Karim Lahlou – General Manager, Iberma



We are placing a strong emphasis on innovation, aligning our offerings with the evolving demands of the market

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Three years on from his last PharmaBoardroom interview, Karim Lahlou highlights the evolution of Moroccan pharma manufacturer Iberma as it expands its activities from solely in-licensing to developing and selling its own products, growing its global partnership base, and looking to penetrate international markets while leveraging the growing reputation of the 'Made in Morocco' brand.

We last met you prior to the pandemic three years ago. Can you share your experience at Iberma through this challenging period?

Our priorities underwent significant changes, leading us to temporarily set aside our long-term plans in favour of focusing on short-term objectives. In the very short term, we ensured a constant supply of our products and APIs to prevent any shortages, ensuring that Moroccan patients always had access to the treatments they needed. Additionally, we implemented measures to safeguard our staff against infection, enabling us to maintain full operational capacity.

From a portfolio structure standpoint, we launched therapies such as antibiotics, vitamin C and zinc tablets, which in the past we thought would never happen. We were agile in making the decision to enter these fields as at the time they were required by the Moroccan population.

This primarily occurred in 2020 and early 2021. Since then, we have made substantial investments in our business through our in-house R&D department, which delivers approximately five new

products per year. Unlike our previous focus on licensed products from other pharmaceutical companies, our in-house R&D allows us to create products tailored to address the unmet medical needs of local citizens.

The second part of our investment strategy involved expanding production capacity and establishing a fully integrated production process to meet the growing demands of Morocco, especially in light of the government's introduction of universal healthcare. This dual investment strategy has positioned us with the capacity to penetrate the local market effectively, with the aim of eventually expanding into the international ecosystem. To achieve this, we have implemented various data systems and quality measures to align with EU GMP standards. In summary, the COVID-19 pandemic presented us with numerous challenges but also valuable lessons in adaptability and quick thinking. As a result, our company is now better prepared for the future.

Having ridden the turbulent waves of COVID and come out stronger, what is at the top of your agenda moving forward?

Our strategy is structured around three fundamental pillars. Firstly, we emphasize our portfolio diversification, striving for a comprehensive approach to meet patient needs. Our goal extends beyond being recognized solely as a robust medical company; we also aim to complement our offerings with segments such as food supplements and older product lines. Our business operates through three business units:

1. Pharmaceuticals, encompassing generics and medical products;
2. Injectables, where we aspire to become prominent providers in both hospital and private clinic settings;
3. Consumer Healthcare, which covers areas like oral hygiene and dietary supplements.

This tripartite approach allows us to develop a more holistic portfolio and establish ongoing contact with patients throughout their treatment journey.

Secondly, we are dedicated to fulfilling the increasing demand for healthcare supplies brought about by the implementation of universal healthcare in Morocco. As patient behaviours evolve, with individuals seeking treatment before experiencing significant discomfort, the discovery of more patients with specific medical conditions is on the rise. Consequently, we have made substantial investments in research and development to equip our company with the capability to address emerging medical needs resulting from the broader healthcare coverage.

The third and final pillar of our strategy is centred on international expansion. While Morocco remains our home market, we recognize the need to extend our reach and export to additional countries to enhance our presence on the global stage. Currently, our primary operations are concentrated in French-speaking African nations; however, we are actively seeking to diversify our geographic footprint to mitigate risks associated with regional volatility. Additionally, we are already engaged in contract manufacturing activities for European partners, predominantly from Spain, and have obtained EU GMP certification. As a logical progression, our next strategic move is to expand into the European market, which offers stability and substantial growth potential.

Europe has tended to look east to places like China and India for products over recent decades. Is this shifting towards a more north-south approach, firmly placing Morocco in the picture?

The COVID-19 pandemic revealed a significant supply chain challenge for Europe, primarily stemming from its heavy reliance on partnerships with companies based in China and India. Consequently, many European companies opted to reopen manufacturing facilities within the European Union to secure their supply chains. However, in light of geographical proximity, Morocco presents a compelling alternative for addressing these supply chain concerns. Adopting a “south to north” approach, where goods and materials flow from Morocco to Europe, could offer mutual benefits for both regions. This approach would not only enhance the reliability of supply for Europe but also promote economic cooperation and synergy between Europe and Morocco.

