

# Ayman Cheikh Lahlou - CEO, Cooper Pharma

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06.11.2023

Tags: [Morocco](#), [Cooper Pharma](#), [Generics](#), [Manufacturing](#), [Strategy](#), [Africa](#)

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*Cooper Pharma is one of Morocco's leading domestic pharmaceutical manufacturers and has expanded its presence across Europe, the Middle East, and Africa in recent years. CEO Ayman Cheikh Lahlou emphasizes the importance of healthcare investment for a developing nation, highlighting Morocco's commitment to self-sufficiency in pharmaceuticals, the potential for Morocco to be a leader in pharmaceutical manufacturing within the region, and Cooper's foray into biosimilars and innovation, backed by a dedicated R&D centre.*

**It's been some time since we last interviewed you on behalf of Cooper Pharma in 2015. Perhaps a good place to start is by reintroducing yourself and Cooper Pharma while updating our readers about some of the company's key developments in recent years.**

I have a business background, having studied at a business school in Lille and later an MBA at Stanford University. Despite not being a pharmacist or doctor, I've always had a deep passion for healthcare and a penchant for approaching it from a different angle, driven by my entrepreneurial spirit.

When it comes to Cooper Pharma's position in the Moroccan healthcare landscape, our story is rather distinctive. It's deeply rooted in cooperation, an integral part of our DNA. Our name, "Cooper," is derived from the French term "Coopération Pharmaceutique," signifying our cooperative essence. Back in the early 20th century, a group of pharmacists came together to

create a cooperative platform, pooling their resources. At one point, this cooperation had 6,000 pharmacists and shareholders. This spirit of working together is central to our identity, and it's something I believe is often lacking in our local environment—true collaboration. I firmly believe that we thrive when we collaborate, and we face challenges when we don't. Of course, we always adhere to competition rules and antitrust regulations, but within those boundaries, cooperation can flourish.

Cooperation also extends to our joint ventures. We've established joint ventures with the leading pharmaceutical company in Saudi Arabia, Spimaco, as well as another JV with local distributors in the UAE. We also have a partnership with Cipla for manufacturing in Rabat. Each joint venture represents a meeting of cultures, and everyone requires different and specificities. We've learned invaluable lessons in these partnerships, lessons that go beyond what you can learn in business school. It's about how we cooperate, not just the intention but the execution.

Moreover, we embrace learning. We relish stepping into new territories, whether geographical or uncharted spaces within the healthcare industry's value chain, from research and development to marketing and commercialization. Our approach is not just about cooperation but also the excitement of discovery.

Finally, acquisitions are part of our growth strategy, but manufacturing and commercial assets always come with challenges. Indeed, we acquired a Sanofi company in Saudi Arabia in 2023, which meant immersing ourselves in a different regional culture. It's been a positive experience, with our staff adapting well. We also acquired a pharmaceutical company in Spain in 2021, which presented distinct cultural nuances. Adapting workflows while maintaining our core values is a continuous learning process. We have learned through these acquisitions the new skill of integration.

**You have mentioned a diverse profile of opportunities that Cooper Pharma has embarked on. What are the developments you're seeking to realize from these ventures and what is the strategy driving these decisions?**

Our overarching goal is to establish Cooper Pharma as a prominent regional pharmaceutical company spanning Europe, the Middle East, and Africa (EMEA) and this has been our primary focus since 2011. We've strategically pursued acquisitions and Greenfield plants across EMEA to fulfill this vision. These acquisitions and ventures encompass a diverse range of countries, including the Czech Republic, Spain, Saudi Arabia, North Africa, West Africa, East Africa, the GCC. In total, we

have 10 distinct entities within this expansive network, each with its own leadership and structure.

To effectively manage this regional presence, we adopt a two-fold approach. First, we emphasize geographical specialization with regional hubs. For instance, Cooper Pharma Côte d'Ivoire is our regional hub for Sub-Saharan Africa.

Second, we prioritize plant specialization. For instance, in Morocco, our subsidiary Gynebio Pharma specializes in women's healthcare, particularly in the field of hormones. Similarly, our joint venture with Cipla in Morocco concentrates on respiratory products. We find this specialization, both in terms of technology and market segments, to be strategically advantageous.

