

FACTORS HINDER SUSTAINABILITY ON LOCAL MANUFACTURING OF MODERN REUSABLE PADS; A CASE STUDY FROM TANZANIA

Background:

Local manufacturing is the backbone of the Tanzanian economy. Small scale Menstrual Health and Hygiene (MHH) products local manufacturers face more challenges than small scale MHH products importers. Challenges on procurement logistics, regulations, tax, product distribution, access to tax incentives and financing are not necessarily faced by large-scale MHH products local manufactures and importers.

According to the study done by Oikos and funded by the World Bank in 2023, more than 95% of MHH products sold in Tanzania are imported, with China accounting for 55% of imports followed by Kenya (19%) and South Africa (7%). Data available showed, all imported Modern Reusable pads¹ are purchased by NGOs for donation purposes and neither locally produced nor imported modern reusable pads has penetrated the wholesale or retail markets.

Methods:

A baseline cross-sectional study was conducted from January to April 2023 to a total of 589 respondents and data were collected from 22 regions of Tanzania. Two types of data sources (primary and secondary) were used. For primary data: questionnaires, focused group discussion and interviews were conducted to producers, retailers, wholesalers, parents, students, teachers, regulators and support institutions.

For secondary data: Information was collected from various sources in relation to import value and volume, local production, compliance, importers, manufacturers, taxes, prices at different segments of MHH products in the value chain, MHH products raw materials, demand and supply. Main sources of the literature and data include, but are not limited to, Tanzania Trade Development Authority (Tan Trade), National Bureau of Statistics (NBS), Tanzania MHH Coalition, Kasole Secrets, Tanzania Medical and Drugs Authority (TMDA), Ministry of Investment, Industry and Trade (MIIT), Tanzania Investment Center (TIC), Tanzania Women Chamber of Commerce (TWCC), BRELA (Business Registrations and Licensing Agency), Bank of Tanzania (BOT), Tanzania Revenue Authority (TRA), Tanzania Chamber of Commerce Industry and Agriculture (TCCIA), Confederation of Tanzania Industries (CTI), Tanzania Institute of Education (TIE), Ministry of Health (MOH) and Tanzania Bureau of Standard (TBS)

Online resources include websites, social media, research reports, webinars and official information and reports of the above institutions, international and local organizations e.g. UN Agencies, Africa MHH Coalition, The Pad Project, NIMR and WARIDI/USAID were also very useful to gain insights on Global and National (Tanzania) Menstrual Hygiene and Health dynamics.

¹ Modern Reusable pads; are certified reusable pads which are made of approved materials/fabrics.

Key findings:

The potential population of menstruating women and girls (13-51 yrs) in Tanzania urban and rural respectively is estimated to be 4.1 and 10.1 million and estimated potential market for MHH products according to wealth quantile and available data of rural and urban populations, including the 2022 Tanzania census is shown in **table 1** below: -

Table 1: Estimated potential MHH products usage in Tanzania (Rural and Urban)

Product type	Potential Usage by Urban Women in Tanzania	Potential Usage by Rural Women in Tanzania
Disposable pads	85%	19%
Modern Reusable pads	9%	25%
Tampons	0.7%	0
Menstrual cups	0.3%	0
Homemade menstrual materials	5%	56%

75.4% (n=126) of female students from rural secondary schools said they would prefer using modern reusable pads if they will be available in school and 53.2% (n=126) said they would afford buying modern reusable pads at a price of 10,000 TZS for a pack of 4.

92% (n=25) of parents from rural area preferred their daughters to use modern reusable pads if they are available and 44% (n=25) said they would afford buying modern reusable pads at a price of 10,000 TZS for a pack of 4.

An average of 45.4% (n=166) from all groups of respondents (students, parents and teachers) confirmed they could afford modern reusable pads if sold at a price of 10,000 TZS for a pack of 4; however, still a significant percentage of the sample (34%) confirmed they won't be able to afford them; others suggested for these pads to be sold at prices close to the current prices of disposable pads (2000-3500TZS) and suggested they should have a fair packing size (6-10 pads for a pack).

