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Thanks to its proximity to Europe, [Morocco] has the potential to play a major role in the regional relocation of pharmaceutical production in collaboration with European nations

05.10.2023

Tags: Morocco, FMIIP, AMIP, Association, Manufacturing, Generics

Recently rebranded from its former name, AMIP, the Moroccan Federation of Pharmaceutical Industry and Innovation (FMIIP) represents the local manufacturers operating in Morocco, which hold a domestic market share of 75 percent. Executive Director Layla Laassel Sentissi highlights some of the key trends in the Moroccan pharma market today, how COVID-19 impacted her members, and Morocco's increasing attractiveness as a pharma investment destination.



Could you begin by introducing your organisation and the logic behind its recent name change?

For context, the Moroccan Association of the Pharmaceutical Industry (*Association Marocaine de l'Industrie Pharmaceutique*) is the historical entity representing the pharmaceutical industry in Morocco, bringing together all industrialists with a local production unit since 1985. In 2006, an association emerged representing multinational companies with limited local production but with a liaison office. Their marketing authorizations are held by our members. And in 2010, a second and smaller association dedicated to generic drug manufacturers was created.

Today, we count within our ranks 34 out of the 53 pharmaceutical establishments in the country. These members, who are industry leaders, collectively hold a market share exceeding 75 percent, and manufacture 90 percent of the generic drugs produced in Morocco.

We have now transformed into the Moroccan Federation of Pharmaceutical Industry and Innovation (*Fédération Marocaine de l'Industrie et de l'Innovation Pharmaceutique*, FMIIP) and became a sectoral branch of the General Confederation of Moroccan Enterprises (CGME).

This transition was influenced by the COVID-19 period, a time when the strategic importance of the pharmaceutical industry was highlighted. It became essential for the CGME to have a federation dedicated to the pharmaceutical industry within its board of directors.

We incorporated the term "innovation" into our name because, during the COVID crisis, many of our members were at the forefront of innovative initiatives. It is undeniable that growth is closely linked to innovation, whether galenic, industrial, or otherwise.

Can you tell us more about the situation for local pharmaceutical production in Morocco today?

According to a study conducted by IQVIA in 2018, 80 percent of drugs sold in Morocco were produced domestically. This statistic is accurate in terms of volume, but not in value. Indeed, in terms of value, the proportion is closer to 50 percent. Financial statements allow us to clearly distinguish imported products from those manufactured locally. It is evident that drugs produced in Morocco are sold at more affordable prices compared to imported products. This difference is partly explained by the pricing decree that grants an additional 10 percent margin to imported products. This provision favours importers at the expense of local production.

When the patent for an original drug expires, multinationals significantly reduce its price to prevent the generic drug from prevailing, given that the latter's rate is set based on the original drug's price. This situation is even more complex in Morocco, where the market does not offer large volumes.

Two years ago, the Ministry of Health acknowledged the shortcomings of the pricing model. Discussions are currently underway to revise this decree.

What was the impact of the COVID crisis on the industry in Morocco?

During and after the pandemic, manufacturers had to contend with a meteoric rise in the price of inputs, from raw materials to packaging, as well as transport costs. This has had a major impact on production costs and given that the prices of all medicines are regulated, manufacturers have seen their margins shrink considerably, particularly for medicines whose prices were already too low.

Despite this, industrialists continue to produce these drugs, often at a loss, as they recognize their public health responsibility and the importance of providing these essential treatments to the Moroccan population.

If the rates of these vital drugs are not adjusted upwards, we risk seeing them disappear from the market, replaced by more expensive imported alternatives. This would have direct repercussions on the state's budget and the purchasing power of citizens.

Morocco has a unique epidemiology. It is therefore essential to conduct epidemiological studies specific to our country to identify essential drugs. This would allow industrialists to invest more in local production and ensure continuous availability of these treatments for the population.

The COVID crisis has reignited debates about health sovereignty. What steps do you believe should be taken to promote it?

In our view, the key to this sovereignty lies in local production and the development of generic drugs, biosimilars, and clinical studies.

To boost national production, we would suggest speeding up the marketing authorisation application (MAA) procedures for drugs manufactured in Morocco, prioritizing generic drugs, granting preference to national products in tenders, and finally, implementing therapeutic

protocols adapted to our own epidemiology.

What have been the major advancements in the Moroccan pharmaceutical industry in recent years?

The largest vaccine manufacturing plant in Africa was completed in May in Benslimane. This public-private partnership aims to create a hub for biopharmaceutical and vaccine innovation. Continuous knowledge transfer will allow Morocco to establish itself as a major player in the development and production of biopharmaceutical products on the continent.

A large majority of our members have increased their investment in hormonology, oncology, biosimilars, injectables, galenic development and also in intelligent factories.

In addition, in 2021, Morocco took a significant step by legalizing cannabis for medical purposes. A national agency is now responsible for its regulation. Seven of our industrial members affiliated with the FMIIP have obtained the necessary authorizations to exploit this new resource.

