

Novo Nordisk contracts Aspen to produce insulin for Africa

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Novo Nordisk has contracted Aspen Pharmacare to produce human insulin on its behalf in South Africa for export to African countries through a low-cost government tender system, the Danish drugmaker said on Tuesday, 20 September.



Source: Reuters.

Announcing the deal on the sidelines of the United Nations General Assembly in New York, Novo said the contract would lead to the production of 16 million vials of insulin next year, marking its "expanded commitment" to improving access to life-saving insulin to people living with diabetes in Africa.

Novo said the amount that Aspen will produce next year under the contract equated to the yearly consumption of 1.1 million people with type 1 and type 2 diabetes, adding that it currently reaches 500,000 people with diabetes across sub-Saharan Africa.

By 2026, the amount of insulin produced will equate to the yearly consumption of 4.1 million people across the continent, it said.

Aspen said in a separate statement that it would manufacture the vials at its existing sterile facility in Gqeberha, South

Africa, and that approximately 250 staff would be deployed for the production which will begin early next year.

The contract underscores Aspen's commitment to manufacturing medicines in Africa to serve patients on the continent, Aspen's chief operations officer Lorraine Hill said.

"Especially in lower and middle income countries, diabetes is fundamentally a tragedy," Katrine DiBona, Novo's corporate vice president for global public affairs and sustainability, said in an interview. She cited a company estimate that 60 million people globally need insulin but cannot access it.

Novo became Europe's most valuable company earlier this month on booming sales of its obesity and type 2 diabetes drugs. It currently has a market capitalisation of about \$420bn.

Novo said the Aspen-produced insulin would be distributed to health authorities and non-governmental organisations through a tender system with a guaranteed ceiling price of \$3 per vial. It did not release further financial details about the contract.

The deal could help Aspen, Africa's biggest drugmaker, utilise the manufacturing capacity it built during the Covid-19 pandemic. Aspen invested about \$540m to expand facilities in South Africa and France, but orders for its vaccine failed to materialise.

That left the increased capacities loss-making, Aspen's chief executive officer said last month after the company announced it had finally secured agreements with three global companies to produce their drugs at its French facility.

Novo chose Aspen as its partner due to its credibility as a drug manufacturer, DiBona said.

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