

The Mercury will not publish on Monday, August 10, due to the National Women's Day public holiday. The next edition will be on Tuesday, August 11.



SPORT	16	BUSINESS REPORT	9	METRO	6	MOTORIZING	8
Brother Cobus cherishes ‘privilege’ of sharing Test stage with Jasper		SA’s R3bn investment in hydrogen projects to drive green economy		Aadielah Maker Diedericks: Leading the fight against alcohol harm in SA		First drive: a premium people carrier with 95km electric range	

Pharmisa calls for action on fake drugs

Industry leaders warn of severe job losses and declining local manufacturing capacity

NTSIKELELO GOYO
ntsikелеlo.goyo@nationalmg.co.za

THE Pharmaceuticals Made in South Africa (Pharmisa) has called for urgent government intervention to combat the illicit trade in medicines, warning that the illegal market now also involves healthcare practitioners.

The warning was made by Pharmisa chairperson Stavros Nicolaou during a presentation to Parliament's Standing Committee on Trade, Industry and Competition, which is this week receiving stakeholder submissions on South Africa's Industrial Development Strategy.

During his presentation, Nicolaou also warned that South Africa's pharmaceutical manufacturing capacity was being eroded, with contract manufacturing organisations (CMOs) that produce oral contraceptives and penicillin formulations having either shut down or temporarily suspended operations. He said the sector could lose as many as 3 200 jobs, about a quarter of its manufacturing workforce, following 18 months of sustained volatility.

"We have seen a proliferation of the illicit pharmaceutical trade in our country and this requires all the relevant agencies to work together. The illicit trade taking place, even by healthcare professionals themselves, is terrifying to say the least," he said. Speaking after the committee meeting, Nicolaou said the proliferation of semaglutide—the active ingredient in the diabetes medication Ozempic—was an example of healthcare practitioners operating outside the law.

"The system is being abused. Compounding pharmacies are sourcing active ingredients such as semaglutide and compounding them into injectable products. The law does not allow these products to be manufactured at scale or supplied en masse," he said.

His comments come after the Gauteng High Court granted an interim interdict in favour of Novo Nordisk against iDexis, preventing the company from compounding and supplying semaglutide injections pending the outcome of legal proceedings.

Novo Nordisk, a Danish pharmaceutical company, developed the prescription medicine for the treatment of diabetes, although it has since become widely used for weight loss.

"The problem is threefold. First, there are counterfeit copies of Ozempic. Second, there is the importation of a product called retratutide, which has shown promising Phase 3 trial results but has not yet been approved. Third, there is the unlawful compounding of pharmaceutical products," he said.

Nicolaou said tackling the illicit trade would require coordinated action by the South African Health Products Regulatory Authority, the South African Pharmacy Council, the South African Revenue Service, the Border Management Authority, the South African Police Service and the Hawks. "If we do not work together, we will lose this battle," he said.

During the committee Nicolaou warned that government procurement policy posed the greatest threat to local

pharmaceutical manufacturing and South Africa's long-term medicine supply security.

"The state procures more than 70% of the volume of pharmaceutical products in our country. There are 10 tenders that the Department of Health manages. The largest, in both value and volume terms, is the antiretroviral tender. The second is the vaccine tender and the third is the HP09 solid-dose tender. At the time this research was done, the results were available for the antiretroviral and vaccine tenders," he said.

According to Nicolaou, when the first antiretroviral (ARV) tender was issued in 2008, 72% of its value was awarded to domestic manufacturers. That figure has since declined to just 28%.

He said the three-year tender cycle was also discouraging long-term investment in local manufacturing.

"During Covid our country found itself at the back of the queue for all medical countermeasures, whether pharmaceuticals or vaccines. It is exceedingly disappointing that, despite all those lessons, we have not heeded many of them. I would argue that today we are in a similar, if not worse, position from a drug supply security perspective," he said.

"We have a high trade deficit in the sector and what I call a trend of attrition. Investment has declined because of a lack of certainty and predictability. How does 70% of your volume operating on three-year cycles attract investment? From first-hand experience, we have lost technology transfer agreements in this country.

"Vaccine manufacturers want to undertake technology transfers. They write to the Department of Health and explain that a technology transfer takes three years and requires an off-take agreement of at least seven years to recover the investment. The response they receive is that the Public Finance Management Act (PFMA) does not allow it."

