

PHARMACEUTICAL AND TRADITIONAL MEDICINE INDUSTRIES ARE BECOMING ESSENTIAL DURING PANDEMIC (INDONESIA)

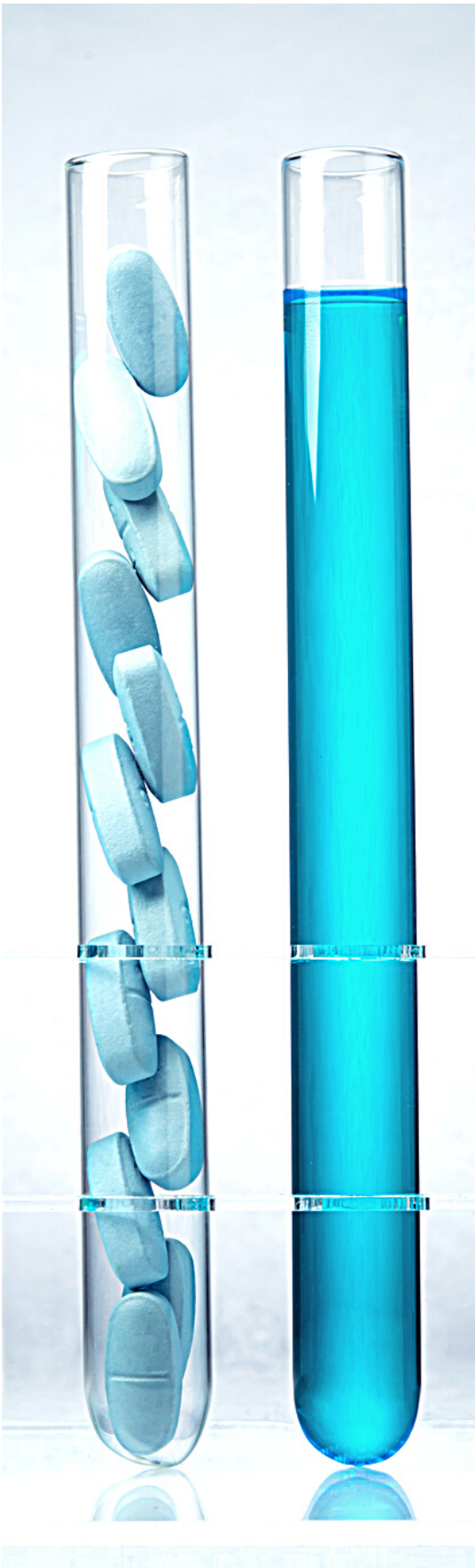


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The COVID-19 pandemic has been going on for more than a year in Indonesia. Society and the government began to gradually adjust to the existing conditions. Although there are still many sectors that have slumped, some are starting to show an improvement trend both in terms of performance and financials. One of them is the manufacturing industry which has shown growth since Q4/2020.

One of the sectors driving the growth of the manufacturing industry is the chemical, pharmaceutical, and traditional medicine industries. Indeed, since the pandemic occurred, this sector has always grown positively, even the value of gross domestic product (GDP) is also above the value of the manufacturing sector's GDP and national GDP. In 2020, Indonesia's GDP grew negatively at -2.07% (Y-o-Y), then the GDP of the non-oil and gas manufacturing sector also grew negatively at -2.52%. Meanwhile, the GDP of the chemical, pharmaceutical, and traditional medicine sectors grew encouragingly at 9.39% (Y-o-Y).

Meanwhile, based on data collected by Statistics Indonesia (BPS) in Q1/2021, the chemical, pharmaceutical, and traditional medicine industries also still grew positively at 11.46%.



This value was the highest growth in the manufacturing sector other than oil and gas. Meanwhile, from a nominal perspective, these sectors became the second largest after the food and beverage industry by contributing IDR 79,838.7 billion to the GDP of the manufacturing sector other than oil and gas in Q1/2021. This value increased by 15.28% as compared to the same period in 2020 (IDR 69,258.8 billion). The high public need for medicines during the pandemic also supported the growth, especially immunomodulatory drug products and health supplements. Hence, performance of this sector also increased.

With the increasing spread of COVID-19 in Q2/2021 and the Emergency Enforcement for Public Activity Restrictions (PPKM) by the Government of Indonesia, the need for pharmaceutical products is also expected to increase. Therefore, the Government has implemented a few policies, one of which is optimizing supply and distribution chains for medicines and medical devices to meet national needs, especially products that support the prevention and treatment of COVID-19, such as masks, personal protective equipment (PPE), hand sanitizers, vitamins, related medicines, and cleaning fluids.

The Ministry of Health will coordinate with the Ministry of Industry, the Institute for Procurement of Goods (LKPP), and the Food and Drug Supervisory Agency (BPOM) to accelerate the fulfilment of national needs through the domestic pharmaceutical and medical device industry during the implementation of restrictions on emergency community activities. Meanwhile, the Ministry of Industry will regulate oxygen producers to allocate 90% of their oxygen production for medical needs in Java and Bali.

Based on information from the relevant ministries, during this pandemic there was a surge in oxygen demand in the medical sector reaching 800 tons per day. Meanwhile, currently there are production reserves of 225 thousand tons per year that can be utilized. If this amount is deemed insufficient, then the supply of oxygen gas for industry can be diverted for medical needs.

Other policies implemented by the government encourage a deepening of the structure and increased investment in the chemical, pharmaceutical, and textile industrial sectors. The increase in investment has had a major impact on the economy, especially in terms of employment. In addition, the performance of this sector is also expected to be maintained so the stock of public needs is maintained and does not run into shortages.

SOURCE: <https://visiglobal.co.id/cantingnews/pharmaceutical-and-traditional-medicine-industries-are-becoming-essential-during-pandemic/2021/08/>

