Mia Lahlou-Filali – CEO, Pharma 5



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16.10.2023

Tags: Morocco, MEA, MENA, Pharma 5

CEO Mia Lahlou-Filali walks us through Pharma 5's commitment to "Made in Morocco" generics, an approach that has led the company to represent one third of the country's generics market. She also explains the family-owned firm's expansion efforts outside of Morocco that include a factory in the Ivory Coast, a distribution platform in Abu Dhabi, a subsidiary in France, and plans to extend sales of its products to Europe and beyond.



Can you introduce Pharma 5 to our international executive audience?

It is a family business created by my father 40 years ago, and now owned and run by my sister, who is Chief Pharmacist, and myself as the Managing Director. We produce a wide range of products, all developed in-house – apart from blood-derived products, which we import – as it was our father's vision to create a totally independent company.

In total, there are around 60 pharmaceutical companies in Morocco: so-called Big Pharmas, which predominantly import their products from overseas, and local factories that normally work in partnership with Big Pharmas or Indian companies. Our differentiating factor is that we are 100 percent focused on generic products and are among the very few Moroccan companies whose products are developed, produced and controlled locally. We are 100 percent "Made in Morocco", which is very important for our country's national transformation goals.

Pharma 5 has the ability to produce generics that are just as safe and effective as the original product and can have a massive impact on patients. For example, one of the major milestones in our history came in 2015 when, at the request of our Minister of Health, we were able to develop and launch an anti-hepatitis C drug. We developed a much cheaper product which we not only made available in Morocco, but also exported to African countries that needed it. This was the first time the world became aware of Morocco's ability to develop and register its own products without buying the recipe from abroad. Another area in which we have had a seismic impact is tuberculosis, where we developed and patented a fixed-dose combination drug under World Health Organisation (WHO) recommendations. The aim was to facilitate production, distribution, and patient compliance; this was a big success.

We represent one third of the Moroccan generics market and are the leading supplier of Moroccan hospitals. Besides, we have the highest production capacity in the country, with around 1.2 billion doses forecast for production in 2023. Additionally, we are hugely proud to be ranked number six in French-speaking African countries, thanks to the quality of our products and our competitive prices.

Pharma 5 meets Morocco's medicines directorate (DMP [*Direction du Médicament et de la Pharmacie*])'s standards and complies with Moroccan Good Manufacturing Practices (GMP). We also hold international certifications as we export to more than 40 countries in Africa, the Middle East and Europe: the Saudi Food and Drug Authority (FDA), theGulf Cooperation Council (GCC) and ISO 9001 on all processes. Moreover, we are one of the few Moroccan companies with a product under registration in France.

Pharma 5 has six production units, the largest production capacity amongst its competitors. Can you tell us more about your new Smart Factory? What does 4.0 entail, how will it shape the company's future?

Our motto is to bring access to healthcare at a fair price, and this new factory embodies that motto. We are facilitating access to care by producing fairly priced products locally and moreover, ensuring the manufacturing sovereignty of our country and continent. At the same time, we are strongly committed to innovation. As well as anti-tuberculosis and anti-hepatitis C products, we have developed anti-hepatitis B products and, during the pandemic, the first 100 percent Moroccan PCR kits. In addition to this, we were one of only two Moroccan companies able to develop sterile injectable drugs, a very complex process. In addition to developing new product lines, Pharma 5 has increased its production capacity in preparation for an expanded presence on international markets as well as the increased demand that the roll-out of universal health insurance coverage will lead to.

For all these reasons, seven years ago, construction of our 12,000-square-metre unit began, bringing our total unit production capacity to 33,000 square metres, which is enormously significant for both Morocco and Africa.

The Smart Factory by Pharma 5, is fully digitalised, meaning all production parameters are monitored by sensors in the walls and communicated to staff via tablets. This allows for complete traceability and improves quality control, which, in turn, will save us money and therefore make us more competitive. We also developed more than 20 digital solutions in-house, to cover all our activities. The entire organisation is digitalised, including our own training academy, Pharma Academy.

Another element which was important to us, was the well-being of our staff. Pharmaceutical factories are often austere and dark, but we wanted to create a modern, friendly and pleasant environment. As well as this, we worked with physiotherapists who checked the ergonomics of all our seats. The Smart Factory by Pharma 5 is, without a doubt, the factory of the future.

What trends do you see shaping the industry? Do you see any opportunities arising from new policies being put in place? Can you share some of the challenges you are facing as a local producer?

The most significant trend in the Moroccan market is the generalisation of health insurance to cover the entire population. If our authorities are willing to fast-track biosimilars and generics, there is a massive opportunity to lower drug costs: The more we produce locally, the more we fit into the system and help fund the ongoing transformation.