When did the company make the decision to shift from licensing contracts to developing and selling its own products?

Initially, we lacked the necessary learning curve and expertise to develop our own pharmaceutical products from the ground up. However, as time passed, we recognized that having our own product portfolio was the way forward. Even now, we continue to engage in contract manufacturing for Spanish companies, which keeps us one step ahead of the competition. This approach ensures that we consistently hold a leading position in the market or emerge as a significant challenger.

In essence, our strategic focus encompasses five therapeutic areas, each comprising approximately seven to eight distinct SKUs. This comprehensive approach to treatment enables us to cultivate robust relationships with healthcare professionals and patients alike. By consistently

meeting their needs throughout the entire patient journey, we strengthen these connections and solidify our position in the industry.

What opportunities exist now that universal healthcare has grown the market?

We are in the process of transitioning our partners from predominantly European companies to larger players in markets such as India and Egypt. These partners recognize the opportunities that exist in our region, and we are collaborating closely with them to introduce cutting-edge therapies to the Moroccan market. It’s crucial to emphasize that we are placing a strong emphasis on innovation, aligning our offerings with the evolving demands of the market. Additionally, we are complementing these therapeutic journeys with our consumer-oriented range of treatments.

In response to this growing demand for innovative healthcare solutions, we are actively exploring investments in new production facilities geared toward manufacturing innovative treatments and medical devices. We have initiated discussions with potential partners to facilitate this process. This investment not only bolsters our ability to meet the evolving healthcare needs but also supports technology transfer for innovative therapies, aligning with our long-term strategic goals.

How do you cope with this more closed approach by partners when working with you?

Our foremost commitment is to serve the Moroccan people, and our efforts are dedicated to advocating for their well-being. In our negotiations and discussions with partners, we approach them with a focus on finding lasting solutions. Consequently, we establish long-term agreements that encompass technology transfer. This approach fosters a cooperative spirit among our partners, as they are more inclined to collaborate with us due to the mutual commitment to work towards sustainable solutions for the benefit of the Moroccan population.

When going abroad, how strong is the ‘Made in Morocco’ brand?

Morocco has traditionally been recognized as a producer, but in recent years, we’ve elevated our manufacturing capabilities to a higher level, particularly in sectors such as automotive and aeronautics. This strategic shift has significantly enhanced our country’s reputation on the global stage. It’s a favourable juncture for us, and it’s imperative that we capitalize on this momentum by expanding our presence overseas.

As Moroccan companies venture into the international arena, they must also begin to factor in their carbon footprint. This is especially critical given that the United States and Europe are on the cusp of implementing taxes based on the overall carbon impact of products. To navigate this evolving landscape successfully, we must diligently monitor and manage our carbon emissions, ensuring that our products fall within the lowest tax bracket. This approach is equally pertinent in the pharmaceutical sector, as we continue to pursue opportunities for exporting products manufactured in Morocco while adhering to stringent carbon-related considerations.

Looking again at the international expansion of Iberma, what is the long-term plan?

Our presence in Africa has expanded significantly over the past five years, with access to six French-speaking African nations. In the near future, we plan to enter two additional markets. Looking ahead, we have our sights set on English-speaking African nations, recognizing their promising potential. We've already received interest from several key decision-makers in these regions.

In Europe, we are exploring the possibility of opening offices in Madrid, Paris, or potentially both cities. This strategic move will allow Iberma to showcase our capabilities for Contract Manufacturing Organization (CMO) activities. We aim to demonstrate that we can deliver the same high-quality services as our European counterparts but at a more competitive cost.

Furthermore, our expansion efforts extend to the Middle East and North Africa (MENA) region, encompassing countries such as Saudi Arabia, the UAE, and Kuwait. These markets offer substantial opportunities, and we intend to share our expertise in producing local products with local resources. This aligns with their goal of bolstering their national supply of therapies and reducing dependence on imports, reflecting a growing trend in these nations.

As you go abroad, what message would you like to send to our international audience about who and what Iberma is as a company?

We are a robust pharmaceutical company that has consistently achieved double-digit growth year after year since 2010. Our unwavering commitment to excellence is at the core of our operations, and we pride ourselves on our agility in responding to market needs and inquiries. As a result, we are well-positioned to be exceptional partners for anyone seeking to collaborate with us.

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