles” because of the inherent accountability that comes with having a responsibility.

As the Department of Health in South Africa, we subscribe to the AU's New Public Health Order, whose five pillars calls for:

- Strengthened public health institutions
- A capable health workforce
- Local manufacturing of pharmaceutical products and other health technology
- Increased domestic financing
- Respectful, action orientated partnerships

Sticking with the theme for today, I will touch on a few aspects that have contributed to growth in South African manufacturing as a way to share our local experience and stimulate conversations that take us forward into an era of biotech sovereignty.

As government, industry and academia, South Africans have collectively made great strides to contribute positively to the local manufacturing agenda for the continent.

South Africa started manufacturing ventilators for the first time during the COVID-19 pandemic. The Council for Scientific and Industrial Research (CSIR) had the capacity to produce 20 000 ventilators at the establishment of the National Ventilator Project (NVP). This eliminated the ventilator crisis which had been cause of much media speculation on the continent.

In South Africa, companies such as Biovac (a South African public private partnership), Aspen, Nant-SA, Afrigen and others launched their establishment or growth strategies during the COVID-19 pandemic. This is a positive signal that Africa is becoming an investment destination for biotech enterprise and a vote of confidence in the African economic and

political ecosystems. Our department of Science and Innovation has invested 15 million rand into the Active Pharmaceutical Ingredient Hub and 25 million rand into genomic surveillance, which is now at the heart of manufacturing precision.

As hosts of the World Health Organisation mRNA hub, South Africa continues to have multiple key stakeholders who are heartily committed to the project, despite some significant headwinds that now threaten to collapse these operations. Here I wish to acknowledge the officials of the Department of Health, Science and Innovation, the South African Medical Research Council, Biovac, Afrigen, academics and scientists from various universities and the AU's Africa Centres for Disease Control and Prevention (CDC).

We are also making progress in the regulatory space, which is a critical enabler: The South African Health Products Regulatory Authority, SAHPRA, has recently advanced to WHO maturity level three qualification. This is an important milestone as we ratify the African Medicine's Agency (AMA) treaty in our parliament. At continental level there are enough countries that have deposited the instrument to the AU Commission. The Commission is now spearheading the formulation of the policy organs that will govern AMA.

We also established the first functional nationwide health records system in the Electronic Vaccine Digital System (EVDS). Its phenomenal success is highly encouraging as we seek to attain efficiency and impact from our digital systems. Digital systems must interoperate and give us real time information that lead to strategically sound interventions. This is why local solutions become so critically important.

I touch on these success stories because I believe it is essential for countries to use every opportunity to share what has worked so that we co-ordinate around our strengths and weaknesses, eliminate duplication and enhance efficiency.

At this stage, we have about a handful of countries- like Egypt, Ethiopia, Ghana, Kenya, Namibia, Nigeria, Rwanda, Senegal, South Africa and Tunisia- that have existing or aspirational capacity for various functions in the pharmaceutical value chain. Many will agree with me that we should concentrate on exploiting existing capacity, use aspirations to plug gaps and ensure that we grow what we have.

We should take advantage of the Africa Continental Free Trade Area to manufacture product together rather than creating inter-country competition for end-to-end capability. It is not feasible for every manufacturer to do end-to end therefore we must have a clear picture of the manufacturing landscape on the continent so that we can co-ordinate more effectively to deliver high quality African product.

I have touched on a few aspects which I hope we will expound on and I look forward to the deliberations that will emerge out of this discussion.

I congratulate the Private Office of the Presidency and PATH for organising this session.

I thank you.