We are closely collaborating with international partners such as Germany, Canada, and Israel on this project. This initiative represents a promising growth perspective for the Moroccan pharmaceutical industry, with opportunities in dietary supplements and cosmetic products.

What is your role in developing the skills needed to manufacture more complex products?

The FMIIP is firmly committed to specialised training to support the pharmaceutical industry. We have collaborated in the creation of the Institute for Training in Pharmaceutical Industry Professions (*Institut de Formation des Métiers de l'Industrie Pharmaceutique*, IFMIP).

This institute is the result of an agreement between several key players: the Ministry of Industry, the Ministry in charge of vocational training, the CGEM, and the FMIIP. Preliminary studies for its establishment are already completed, and the architectural selection process is underway.

We anticipate its opening for the academic year 2026. The IFMIP will offer a range of training programs, from degree courses to continuous training, covering both technical and supervisory professions. As we foresee growth in the sector, it is essential to have competent human resources. The management of this institute will be overseen by the FMIIP.

Furthermore, the FMIIP recently entered into an agreement with the foundation for development, research, and health innovation, which launched Suptech Santé to train future technicians and engineers in the health sector, particularly in vaccine production.

Can Morocco become an African leader in pharma exports?

The African Medicines Agency is in the process of being established and should greatly facilitate exports. We hope for a harmonization of regulations, as it is no longer viable to have to register drugs individually in each country. Europe already benefits from the European Medicines Agency. We aspire to mutual recognition of marketing authorizations which requires regulatory harmonization.

Once this agency is operational, it should speed up registrations and facilitate exports to all African countries. The current registration delays are long, with notable delays even in Morocco. For example, some generics can be introduced with a three-year delay. In contrast, countries like India do not hesitate to produce generics as soon as patents expire. As an African nation, we have the responsibility to provide quality medicines also to other countries on the continent, particularly those that do not yet have a local pharmaceutical industry.

From a regulatory standpoint, certain things need to be reviewed. For instance, Morocco does not yet have the status of an export platform. It is essential to establish a mechanism or regulatory procedure to export directly to other African countries. Currently, a significant portion of drugs exported to Africa comes from European platforms, particularly French ones.

A potential barrier to export is the ability to adjust prices based on the importing country. How does this translate in Morocco?

In Morocco, the Directorate of Medicines and Pharmacy is very strict on this matter. Normally, the export price should be negotiated between the importer and the exporter.

However, because of the price decree, this is not always the case. To export, one must first obtain a marketing authorization in Morocco and market the product nationally. This poses a problem for drugs intended to treat diseases that do not exist in Morocco. If benchmarking sets the price, producing these drugs is not profitable.

Take the example of paracetamol: the Moroccan market is very competitive. If an investor wanted to produce paracetamol for export, they would first need to obtain a marketing authorization in Morocco, with a price set for the local market, before being able to export.

The government is in the process of implementing Universal Health Coverage (*Couverture Sanitaire Universelle*, CSU) through the Mandatory Health Insurance (*Assurance Maladie Obligatoire*, AMO). What are your hopes regarding this project?

The ambition is clear: to ensure 100 percent coverage of the population.

Previously, only salaried employees benefited from the AMO, through the National Social Security Fund (*Caisse Nationale de Sécurité Sociale*, CNSS) or the National Fund for Social Welfare Organisations (*Caisse Nationale des Organismes de Prévoyance Sociale*, CNOPS), intended respectively for members of the independent professions and civil servants.

Following the initiative of His Majesty, who advocated for a reform of the health system and the establishment of the CSU (Universal Health Coverage), the goal is to include all citizens. This particularly concerns the indigent who were previously under the RAMED system. They now have the possibility to consult on an outpatient basis in the private sector, but they must still advance the fees and wait for reimbursement. Although the CNSS has greatly improved the management of patient files, these patients can hardly advance the funds.

The government is currently very committed to setting up the CSU. We have submitted proposals to support this initiative. We are also awaiting details on how the government plans to define the care package, especially regarding therapeutic protocols. We want to know the list of essential drugs considered so that our members can adapt and invest in the appropriate areas.

I would like to commend this initiative from a social point of view as it aims to guarantee the health of all Moroccans, which is our most precious asset.

What is your final message for our international audience?

Morocco is increasingly positioning itself as a preferred destination for investments, especially in the pharmaceutical sector. Thanks to its proximity to Europe, the country has the potential to play a major role in the regional relocation of pharmaceutical production in collaboration with European nations. This potential is enhanced by our cutting-edge infrastructure, our expertise, and our ability

to train qualified professionals through our specialized institutes.

There are currently a multitude of reforms underway, touching on areas as diverse as employment, health, or investment, notably with the investment charter. We are witnessing a very positive dynamic.

The speech delivered by His Majesty on the occasion of the throne celebration, in which he firmly committed to these areas, galvanized all stakeholders to fully engage in these reforms.

We hope that this momentum will translate into a renewed image and a flourishing dynamic for the pharmaceutical industry. Our sector not only wishes to benefit from it but also actively contribute to the success of these major national projects.

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