Nicolaou said several contract manufacturing organisations had either closed or suspended operations, including Wraps, Columbia, Sunpharm OSD, Technikon, SABS, Pharma Q (Injectables), Kiara, Barrs and Morianna. "I have been in this industry for four decades and I have never seen shortages to the extent we are experiencing today. The reason is that these products have become economically unsustainable."

"Up until March this year we had one oral contraceptive manufacturing facility. It has now shut down. Why? If you invest in a power plant, you look at a 20-year horizon. No one invests R70 million without knowing they will have off-take agreements beyond three years.

"I can cite penicillin as another example. We are now down to zero formulation facilities in South Africa. So when the Minister of Health says we are running out of penicillin G, it is because we no longer have supply security. If China or India were to impose export restrictions again, as they did during Covid-19, we would once again find ourselves in trouble. The same applies to paracetamol active pharmaceutical ingredients. India, our main supplier, can shut its borders against just as it did during the pandemic."

and the Free State. The busiest return period is expected on Monday afternoon.

The 415km N3 Toll Route links Heidelberg in Gauteng with Cedara in KwaZulu-Natal and carries significant volumes of passenger and freight traffic throughout the year.

Motorists should also expect delays at several road construction sites between Heidelberg and Villiers, Warden and Harismith, and Estcourt and Nottingham Road. Although lane closures will remain in place throughout the long weekend, at least one lane in each direction will remain open at all times, with closures scheduled, where possible, to minimise delays during



COMMUNITY leaders released white doves yesterday to celebrate the launch of a dedicated space for gender-based violence survivors at the Wentworth police station. | SIBONELONGCOBO ANA Studio See story on page 3.

ISOLATION

IDAC's investigation head Sesoko: 'I was excluded from Crime Intelligence probe'

RAPULA MOATSHE
rapula.moatshe@nationalmg.co.za

THE rift within the Investigating Directorate Against Corruption (IDAC) was laid bare yesterday when head of Investigations and Operations Matthew Sesoko told the Madlanga Commission of Inquiry that he was excluded from the high-profile probe involving Crime Intelligence head Lieutenant-General Dumisani Khumalo.

Sesoko said he learnt of the matter only on December 6, 2024, despite being the organisation's second-in-command.

The case stems from suspended MP Fadiel Adams' submission of a Section 27 affidavit to IDAC alleging interference by senior police officers in cases he opened at Cape Town and Orlando police stations.

The case led to the investigation and arrest of Khumalo and co-accused, who were charged with fraud and corruption linked to the alleged irregular appointment of Brigadier Dineo Mokwele. The National Prosecuting Authority (NPA) has since withdrawn charges against them, including Mokwele. Sesoko testified that he only became aware of the Crime Intelligence matters when IDAC senior investigator Mantsha Rapheso called him for assistance in obtaining dockets from Inspectorate Head Colonel Jacobs.

"I did not see a section 27," he said.

Former IDAC head Advocate Andrea Johnson told the commission she did not raise Adams' Section 27 affidavit with Sesoko, saying it was "a simple matter" that she thought she could handle.

Sesoko told the commission that Johnson failed to follow IDAC's operational manual on authorising investigations.

"I don't understand why she said the manual was just a draft (during her testimony) because the manual was signed by her and myself and we distributed it to the staff in October 2024," he said.

Sesoko said the manual was intended to shield the IDAC head from claims that the directorate was targeting particular people or selecting cases without basis.

"If a matter is received, assessed, scored and recommended by a team and a committee before it reaches the ID for authorisation, the ID's decision rests on a documented, defensible foundation and the ID is protected against the very allegations that are now being made," he said.

He testified that Johnson told him she had asked IDAC's Advocate Mahommed to review the manual on the case selection process.

Sesoko said: "To be honest, sometimes I wouldn't understand the decisions ID would take. Sometimes she would say, 'I forgot to inform you; and other times she would inform me after the facts.'"

Sesoko testified that some matters were for Johnson only, and she determined who was assigned to them. He said the Deputy Director of Public Prosecutions would occasionally complain that resources had been pulled from their project teams and reassigned elsewhere.

Sesoko said, according to the manual, non-compliance could result in disciplinary action. The manual applied to the ID,

and any breach by the ID would be dealt with by the National Director of Public Prosecutions (NDPP). Asked if he had reported Johnson to the NDPP he said: "I personally did not report...I don't have a reason why I did not report...I have been through a lot and when some of these things happen and you hear that there were reports that were reported to the former NDPP and nothing happened, I just felt it won't assist me anyway."

