

JUNE 2021 UPDATE

GHSC-PSM CONTRACT PRICES AND LEAD TIMES OF MATERNAL, NEWBORN AND CHILD HEALTH COMMODITIES

INTRODUCTION

The USAID Global Health Supply Chain Program-Procurement and Supply Management (GHSC-PSM) project purchases and delivers quality-assured maternal, newborn and child health (MNCH) commodities on behalf of USAID to prevent child and maternal deaths. COVID-19 has significantly impacted global supply and logistics, including the availability of MNCH commodities. Countries in which MNCH commodities are produced such as India and China have faced significant challenges to maintain production and export of essential MNCH commodities due to the pandemic. Additionally, the spread of COVID-19 in recipient countries has created challenges in MNCH commodity distribution.


Since the start of the pandemic more than one year ago, GHSC-PSM has conducted market analyses, developed sourcing strategies, built relationships with suppliers, and negotiated contracts to ensure proactive contract management to achieve greater value for recipients. In January 2021, GHSC-PSM re-issued and negotiated contracts for MNCH essential commodities and did not observe substantial disruptions in MNCH commodity availability, prices or lead times due to COVID-19.

The analysis below compares prices and lead times of select MNCH commodities—prioritized by the UN Commission on Life Saving Commodities as the most critical supplies to save mothers’ and children’s lives—in GHSC-PSM contracts negotiated prior to the pandemic and prices and lead-times negotiated recently. The figures below are averages across multiple suppliers and intended destination countries.

While there were fluctuations in prices and/or lead-times for select MNCH products, the changes could not be directly attributed to COVID-19 challenges. Price increases for select MNCH commodities were mainly driven by:

- The addition of new suppliers in the 2021-2022 contract period
- The project’s efforts to adhere to registration requirements in numerous countries
- Suppliers opting to maintain stock-on-hand to reduce lead times

AVERAGE PRICES ACROSS MULTIPLE SUPPLIERS IN USD

PRODUCT NAME 	CONTRACT PERIOD		% Change
	2019-2020	2021-2022	
Amoxicillin 125 mg/5 mL Suspension, 10 x 100 mL Bottles	\$4.90	\$5.03	3%
Amoxicillin 250 mg Dispersible Tablet, 10 x 10 Blister Pack Tablets	\$1.99	\$2.14	8%
Chlorhexidine Digluconate 7.1% Topical Gel, 1 x 10 gm Tube	\$0.30	\$0.37	23%
Chlorhexidine Digluconate 7.1% Topical Gel, 1 x 20 gm Tube	\$0.62	\$0.41	-34%
Chlorhexidine Digluconate 7.1% Topical Gel, 1 x 3 gm Tube	\$0.28	\$0.24	-16%
Ferrous Sulfate/Folic Acid 200/0.4 mg Coated Tablet, 1000 Tablets	\$2.99	\$3.22	8%
Gentamicin 40 mg/mL (2 mL) Ampoule, 100 Ampoules	\$8.29	\$7.86	-5%
Magnesium Sulfate 500 mg/mL (10 mL) Vial, 10 Vials	\$7.24	\$9.99	43%
Oral Rehydration Salts 10.25 gm/500 mL Dispersible Powder, 20 Sachets	\$2.20	\$1.19	-46%
Oral Rehydration Salts 20.5 gm/L + Zinc Sulfate 20 mg Tablet, 2 Sachets + 10 Tablets	\$0.68	\$0.42	-38%
Oral Rehydration Salts 20.5 gm/L Dispersible Powder, 100 Sachets	\$6.41	\$5.70	-11%
Oxytocin 10 IU/mL (1 mL) Ampoule, 100 Ampoules	\$11.30	\$14.95	32%
Zinc Sulfate 20 mg Dispersible Tablet, 10 x 10 Blister Pack Tablets	\$1.05	\$1.30	24%

