Mohamed Redha Habbes – CEO, Biocare, Algeria



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The founder of one of Algeria's pioneer pharmaceutical manufacturers tells his story about how he guided his company up the value chain having originally started off by undertaking the packaging component before moving on to more complex forms. He also discusses the 'made in Algeria' brand and the challenges of sourcing skilled labour in the Eastern province around Annaba.

From its early days, Biocare has been a pioneer in pharmaceutical manufacturing in Algeria. What is the vision behind its success?

Our vision is very simple: rather than importing, to us synonymous of ease, we have opted for manufacturing, synonymous of differentiation and challenge. By means of this strategy, Biocare has achieved genuine success. Of course, it was not always easy, but we managed to widen our line, set up new plants, and we have upcoming projects, like Biothéra for instance.

What benefits does it bring to expand progressively like you did?

We opted for an incremental strategy due to lack of means, otherwise we would have said "let's go for broke, straight away". We started out with small loans – as a pioneering company, we had to

convince – and forthwith reinvested all dividends. We have had to overcome many obstacles; lack of environment flexibility, financial and administrative reluctance, regulatory context under construction, etc. Thanks to our founders' tenacity (Mr Habbes Mohamed Redha & Mrs Habbes Samira), we turned these obstacles into opportunities. We have two corporate "secrets", highly interdependent: Biocare is almost a family company, we started it together, and we all move and evolve together. It means that our staff feels very comfortable working with us, the management is attentive, we favor continuing training and autonomy in each department, working environment is pleasant, etc.

How did you face the challenge of skilled labor supply?

When we first started, Biocare staff had no real experience in pharmaceutical manufacturing, even though we started with packaging, which is relatively easy. Five years later, when we moved into manufacturing, we called in foreign experts because we were in need of trained workforces. We dealt with everything simultaneously: new projects, new investments, new trained staff members. Our secret? We do not interchange employees with our competitor.

In addition, we have begun to collaborate with the university. If we agreed in terms of vision and projects, we encounter a bit more difficulty with logistical and technical aspects of this cooperation.

Yet, our challenge is not only to identify new talents, but to retain them as well, because the market is increasingly competitive. To do so, we bet on decentralization and autonomy, wage premiums of course, and continuing training supported by the company.

What is your funding strategy?

Until now, we have followed a different path than made by so many great Algerian companies. In their case, they started as family businesses and then opened their capital. We, on the other hand, started on bank loans and re-injected dividends. Our first goal is to close the loop: get our products in each pharmacy and hospital, develop our exports, etc. Only then will we consider IPO.

What is your strategy in terms of technology transfer?

The opening of new production centers resulted in everyone going for dry forms manufacturing. But Biocare seeks to develop injectables as well, and through our conjoint work with other countries, our partnerships with foreign experts, we will have know-how and expertise. This policy allows us to train continuously and send our staff to other facilities. Before we undertake anything new, we take a moment to learn (researches, analysis, on-site visits, training, etc.).

How do you feel about the “Made In Algeria”?

Currently, we have just begun to export. What truly interest us is the Algerian market, exports simply provide an ancillary market. Our products “Made In Algeria” offer quality, absolute and impeccable quality.

In addition, we rely on our good manufacturing practices, and we emphasize on cooperating with the Ministry of Health and the National Control Laboratory of pharmaceutics in all formalities, their requirements and recommendations being just as thorough as any international institutions’. Three years ago, when a major European laboratory requested us as their sub-contractor, their representatives came here and carried out a full audit of the company, and gave us the go ahead. Which proves the quality of our products and our practices.

While the government encourages domestic production, how can we explain that it covers only 38% of the country’s needs?

Many manufacturing centers are about to open, meaning that this issue has nothing to do with our production capacity nor means. The problem stems from the fact that everyone does the same and produces identical products, especially when it comes to generics. What we need? We need to develop new molecules, expand the product lines, invest in our people, investigate new ideas, and thus the drug bill will decrease, just like the government advocates for. Algerian companies need to stop mutual infringement and copying.

In the end, what should the international community know about Algeria and about Biocare ?

Algeria is a very enthousiastic market, best known for now as an importer rather than a producer. In the same manner as this country, Biocare is a company that is young, ambitious and tenacious. As outsiders on the domestic and on the international levels, we seek to do more in favor of public health. Come back for an interview in two years from now, and you will be amazed!

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