Medicines are one of the key points of His Majesty the King’s vision of providing every Moroccan citizen with healthcare, and the benchmark pricing in place for generic therapies helps to keep them affordable. However, innovation is still rather expensive in Morocco and we need to improve public policies encouraging innovation and local production. This was recently confirmed by two studies carried out by the national social security administration and the customs administration. These studies reveal that imported medications have a significantly impact on the budget allocated to pharmaceuticals in welfare programs. This is confirmed by international benchmarks too. The stakes are very high and innovation must be made available to the Moroccan people at an ethical price.

Another huge opportunity for Morocco is the relocation of the whole industrial chain. If we take France as an example, they would like to relocate production to alleviate shortages. Out of Morocco’s 60 pharmaceutical companies, around 30 have the production capacities in several specialities. In my opinion, Morocco can be a solution for Mediterranean countries wishing to relocate, at a very competitive price.

What is your take on its Morocco’s ability to compete with larger countries like Egypt, or those with more spending power like countries in the GCC as an export platform?

Our potential is enormous. First of all, because of the Moroccan people. Everyone saw it during the recent events in the South, where Moroccans displayed generosity, authenticity, friendliness, and love. For me, our people are our number-one asset.

When it comes to more tangible points, another major asset is our competitiveness in terms of price and quality. Egypt produced an anti-hepatitis product for half the price of its Moroccan equivalent, yet other African countries chose ours, because of our reputation and track record for top quality products. We had the bioequivalence checked by a US FDA centre, which does not happen in many other countries in our region. Moreover, Morocco benefits from a great geographical location and good infrastructure. On top of that, when we do business with other African countries, we treat them like brothers, and His Majesty the King is well respected and loved throughout Africa. This means that when you say you are Moroccan, doors open. And finally,

another huge asset, in the eyes of Western countries especially, is the fact that Morocco is working towards sustainability and renewable energies.

Pharma 5’s international pedigree is impressive. With a presence in 40 countries, the company is now looking to expand into Asia and Latin America. Can you give us any insights into the internationalisation strategy and tell us about your plans for the future?

The sky is the limit! Our first goal was to serve the African continent. And our biggest pride is that Pharma 5 had no shortage of raw materials during the pandemic, despite successive lockdowns. The key to sovereignty is to be able to produce yourself, as it means you can source your raw materials from anywhere. We have at least two approved suppliers in two different countries for all strategic products. It was hard, but we did it. We never stopped supplying Morocco and Africa with the products they needed, when others stopped because they were supplying more profitable countries.

We know we have the quality, the price competitiveness, the production capacities, and we are on the path to sustainability thanks to our King’s forward-thinking views and public policies driven by reforms to respond to challenges. We have the capacity to deliver to the world.

What are your ambitions for Pharma 5 in the next five years?

Today, we have our factories in Morocco, one under construction in the Ivory Coast, a distribution platform in Abu Dhabi, and one subsidiary in France. This makes us a small multinational. Our ambition in the next five years would be for Pharma 5 products to be sold in Europe and either South America or Asia. We are currently working on choosing which will go first. And finally, we have a diversification project already on track, still within healthcare and well-being.

Can you tell us about the team behind all of Pharma 5’s achievements. What values is Pharma 5 promoting and what drives its people?

The company has five core values. Whenever we hire someone, we want to make sure they align with at least 70 percent of them; someone with significant expertise who is not aligned with our values will not be hired.

Family is our first core value. We are 100 percent family-owned and run, and every Pharma 5 staff member is part of this family spirit. Pharma 5’s commitment to its team/family can be seen in our Pharma Academy, where we are not only looking to enhance people’s skills and expertise, but also to develop their general knowledge. While developing our own human capital may render them more attractive to our competitors, our commitment to people and training means this is a worthwhile risk.

Our second value is independence with respect to the whole value chain. Independence is closely linked to innovation. We will never copy anyone. We will copy a product, because our core business is to make generics, but we will not produce it in the same way. We have our own recipe. This does mean competitors tend to copy us, but this is a good thing, as it pushes us to innovate even more.

The third is excellence, because, of course, we work to the highest standards of quality.

Pharma 5’s fourth value is responsibility. We are a highly responsible company whose core mission is to provide healthcare to everyone at the fairest price. We are very involved in sustainable development and were talking about it long before it became fashionable. On gender equality, 51 percent of our employees and two-thirds of our executive committee are women. We also employ local people. In Sub-Saharan countries, we exclusively hire locals, including in management positions.

In Morocco, the inclusion of the local population began with providing remote villages with medicines through our wholesaler company. What’s more, ten years ago we created the Noufissa Pharma 5 Foundation, named after my grandmother. Ten percent of our annual profits are dedicated to this foundation, which provides access to healthcare and medicine donations. Similarly, we are big on access to education and culture. We sponsor disabled children’s education, a classical music programme, and access to art for disadvantaged children.

And finally, our last value is simplicity, which encompasses respect and humility. I always say our biggest challenge is to be able to say “we are the best” whilst remaining humble. It is our daily challenge.

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