Malika Benmouffok – Algeria Country Manager, Tabuk Pharmaceuticals



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Malika Benmouffok, Algeria country manager of Tabuk Pharmaceuticals, explains the Saudi company's story in Algeria, its partnership strategy and the disruptiveness of recent import restrictions.

Can you start by introducing Tabuk and Tabuk's story here in Algeria?

We arrived in Algeria in 1997 with imports only. Then Tabuk partnered with the Central Pharmacy of Hospitals (PCH) in 2004. We had a renewed vision of Algeria and wanted to invest in the country. In 2010, Tabuk came back with the stated purpose to build a plant and manufacture locally. First we would only import and market around ten of Tabuk's products in Algeria. Then in 2014, the Minister authorized us to go forward. We had a specific investment fund of about 20 million dollars, and Tabuk built a plant in Blida, which is now up and running. Tabuk has its own business development, and its own R&D department based in Jordan: our company maintains a spirit of innovation, we develop new molecules and galenic forms.

In Saudi Arabia Tabuk is among the largest pharmaceutical companies, and its Algerian plant is one of four plants located here, in Sudan, and in Saudi Arabia. The Algerian site will mostly produce dry forms. Given the present situation and the market limitations on certain antibiotics, due to the entrance of local players, we decided to produce antibiotics in dry form as well, since cephalosporins are our historical and core activity, something we really master.

What about other therapeutic areas? What do you plan to manufacture, and what will you bring to the Algerian market?

We were initially focused on antibiotics, painkillers, anti-infectives, and we have been moving our portfolio towards chronic diseases. We are to launch over 100 SKUs in cardiology, in anti-infectives, and in neuroscience in the next 5 years. Tabuk products have a good reputation in Algeria, both with patients and physicians.

So you have partnerships with local firms as well as your own production. Who are you partnering with? What strategies do you plan to follow?

We are still finalizing our choice, and some of our partners will be in charge of our premium brands. Our mission today is to enrich the Algerian offer by bringing innovative products. It is not useful to have 20 or 30 generics of the same molecule and no innovative form available. We want to develop the added value. It is a real opportunity. We want to differentiate from the others. Our aim is to respond to unmet needs and be identified by the consumers and the authorities as a reference pharmaceutical laboratory.

Our products carry that image of qualitative products, and that is a differentiation level that we capitalize on. For instance, our anti-inflammatory drug Divido© is the only one on the national territory to be composed of 2 pellets, one for rapid and targeted action and the other for a longer time of action on chronic pain. This is a new technology that we brought in the Market. It is very much patient centric.

The R&D department allow us to innovate and bring added value. Tabuk is centered on answering the needs of the patients, and it is proof that even generics specialists have a responsibility to innovate.

What are your star products that perform the best on the local market here?

We will soon launch a number of products but as for now Divido© and the cephalosporins are certainly the most efficient on the market. That is another reason for our choice to focus on producing them. Patient associations and doctor associations reached out to us after we were forbidden to import several Tabuk solutions produced elsewhere. They wanted to see our products on the Algerian market. We had a real need to answer, and market potential to exploit. Our structure has evolved to answer patient needs, this is very important to us.

How disruptive were the recent import restrictions for your business model? In the light of setting up local production, how easy is market access for your products?

There is no denying that it is always difficult. Yet, it goes without saying, that as a player in the pharmaceutical field, we respect and follow the political decisions that are taken for the good of the country. The first proof of our commitment is the very creation of our 20 million dollar plant. Second, it is not always easy nowadays to gain access to the market, because the number of players has increased and quotas do not solve everything. Yet the authorities are always very attentive to the market. They are real experts, sentries of the public health in a way. They really manage to balance the decisions between economical constraints, patients' needs, administrative and production delays or industrial realities. Last July, after a long period of status quo, we were granted a quota on cephalosporin imports, because they were able to measure the impact on the market: one manufacturer could not answer all the demand of the domestic market. It was still challenging for us, because cephalosporins accounted for 70% of our imports. It did not prevent us from investing here and from following the authority's guidelines in that matter. Today, our future is in our hands, and it is the same in other economic sectors in Algeria. For years, the focus was on manufacturing, now we are talking about exports! Algeria can become a hub in the Maghreb region and to other African countries for all sectors.

What potential is there for export in the future for Algerian companies?

We want to be in the top 10 companies on the domestic market within 5 years. In the pharmaceutical field, it is not enough to be a manufacturer, one also must bring added value. This will determine how we will address the question of export.

How strategically important is this Algerian affiliate to the group in terms of growth and revenues for instance?

Tabuk has 4 plants, one is in Algeria. Algeria carries a huge potential, and it will be even more so in the future, despite Algeria being quite a challenge as a country to settle in. We find it to be very exciting. Every day is different. As the environment evolves quickly, the line between risks and opportunities is often blur. We planned for an opening in January with no imports yet, and after everything we were granted an import quota, which was a victory. The Algerian market is both exciting and stable enough to plan for the future.

What is your annual turnover?

Only for the Algerian Market, around 20 million dollars before the import restrictions. Since we are subjects to importation quotas, it is hard to achieve the full potential of a company relying on the imported products market, because the quotas are low. Thus, we are gradually increasing our production, and are targeting a potential of 20 million packs or more per year. Prior to the

importation restrictions, we were on a very good wave, consistently growing. Now we are forced to take another step if we want to be in the top ten companies by 2023. It also pushed us towards the Central Pharmacy of Hospitals. Today, we answer their tenders for drugs and for technological products: one of our products that interests them is our exclusivity and is very efficient in the treatment of kidney insufficiency ENDOLET.

Is the fact that you are a Middle Eastern firm advantageous to you? Does that mean that you understand the Algerian market better? There is more affinity?

Clearly, Algeria is a specific market. Our policy is very clear when it comes to drug prescription: Algeria is very much inspired by the French model, while Tabuk has a more anglo-saxon identity. Entering here, we made sure that our approach here would be more inspired by the French and European ways. The Algerian patient has a tendency to think that every original drug has got to be French or European, and everything generic is Arabic. 10 years ago, even European generics were struggling. Then we entered an economic context that brought about change. The mindset has changed, so our patients and doctors are no longer refractory to generic drugs. For a long time, a lot of multinational companies marketed their original drugs to the physicians only, and not to the final users – the patients, or even the pharmacies. With this shift in economy and culture, doctors have started to recommend generics. Patients have followed their advice, so these companies have had to change their strategies. A few years ago, some laboratories for instance would never make marketing efforts towards patients, and others would never have targeted doctors in their promotion campaigns. Now both work both sides of the market.

You arrived 9 months ago, you want to be in the top 10 companies in the market in 5 years, what are your goals in the three to four years to come?

Our goal is clearly to be in that top 10 companies. We want to differentiate ourselves at every level, and most importantly, remain focused on the needs of our patients. In the future, every household’s medicine cabinet will contain at least one or several of Tabuk’s products. We want to support the Algerian families in their daily life. Additionally, we will develop our image and our message that generics can be innovative, as innovative and reliable as the original drugs.

After a 17-year career in multinational firms, you moved to Tabuk, which has a very different profile. Can you tell us your reasons behind that choice?

Tabuk is to me the consecration of my career, because I share its core values. They answered quickly to the Algerian economic situation by investing in manufacturing and made the leap in good faith for the good of the Algerian patient. Commensurately, profitability was maintained. I am

proud to be part of this project, because we can do good and make a living out of it. Tabuk is a good challenge to me as a professional.

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