

Trends Analysis of the Pharmaceutical Market: China's Relations with Niger

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Abstract: *China is the world's largest producer of pharmaceutical ingredients. In 2015, Chinese medicine and health product imports and exports have reached \$102.6 billion, growing by 4.73 percent year on year. This paper is mainly going to discuss about pharmaceutical system of Niger followed by the distribution, supply, trends analysis between china and Niger over a 10-years period (2006-2015) and some recommendations to improve the bilateral trade relationship.*

Keywords: China, Niger, pharmaceutical market, export

1. Introduction

Niger is a lower and middle-income country in the western Africa with a population of about 19.8 million, 3.9 population growth rate while the live expectancy at birth was estimated at 61.4 in 2014.¹ The health care system in Niger is confronted by many challenges such as organizational problems, shortages and interruptions of supplies of drugs and medical equipment and their relatively high prices. As in many others African countries, malaria remains the leading cause of death in Niger, where about one third of patients visiting health facilities suffer from the insect-borne disease. Nearly the entire population of 18.5 million people lives in malaria endemic areas, and pregnant women and children under the age of five are the most vulnerable groups.²

Emerging health care challenges in the country have put generics drugs in great demand. With its growing population, the demand for drugs and medicines required to fight against diseases has been increasing over the past decade. In addition, the poor quality of drugs and the problem of counterfeited medicines also contribute to health problems. Hence, one of the most basic obstacles to improved health and wellbeing in Niger is the high cost of basic drugs and medical supplies, which burdens health systems and limits access to affordable medicines for the poorest populations. Ensuring availability and affordability of medicines remains a great challenge in most of the public health facilities. A later study conducted in 2006 confirmed these results. For the purchase of drugs, a study indicated that in both the public and private sectors the prices were relatively high compared to international reference prices. While the availability of essential medicines remains an issue in the public sector. In terms of affordability of medicines, the cost of treating chronic diseases remained high compared to the purchasing power of populations, especially for innovative brand name drugs as one month treatment of chronic disease exceeded 40 times the minimum daily wage. However, for generic drugs, prices remain also high for certain chronic diseases such as arthritis, diabetes, and ulcer.³ Similar findings have been reported in Uganda, where the use of artemisinin-based combination therapy to treat malaria for an under five-year-old child could cost

about 11 days of a household income.⁴ Therefore, the country capacity for local drug production is amongst the lowest in the world. Local production is supported by foreign aid such as international non-governmental organization and is also dependant on import from neighboring and developing countries.

On the other hand, being the source of artemisinin, China is the world's largest producer of active pharmaceutical ingredients. In a 2012 review of China's foreign trade situation, China-Africa bilateral trade in pharmaceutical and health-care commodities was predicted to grow from \$151 million in 2000 to nearly \$2.36 billion in 2013.⁵ In 2015, the amount of import and export of Chinese medicines and health products has reached USD102.6 billion, growing by 4.73 percent year on year.⁶ Hence, China offers great opportunities for Niger to develop the local pharmaceutical industry and enhance Niger's capacities to produce quality medicines at lower and affordable costs.

The main objective of this paper is to assess the present situation of the pharmaceutical system in Niger including distribution and supply of medicines, China-Niger trade relation, export regulations and market trend analysis between 2006 and 2015.

2. Methodology

Data were collected from the National Institute of Statistics (INS) to assess the trends of pharmaceutical market using the volume and amount of export information from china to Niger between 2006 and 2015. Systematic searches of the relevant French and English research were made. We also reviewed relevant government documents and reports from national and International Organization as sources of both data.

3. Results

3.1 Trade relations between China and Niger

Trade was the earliest form of China-Africa economic and trade cooperation. With the development of China-Africa

relations and increased exchanges between China and African countries, the scale of China-Africa trade has increasingly expanded.⁷ China and Niger first established diplomatic relations in 1974. China's main exports to Niger include textiles, communications equipment, and rice, while Niger supplies China with raw materials. Sino-Nigerien economic relations are governed by a bilateral trade agreement and a joint economic and trade commission. China also provides scholarships for Nigerien students to Chinese universities, loans and medical assistance in the form of a 36-member medical team.⁸ In recent years, the Chinese government has moreover invested considerable efforts in promoting health and economic development, including grants, interest-free loans, the exemption of customs duties in order to facilitate trade. Therefore, bilateral trade has increased on average by 35% between 2011 and 2012.⁹

3.2 Pharmaceutical Policy

The national drug policy adopted in 1995 by Niger's government aims to ensure the availability of essential medicines of good quality at affordable prices and accessible to the majority of the population and to ensure a rational use of medicines, while improving the production tools.¹⁰

