

Pharma - innovating in medicine and boosting the economy



By [Bada Pharasi](#)

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IPASA was formed out of the need for a credible, respected association to engage with stakeholders in both the private and public sectors.



Source: Supplied. Basa Pharasi, CEO of IPASA

IPASA comprises numerous research-based pharmaceutical companies and focuses on building an environment for sustainable access to innovative healthcare to address unmet medical needs.

South Africa's pharmaceutical industry goes beyond providing health-promoting medicines; it also makes a substantial contribution to the region by investing in local healthcare and ensuring continued access to new medicines. Additionally, it stimulates the local economy through employment, taxes, skills development and technology transfer.

Medical innovations

IPASA member companies are dedicated to exploring, developing and bringing innovative, quality medicines to the South African market. They are also constantly developing therapies to prevent a variety of conditions previously considered untreatable, including infectious diseases, various forms of cancer, and neurological disorders.

Medicines developed by innovative pharma continue to benefit millions of South Africans on a daily basis. For example, mortality rates for HIV/Aids and TB in the country have fallen by 59.2% and 55.7% between 2007 and 2017. Currently, at least 60 new medicines are in the Research and Development (R&D) pipeline to treat TB.

Today, patients are living close to normal lifespans and cancer death rates have declined by 27%. Approximately 73% of survival gains in cancer are attributable to new treatments, including medicines.

R&D in vaccines has resulted in the development of over 35 vaccines, many of them protecting against fatal and permanently disabling diseases, with 300 new vaccines currently in the development stage.



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Job-creation, investment and the economy

In terms of human capital and knowledge building, the pharmaceutical industry and supply chain develops and employs more than 14 000 people. Many are in highly skilled and well remunerated roles, and this significantly improves economic productivity.

As much as R5.5bn is spent in support of knowledge-sharing initiatives, comprising clinical research, healthcare programmes, training and social responsibility initiatives. The industry also invests significantly in developing its South African workforce with active talent-management practices and formalised career pathways across a range of disciplines.

Manufacturing and investment are also areas in which pharmaceutical companies contribute to the country. Local production is growing and is valued at over R17.9bn with investment at R1.3bn. There is over R5.4bn direct contribution to the South African state budget, and R20.6bn+ revenue development for third-party suppliers to the industry. A significant contribution of R56bn is made in direct manufacturing and importation costs, and R11.1bn in indirect costs.

Investment in knowledge-transfer projects by IPASA member respondents was estimated at R82bn. Overall, operational expenditures made by the respondent multinational pharmaceutical companies between 2016 and 2021 amounted to R154.5bn+.



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South Africa has also become a regional hub for the African continent. Revenue earned by South African-based operations from neighbouring countries has grown to R4.2bn, representing 7% of sales.

Over the period 2016 to 2021, R39.5m of healthcare programme spend in other countries was managed by South African-based innovative multinational pharmaceutical companies, making South Africa the power centre in the region.

To conclude, IPASA members develop innovative medicines that save and extend lives, halt or slow disease progression, reduce side effects, and improve quality of life. In addition, they create jobs, bolster the economy and make the country attractive to investors. Their contribution to South Africa is invaluable not only in terms of healthcare, but in the upliftment of people and the advancement of the country as a whole.

ABOUT BADA PHARASI

CEO at IPASA. Bada has over 30 years' experience in pharmacy management, policy development, operational research, report writing, medicines legislation and pharmaceutical procurement.

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