

The Nigerian Industrial Pharma Sector-Achieving growth through strategic alliances

Presented by

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Meet KCO

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- National Chairman, Association of Industrial Pharmacists of Nigeria (NAIP)
- Entrepreneur
- Sales and Marketing Consultant
- More than 30 years In the Pharma Sector

Our Country Nigeria

- Over 220 million people
- Projected by United Nation to soar to approximately 377 million people placing it just behind giants like India and China
- Goldstein Research predicts a robust Compound Annual Growth Rate (CAGR) of 9.1% for the pharmaceutical market from 2017 to 2030.
- This aligns with McKinsey & Company's 2017 analysis, which projected an annual market growth of up to 9%, potentially reaching \$3.6 billion by 2026

The truth

- The true cornerstone of Nigeria's potential lies in its people. Boasting a youthful demographic, almost 44% of its 220 million-strong population is under 15, making it one of the youngest countries in Africa. This youthful vigour is not just a statistic; it's a reservoir of potential and dynamism

The Nigeria Pharma Market

- Nigeria depends heavily on imports and donations for its pharmaceutical needs. Reports indicate that only about 30% of drugs used domestically were locally produced, but post- Covid, this figure has reportedly increased to 45%, as per the Pharmaceutical Manufacturers Group of the Manufacturers Association of Nigeria (PMG-MAN).

A land of Opportunities-Nigeria

- While most active pharmaceutical ingredients (APIs) are imported (primarily from India and China), a significant portion of primary and secondary packaging materials and about 25% of excipients are sourced locally. Machinery is mostly imported from Asia, and quality control equipment predominantly comes from Europe. Some local manufacturers have begun to source or fabricate spare parts domestically, and there have been efforts to reduce dependence on foreign partners for maintenance through skill transfer initiatives.

Nigeria

- Nigeria has approximately 350 drug importers and over 5,795 licensed distributors and vendors, with imports of raw materials and finished products growing by 13% annually since 2014. In 2018, the country imported pharmaceutical products worth \$513 million. Local companies rely on imports for 98% of their manufacturing inputs, a scenario compounded by high foreign exchange risks and growing incentives for local production.
- Nigeria has about 170 drug manufacturing companies

Growth in the Industry?

- Our ability to achieve our drug requirements in the country (Quantity and Quality)
- Our ability to guarantee medicine security in the country
- And Promote access to market both in Nigeria and other neighbouring African Countries
- Have a good ROI
- Depend more on what we can produce and less on what we can import

The Gaps in Nigeria

- Lack of API production in the country
- Low vaccine production capabilities
- Need to bolster products of high tech, including injectables
- Low aerosols production capabilities
- Over dependence on foreign hands for machineries
- Low capabilities in Pharma Packaging Materials

Areas to avoid

- Me-too Products
- Products that falled into NAFDAC Ceiling List
- Poducts with Low Margin
- Products with very low inidence rates

Lets Talk About Other Countries

- Egypt
- South Africa
- Ghana
- Algeria

The Steps in Strategic Partnerships

1. Identify Complementary Partners. ...
2. Define Mutual Goals and Objectives. ...
3. Develop a Win-Win Value Proposition. ...
4. Integrate Your Solutions Seamlessly. ...
5. Leverage Co-Marketing Opportunities. ...
6. Provide Excellent Customer Support.

The beautiful thing is that...

- Navigating the Nigerian pharmaceutical market requires an innovative and adaptive approach, especially given the unique challenges in the country's health sector. Traditional market entry models that work in more developed healthcare systems may not be as effective in Nigeria, where issues like limited healthcare access, low awareness, product availability, affordability, and the prevalence of generics pose additional complexities. However, these challenges also present opportunities for creative solutions and strategic partnerships.

Strategic Partnership...

- Customised solutions that address specific patient needs, the diverse epidemiological context, and innovative marketing channels are likely to be more successful.
 - For Example
 - Aerosols, vaccines, injectables

Different Strokes for

- ✓ Europe (Partnerships)
- ✓ Asia (Family Values)
- ✓ Africa (We are still searching)

1

- Look for companies with products or services that align with your target market but do not directly compete with your solution. The synergy between your offerings should create additional value for both sets of customers

2

- Sit down with your potential partners and define mutual goals and objectives. Discuss how the partnership can benefit both parties and set realistic expectations. Establishing a shared vision and understanding each other's priorities will pave the way for a fruitful and productive collaboration.

3.

- A win-win value proposition ensures that both parties see significant value in the partnership and are motivated to invest in its success.
 - Failure is not an option. Design a value proposition that will be of immense benefit to all stakeholders

4.

- Strategic partnerships offer an excellent opportunity for co-marketing initiatives

5.

- Invest time and resources in ensuring a smooth integration process that aligns with your partners' technology stack and provides a seamless experience for end-users.

6.

- Work closely with your partners to ensure their customers receive exceptional support when using your integrated solutions. A positive customer experience will encourage retention and foster advocacy, leading to long-term growth for both businesses.
 - move closer to your cheese. Remember the book, who moved my cheese. Lets avoid being Hems and Haws

7.

- Regularly monitor and measure the performance of your strategic partnerships. Set key performance indicators (KPIs) to assess the impact of the collaboration on customer acquisition, revenue growth, and customer satisfaction
 - “If what you did yesterday still looks good today, you have not done enough”

Strategically we must...

- Engage
- Collaborate
- Partner together
 - to achieve widespread disruptive innovations in our business models to achieve growth
 - leverage on each others strengths to dismantle our weaknesses (Philex Vaccines in Oman + Xential in Nigeria)
 - to eliminate business barriers and achieve radical economic growth

Finally...

- Build deep local engagement
- Leverage technology and skills transfer agreement
- Adopt a targeted approach based on disease patterns, need requirements, patient history and marketing opportunities
- Focus on commercially attractive urban centers
- Be prepared to take the business risk

Medicine Access /Market Access/Drug Security

- Localization ---- Sustainability
- Collaboration ---- Access
- Regulatory ---- Access and Sustainability
- Government ---- Enabling Environment

Political Will

- The New Federal Government Executive Order
 - Machines and Equipments
 - APIs
 - Excipients/ Addictives
 - Medical Devices
- NADFAC Complementary Role
 - 5 + 5 Policy
 - GMP Fee Moderation
 - Product Registration Overhaul

GOVERNMENT SUPPORT

- Provision of Infrastructure (Roads, Power)
- Good Security
- Stable Forex
- Free Trade Zones

NAIPs Contributions

- Pharma Park in Ebonyi State (110 Hectares of Land)
- Pharma Park in Gombe State (1000 Hectares of Land)
- Pharmacy Estate in Ogun State (600 Plots)
- NAIP House (3 Storey Building-2 Duplexes and 6 bedroom flat)
- International Engagements with Pharmaconex and Pharma West Africa
- Sponsorships of Local Research and Dev through NAPA Research grants























NAIP/PCN Contributions...

- Pharmaceutical Product Marketing Regulation -a new Federal Government Gazette
- And we are promoting Data Centricity