Pierre Labbé – General Manager, Maphar & CFAO Healthcare Maghreb



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Maphar, a 72-year mainstay of the Moroccan pharma industry with both production and distribution arms, has achieved considerable success in recent years, expanding its international network to now reach over 42 big-name partners. General Manager Pierre Labbé outlines the significant footprint of the company - part of the CFAO Group since 2017 -, how the implementation of universal health coverage is shaping Moroccan market dynamics, and why the COVID-19 pandemic could lead to Morocco assuming a more prominent position within global pharma supply chains.

Could you introduce the company to our international audience and what is your strategy for success?

Maphar was established in 1951, as one of the first pharmaceutical industries of Morocco. For the past 72 years, Maphar has been operating and focused on the benefits of Moroccan and African patients. In June 2017, Maphar's majority shareholding was acquired by CFAO Healthcare, which was previously named Eurapharma. CFAO Healthcare is a subsidiary of the CFAO Group, which itself is a subsidiary of the Toyota Tsusho Group, a Japanese corporation.

Our contribution to the Moroccan and African healthcare ecosystem stands at three levels :

Firstly, we have a very broad health proposition. We have a portfolio of products that covers nearly all therapeutic areas and have a solution for nearly all pathologies, e.g. oncology, cardiology, diabetology, gastric health, mental health, and anaesthesia. We produce or import, and then distribute our portfolio to many different levels of the healthcare system, including clinics, hospitals, wholesalers, and pharmacies.

We have at our disposal a strong supply chain and safety stocks, which enable rapid response to health requirements across Morocco. From our central warehouse in Casablanca, we distribute around 65 millions boxes of treatment annually. If you compare this to the 37 million-strong population of Morocco, it is very likely that every single Moroccan household contains one of our products.

Secondly, we are focused on innovation. We represent nearly 42 international pharmaceutical partners, a number which has grown significantly since 2020, when we only had 24. Most of these partners are very innovative, so this allows us to bring life changing therapies to Morocco rapidly after they have been launched at the global level.

Thirdly, we bring qualitative and affordable products to patients. Africa has broadly 600 production plants, only 4 of which are WHO certified, and Maphar has one of them in Sidi Bernoussi. This allows us to produce high quality products at a low cost to the benefit of Moroccan patients.

How is Maphar performing and where do you stand in the market today?

With reference to IQVIA data, we stand in the top four companies of the pharma industry in Morocco. In 2022, we grew by nine percent while the market grew by eight, and this year, our growth is significantly above market trends. Our partners are really key to our development, and I take this opportunity to thank them very sincerely.

A big part of working with partners is offering not just distribution, but other associated services. How is Maphar going about this?

CFAO stands for “Corporation For Africa and Overseas”, so we are focused heavily on the African continent. Maphar is a part of that with a particular focus on Morocco. We see ourselves as a partner and service provider that covers the entire value chain, from registrations and market access to production, distribution, and promotion. This is our business model for the 25 African

countries where CFAO Healthcare has a direct presence.

For each of our 42 partners, we have a different strategy and adjust our approach to their needs and goals. It is a one-stop shop, in regard to their products being distributed and sold, but not a one solution fits all. We adjust our operations depending on the partners and situation.

Your international partners went from 24 in 2020 to 42 now. What was the reason behind this?

In many of these partnerships we had contracts already under development and they materialized in the past 4 years, so in many ways it was a long term work.

A large paradigm shift has been the implementation in 2021 and 2022 of universal health coverage throughout Morocco. At the end of 2020, only 40 percent of the Moroccan population was covered with health insurance, private or public, with another 30 percent covered by RAMED, which was not an insurance as such, but a coverage assistance.

In just the two years 2021 and 2022, Morocco achieved 100 percent healthcare coverage. This is a huge leap and is absolutely remarkable. Morocco is the fifth largest African pharmaceutical market behind Egypt, Algeria, South Africa and Nigeria, but by 2026 Morocco will be the fourth due to all the reforms being put in place by the government. This will bring the total pharmaceutical market turnover up to around USD 2.1 billion by 2026, which makes it a very exciting time to be engaged in the Moroccan pharmaceutical sector.

Furthermore, 41 percent of the pharmaceutical market value is produced in Morocco and this contributes to 80 percent of the total volume, so most of the affordable products are being produced in Morocco, while 17 percent of Moroccan production is exported. The life expectancy here is getting up to around the same levels as Europe, and this is a good indication that the level of healthcare and health professionalism is very high.

You mentioned earlier the need to bring innovation to Morocco. How receptive is the government to fostering access to these new pharmaceutical treatments?

Innovation is a very broad topic. We are always looking for a solution and are very much engaged in discussions with Health Authorities, so we can meet our partners’ needs in accessing the Moroccan market.

Where do you see the main opportunities for Maphar looking forward?

The COVID crisis showed European stakeholders that Northern Africa is a lot closer and easier to interact with than nations like China and India. This is not just in terms of distance, but culture and mindset. I think that COVID could act as a catalyst to grow the importance of Morocco in the global pharmaceutical chain.

As a company, we focus primarily on People, i.e. patients and employees. If we have a motivated team that always is focused on helping our partners, then we will in turn see success. We are not looking to be opportunistic but to find the unmet medical needs in the market and find solutions. If you look at IQVIA data, it shows each nation has hugely different needs, and we must adjust how we do things depending on them, not just go in there with our own ideas. If we deliver quality and efficient solutions, then success becomes most likely.

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