Co-commissioner Advocate Sandile Khumalo suggested that Sesoko was part of the problem for failing to ensure the manual was followed to the letter.

Sesoko said: "I will take responsibility for that, but I have my own personal reasons. The fact of the matter is these issues as they were raised. The colleagues were sending emails to ID and I am copied in those emails. And in bilateral meetings with ID we would discuss these issues, and she would express her displeasure on how the colleagues raise these issues. She believed there was nothing wrong with how they were approaching this case."

Co-Commissioner Advocate Sesi Baloyi SC asked Sesoko: "How did IDAC land where it is today?"

Sesoko said: "Chair, the fact of the matter is in this particular instance rules were not followed. I took a decision at that point in time as I explained in my affidavit, based on my personal history. I take full responsibility that I should have acted differently but at the time for me it was the right decision given the considerations that I have said to the commission."

ACCESS

SA pushes for direct India flights ahead of 2027 Cricket World Cup

THOBEKA NGEMA
thobeka.ngema@nationalmg.co.za

WITH South Africa set to co-host the upcoming ICC Men's Cricket World Cup 2027, Tourism Minister Patricia de Lille is spearheading high-level government efforts to not only create a memorable experience for visitors, but also secure a direct flight route between South Africa and India.

De Lille said they have identified India and China as key drivers for inbound tourism.

"Given that we have competitors like Kenya, Ethiopia, and Rwanda, which are also talking to Indian airlines to secure a direct flight to Indian hubs, we had specific high-level discussions with SAA and also with the private carriers in India to secure possibly a direct flight between South Africa and India," De Lille said.

The talks have included the Department of Tourism, the Department of Transport, and the Department of Trade, Industry and Competition.

"It is very important that we do it as soon as possible, considering that South Africa will be hosting the Cricket World Cup next year. And as we know, cricket is like a religion in India. And we're expecting a lot of Indian fans to come to South Africa."

De Lille highlighted that South Africa's High Commissioner to India, Professor Anil Sooklal, has been interacting with Indian businesses and the business sector.

The minister explained that SA Tourism (SAT) plans to leverage the World Cup through marketing campaigns that encourage fans to extend their visits.

By monitoring ticket sales starting in October and coordinating private sector packages, they aim to showcase South Africa's diverse offerings and entice visitors to enjoy the country before and after the tournament.

According to Statistics South Africa's Tourism report (2025), tourism links with the original founding BRIC nations (Brazil, the Russian Federation, India, and China) continued to play an important role.

A total of 213 138 tourists from these countries visited South Africa in 2025, making up 8.9% of all overseas arrivals. India led the group with 69 680 tourists, followed by Brazil (63 848), the Russian Federation (41 708) and China (37 902).

De Lille said they will also collaborate with the Department of Home Affairs and the Department of Transport for a smooth experience for people arriving in South Africa.

They want a speed point for arrivals to avoid airport congestion.

De Lille said they are also looking at community tourism initiatives because they want visitors to engage with local culture and small businesses.

They will also target big cricket-loving countries like India, England, Australia, Pakistan and New Zealand because they have some of cricket's largest travelling fan bases.

"While they are here, the plan is to win their hearts and minds and showcase what South Africa has to offer long before or after the World Cup. And then we will showcase the visitors' experience from our hotels, our transport, and our information centres," De Lille said.

"Together with SAT, we want to position the Cricket World Cup as a sports tourism platform."

With the Cricket World Cup hosted across South Africa, Zimbabwe, and Namibia, De Lille said they are planning a regional tourism showcase for the countries. South Africa will specifically highlight its wildlife, culture, wine routes, and beaches while putting together tourism packages for the region.

"Our key message that we want to bring out is 'the world's friendliest country and home of the ICC Cricket World Cup,'" De Lille said.

Professor Sooklal said it was a disadvantage that South Africa lacked a direct flight to India, especially as there is a considerable market that exists. He said the business sector consistently stresses the need for a direct flight, as transit times are a significant barrier to trade.



Annual Subscriber **R14.22**
0800 20 47 11

DURBAN **15/23°**
Hazy
CTN **09/18°** JHB **08/23°**



@THEMERCURYSA

THEMERCURYSA

@MERCPC

LETTERS | **P2**
OPINION | **P4**
CROSSWORDS | **P7**

WE HAVE TWO EARS AND ONE MOUTH
SO THAT WE CAN LISTEN TWICE AS
MUCH AS WE SPEAK. | **EPICETUS**