



RHSC Manufacturers Feedback

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Outline



Sources of manufacturer feedback



Improvements observed



Current issues



Need for collaboration to resolve issues

Sources of manufacturer feedback

1

**Survey of RHSC
Manufacturers Group**
September 2020

2

**Meeting with RHSC
Manufacturers Group**
October 2020
Including generic, innovator, and
condom manufacturers

Improvements since the start of pandemic



Most manufacturers are producing at close to normal levels

- Although regional shutdowns still occur, including in Asia
- Manufacturers working through order backlogs



Most of manufacturers' own suppliers are now performing reasonably well

- For API and packaging

Challenges being experienced by manufacturers



Increased supply chain and operational costs



Delayed regulatory approvals and audits



Lack of customer forecasts and commitments



Issues such as: Customs clearances, logistical delays, exchange rate fluctuations, and over- and under-supply situations in countries

Increased costs

Freight costs continue to be high and unpredictable

- Logistics providers not typically maintaining quoted freight costs past a 2-3 days validity
- Availability of freight options is still low, especially for air freight and to landlocked countries
- Customers are not paying these increased costs
- Manufacturers are absorbing the costs now

Increased costs due to COVID Management

Before COVID-19, manufacturers were incurring rising costs due to escalating procurer requirements: national registrations, data/technology requirements, country-specific requirements.

- RHSC blog on this topic: Time to leave the hall of mirrors

COVID-19 has unsustainably accelerated this trend.



Delayed regulatory approvals and audits

Many regulatory agencies are delaying new approvals/registrations

- Delays are for new registrations/approvals, renewals, and for variations
- Instead, short-term approvals/authorizations may be supplied
- This contributes to increased costs and uncertainties for manufacturers



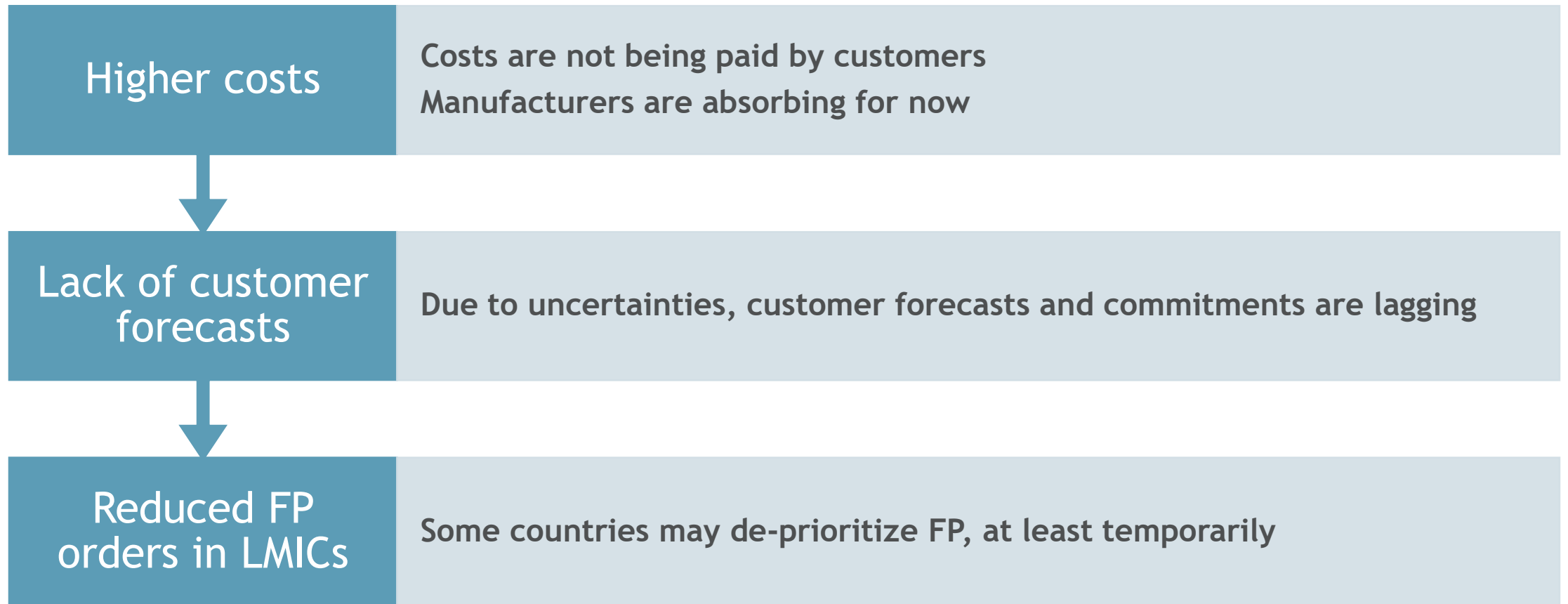
Lack of customer forecasts and commitments

Large procurers often not providing forecasts or commitments

- Manufacturers lack visibility to future orders and are challenged to efficiently allocate future production capacity
- Governments in LMICs ordering less than expected, and even canceling some orders



How can we together improve this unsustainable situation?





Questions?

THANK YOU!