AVERAGE LEAD TIMES IN WEEKS ACROSS MULTIPLE SUPPLIERS

Amoxicillin 125 mg/5 mL Suspension, 10 x 100 mL Bottles	11.9	11.7	-1%
Amoxicillin 250 mg Dispersible Tablet, 10 x 10 Blister Pack	13.3	13.0	-2%
Chlorhexidine Digluconate 7.1% Topical Gel, 1 x 10 gm Tube	12.4	9.6	-22%
Chlorhexidine Digluconate 7.1% Topical Gel, 1 x 20 gm Tube	11.7	9.2	-21%
Chlorhexidine Digluconate 7.1% Topical Gel, 1 x 3 gm Tube	14.8	8.7	-41%
Ferrous Sulfate/Folic Acid 200/0.4 mg Coated Tablet, 1000 Tablets	11.2	8.9	-20%
Gentamicin 40 mg/mL (2 mL) Ampoule, 100 Ampoules	12.6	15.2	21%
Magnesium Sulfate 500 mg/mL (10 mL) Vial, 10 Vials	16.4	16.2	-2%
Oral Rehydration Salts 10.25 gm/500 mL Dispersible Powder, 20 Sachets	9.8	9.7	-2%
Oral Rehydration Salts 20.5 gm/L + Zinc Sulfate 20 mg Tablet, 2 Sachets + 10 Tablets	11.7	11.8	1%
Oral Rehydration Salts 20.5 gm/L Dispersible Powder, 100 Sachets	11.7	9.1	-23%
Oxytocin 10 IU/mL (1 mL) Ampoule, 100 Ampoules	13.3	12.9	-3%
Zinc Sulfate 20 mg Dispersible Tablet, 10 x 10 Blister Pack	12.5	11.8	-6%

While some prices increased, other prices decreased due to improved pricing offered by manufacturers.

GHSC-PSM observed decreases in lead times across most products. The lead time for gentamicin 40 mg/mL (2 mL) ampoule increased by 21% to accommodate for potential manufacturing delays.

GENERAL COVID-19 GLOBAL SUPPLY AND LOGISTICS OBSERVATIONS

GHSC-PSM continues to work closely with suppliers and partners to understand the impact of COVID-19 on manufacturing production and global logistics. The overview below presents the information on current challenges and constraints on the global supply of health commodities due to COVID-19.

PRODUCTION

- Manufacturing remains dynamic as the resurgence of COVID-19 in India and European countries constrains production and export of essential MNCH commodities. However, most manufacturers in India and China are operating at close to full capacity.
- Manufacturers are experiencing delays in acquiring active pharmaceutical ingredients and raw materials, adding to the increase in production lead times.

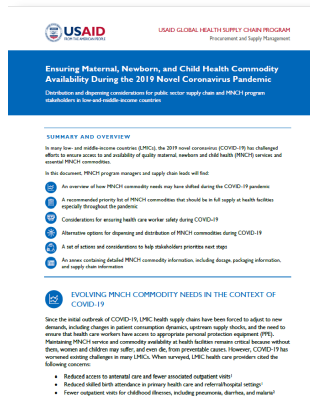
GLOBAL FREIGHT AND LOGISTICS

- Ocean logistics providers continue to adjust to patterns of demand changes, but severe shortages of containers due to imbalances—more exports than imports or vice versa—has resulted in increased costs and lead times.
- Air cargo capacity remains significantly constrained due to reduction in passenger flights, contributing to volatile and increased costs of up to 4-8 times. As passenger travel increases due to increased number of vaccinated individuals opting to travel, logistics providers expect air cargo availability to equally increase.
- There continues to be limited availability of refrigerated containers for the transport of cold chain products. GHSC-PSM has observed that some airlines are averse to managing cold chain products due challenges of maintaining a consistent cold chain because of ad hoc flight schedules, congested airport facilities and limited ground handling crews. Logistics providers and supply chain managers will need to consider these challenges and others to manage the continued increase of the global distribution of COVID-19 vaccines.
- Border closures and COVID-19 safety procedures at border crossings including quarantine and testing requirements, have led to delays and have impacted the availability intra- and inter-state/country movement.

CONSIDERATIONS TO ENSURE MNCH COMMODITY AVAILABILITY DURING COVID-19

GHSC-PSM developed a comprehensive resource that offers distribution and dispensing considerations for the public sector supply chain and MNCH stakeholders in low- and middle-income countries including:

- An explanation of how MNCH commodity needs have shifted during COVID-19
- Recommendations for which MNCH commodities to prioritize and fully supply at health facilities
- Ensuring health care worker safety
- Alternative options for dispensing and distributing MNCH commodities
- Supply chain actions to take
- Detailed MNCH commodity information and considerations



[Download the full resource](#) in English and/or French.

The project has also published an abridged version that focuses on recommended actions and considerations for MNCH stakeholders and alternative options for dispensing and distributing MNCH commodities during COVID-19. Download the abridged version in English and French.

For further guidance and support, contact PSMTO4Core@ghsc-psm.org