3.3 Supply and distribution of medicines

In Niger, the national office of pharmaceutical and chemical products (ONPPC) supplies the public health facilities with the medicines and its branches in the regions and districts. From the central stock of Niamey, two regional depots located in Niamey and Zinder are supplied monthly. These regional depots each have an operational stock of medicines for two months which, in turn, supply the health districts. Patients can buy medicines at low cost through the partial cost recovery mechanism. The government set up an equalisation system in order to have the same prices across all health districts.¹⁰

3.4 China's pharmaceutical exports to Niger

In recent years, the health assistance provided by China has led to an increase in the export of pharmaceutical products in Niger. However, the trends revealed that the volume of export and the amount of export have followed a sawtooth pattern between 2006 to 2015. The major reasons for the higher export observed in 2006 (US\$206574.17) is mainly due to an initiative launched by the government to provide free health care for pregnant women and children under five years, aimed at improving the treatment, accessibility, quality and use of essential medicines to all health centres.¹¹ However, from 2013 to 2015, China's pharmaceutical exports to Niger increased to US\$54207 in value. The data from 2007, 2011 and 2012 are not available; this variation is possibly related to the lacks of sufficient data reported by the main institutions in charge of the collection of data such as Minister of Public Health, customs, INS. In addition the illegal marketing of medicines from China and neighboring countries, including Nigeria, Benin, and

Ghana to Niger is not reported. Finally, linguistic barriers, the high cost of transport from China to Niger pushed up many national companies to import medicines from neighboring countries. It also explains why the results are disproportionate.

Table: Chinese pharmaceutical products export to Niger from 2006 to 2015

Indicators Years	Volume of export (KG)	Value of the export (\$)
2006	21 490	206574.17
2007	-	-
2008	6 729	3788.4
2009	10 056	6886
2010	11189	4778
2011	-	-
2012	-	-
2013	36 797	35039.84
2014	32 314	30572
2015	24 805	89246

Source: National Statistics Institute (INS), Niger

3.5 Challenges faced by Chinese medicines in Niger

Despite the opportunities offer by China pharmaceutical market, there are some challenges faced by China's export to Niger such as the problems of counterfeit medicines, authentication, quality, safety and controversy over the effectiveness of traditional Chinese medicine (TCM).

4. Discussion and Recommendations

This paper presents an overview of Niger's pharmaceutical system in relation to the distribution, supply and bilateral trade between Niger and China over 10-years (2006-2015). Like African countries, Niger simply lacks the technical capacity and regulatory structures to efficiently and consistently produce high quality pharmaceutical drugs. Therefore, the country depends on imports for its domestic supply of medicines. Local pharmaceutical industries in the country focused on the production of traditional medicines or generic medicines for domestic consumption. At the same time, China is an important source of inexpensive medicines. Hence, China is a strong potential partner to collaborate with the country to support the local production of pharmaceuticals and health commodities in Niger. Sino-Nigerien trade offers the prospect of strengthening and better exploiting regional supply chains and the production of generic medicines, such as for the main three infectious diseases (HIV/AIDS, tuberculosis, and malaria). This would also make larger investments attractive and boost the development of Niger's traditional medicines to the benefit of the vast majority of the population as well as technology transfers to other sectors of the country economies.¹²

To improve the health outcomes of Niger's population and facilitate the bilateral trade, the study identified the following areas of work in the pharmaceutical trade relationship:

1. Strengthening governance, building capacity for pharmaceutical management and services, addressing

information needed for decision-making in the pharmaceutical sector.

2. Strengthening financing strategies and mechanisms to improve access to medicines, and increasing quality pharmaceutical services.
3. Improve quality control of medicines to meet international standards.
4. Setting up strict regulation and the ability to purchase higher-quality drugs will reduce the entry of falsified medicines in the country.
5. Strengthening the capacity of the pharmaceutical sector to improve the local production of essential medicines such as Anti Retro Viral (ARVs), antimalarial drugs.
6. Technology transfer by China to Niger is primordial to ensure sustainable local production and increase the share of population with access to vital medicines.

5. Conclusions

Sino-Nigerien trade relation has the potential to catalyze progress towards ensuring the availability of quality pharmaceutical products to achieve desired health outcomes and enhanced human health and wellbeing in Niger. It is, therefore, important for Niger to strengthening the partnership in terms of trade and investment cooperation with China in order to develop both economic growth and reduce the growing burden of avoidable diseases.

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