Inclusion of Modern reusable pads as essential school supply in the joint instruction and active collaboration between government and local manufacturers would be a viable option towards establishment of sustainable financial based supply chain in schools which will therefore increase accessibility and affordability of MHH products for female students in rural Tanzania. **Table 2** below shows comparison between school supplies and MHH products

Table 2: Comparison between annual cost for school supplies and MHH products

Modern Reusable pads					Disposable pads	
Sno	Description	Avg. Annual cost of school supplies (TZS)	Avg. Annual cost of Modern Reusable pads (TZS)	% increase in school supplies	Avg. Annual cost of disposable pads (TZS)	% increase in school supplies
1.	Day school	151,000	11,000	7.3%	30,250	20%
2.	Boarding school	166,000	11,000	6.6%	30,250	18%

The overall industry of Local manufacturing of Modern Reusable pads in Tanzania is dominated by women and youth, majority of them are micro and small-scale manufacturers. The study identified following barriers that hinders growth and sustainability of local manufacturing of Modern Reusable pads;

1. Despite the fact that local manufacturers of Modern Reusable pads are categorized as small-scale, in reality they are too small to qualify as small-scale, based on their level of investment and production capacity; therefore, tax incentive procedures were not designed to benefit them
2. Random and continuous free distributions of Modern Reusable pads done by NGOs suffocate the long term and sustainable supply chain the private sectors are trying to create
3. The overwhelming number of individually funded, one-time projects and local manufacturers of modern reusable pads, including NGOs that fail to follow any regulations, has been a significant hindrance to scaling up. This matter is exacerbated when customers purchase modern reusable pads below market price or use low-quality modern reusable pads, leading them to stigmatize all modern reusable pads they encounter.
4. Persistent country-wide promotion of modern reusable pads as a donation product and an option for less privileged women and girls, played a major role in making the products look inferior and discourage average women and girls from wanting to buy or use the products, and this also inhibited retailers and wholesalers from wanting to stock and sell reusable pads
5. Lack of incremental innovation. Most of these modern reusable pads in Tanzania look very similar, they do not have any unique differentiation that is absolute visible on a product, almost all the products have the same cut, the same type of fabrics and the same

accessories, which results in some of their staff and big costumers to copy and start producing exactly modern reusable pads on their own without any consequence.

6. Most of these manufacturers do not have a clear business model with a proper plan on how they are going to make profit and there is no clear pricing structure that differentiates margins along the supply chain.

Recommendations for Ministry of Health, Development partners and MHH Coalition:

1. Ministry of Health shall establish mechanism to ensure compliance, quality and safety of MHH products distributed to the users/beneficiaries and facilitate better coordination between various MHH stakeholders.
2. There is need for Development partners, Donors and well-wishers to re-strategize how they fund innovative projects on MHH products, in order to encourage sustainability, compliance, good quality and safety of the products to the users/beneficiaries
3. There is a need for Ministry of Health and MHH coalition to define beneficiaries, monitor and regulate free distribution of modern reusable pads to provide room for this product to also penetrate in retail and wholesale stores but also to protect the investment of local manufactures of modern reusable pads.
4. There is a need for Ministry of Health to coordinate high-level advocacy workshops to discuss in detail and carefully assess the scope and impact of VAT and other taxes to the consumers, as the cost of MHH products has been increased since COVID time, the usage of homemade menstrual materials is expected to increase as the cost of living keep increasing. There is a need to find a solution for this on a national level and find a balance between importers and local manufactures of MHH products
5. Considering the various challenges reported in the present report, Ministry of Health in collaboration with development partners should consider to facilitate an inter-Ministerial dialog/workshop to address present loopholes of the MHH sector and proposed coordinated solutions.
6. MHH Coalition needs to be funded and capacitated to operate more formally as an entity which endorses MHH products manufacturers' and entrepreneurs to access tax incentives, define boundaries and approve free distribution of MHH products to reinforce compliance and safety of donated products, visit and access the status of local producers, store annual data on imports, local production and donated MHH products. MHH coalition also needs to be empowered as a credible entity to sit in strategic national budget meetings to inform and advise government on MHH matters

Conclusion:

Modern reusable pad is still a new product in the market, its future towards sustainable supply chain is in local manufacturing, however, this area need to receive technical support, financial and tax incentives to prosper.