While our portfolio in Morocco spans a wide range of therapeutic areas, internationally, we must select our areas of focus carefully. This process involves identifying the most promising opportunities and making strategic decisions about where to concentrate our efforts. As we expand abroad, we've encountered challenges and experienced both successes and setbacks. International expansion is an ongoing learning process that entails trial and error.

Our international journey began with exports to Subsaharian Africa in the late 1990s, and I personally became deeply involved in this internationalization process when I joined in 2000. The transition from exporting to establishing our own plants and teams abroad has not always been straightforward. Starting from scratch in foreign markets requires dedication and adaptability, but it also presents opportunities for growth and learning.

**What has been your experience in navigating the regulatory landscape, in Morocco and for your export activities, given this partnership model you've developed?**

It's important to understand that the regulatory landscape in Morocco is aligned with a specific strategic objective. This strategy primarily revolves around ensuring access to high-quality pharmaceutical products for the Moroccan population. The Ministry of Health plays a pivotal role in overseeing this strategy, and its primary focus is to secure widespread access to quality healthcare products within Morocco. This emphasis on accessibility for the local population is entirely reasonable and commendable.

Currently, the Ministry of Health's main priority is to facilitate universal healthcare, which has its own set of considerations and challenges, and it will be great if the authorities offer even more support to the pharmaceutical industry. Indeed, the countries where the pharma industry has emerged at a global stage have put in place a full alignment between public and private sectors.

In essence, while there may be regulatory barriers related to pharmaceutical exports from Morocco, these barriers stem from a strategy focused on securing access to quality healthcare products for Moroccans.

## **How has the Moroccan healthcare landscape evolved overall since we last spoke in 2015?**

First and foremost, it's crucial to understand the significance of pharmaceutical care within the context of a developing nation like Morocco. A fundamental aspect of a country's progress is its investment in healthcare. This investment is a strategic imperative. To illustrate this point, there is a consensus that a nation needs to allocate approximately 12 to 15 percent of its GDP to healthcare to enable substantial development. It is a simple yet profound concept. A country's human capital, which includes both physical and psychological health must be in good condition for meaningful growth to occur. Without a healthy population, a nation cannot harness its full potential for growth. In Morocco, we are currently investing around 6 percent of our GDP in healthcare, which is below the desired target. However, we are witnessing significant annual double-digit growth in healthcare investments, underscoring the sector's importance in our national development.

Comparatively, more developed markets like those in Europe and the United States allocate approximately 10 percent of their GDP to healthcare. Therefore, we aim to reach this threshold. It's essential to convey that the amount allocated to healthcare can yield significant returns in terms of improved public health and, subsequently, economic growth. This remains an ongoing task.

Within the realm of healthcare spending, pharmaceuticals account for roughly 40 percent of the expenditures. In the African and Middle Eastern regions, the rate of pharmaceutical localization is generally low. However, Morocco stands out as an exception with the highest localization rate in the region. Over 60 percent of our pharmaceutical consumption is locally produced even surpassing some leading European countries, and these products adhere to the quality standards of the European Union. Achieving this level of pharmaceutical localization has been a positive development for our country and reflects our commitment to quality.

When considering the broader region, it becomes evident that many countries share the goal of achieving greater self-reliance in essential medicine production. This ambition contrasts with the practice of heavy reliance on pharmaceutical imports. The situation varies between Africa and Gulf countries, but the ultimate objective is to strengthen local pharmaceutical manufacturing capabilities.

Interestingly enough, Morocco has successfully attained this level of pharmaceutical localization as a result of strategic, long-term planning. At the dawn of our nation's independence, our King Mohammed VI and his grandfather, King Mohammed V, issued decrees that emphasized self-sufficiency in both food and medicine. These decrees remain in effect to this day – demonstrating the far-sighted vision of our leaders. In contrast, neighboring countries often concentrated on industries like mining or oil post-independence, sidelining investments in food and pharmaceutical sectors. As a result, they face challenges in these areas today. This historical context is vital for understanding our nation's healthcare and pharmaceutical industry's development.

Moreover, the COVID-19 pandemic underscored the wisdom of our investment in local pharmaceutical production. While the world experienced disruptions in the supply chain for medicines, Morocco was fortunate to have a robust local pharmaceutical industry. This pandemic experience served as a real testament to the wisdom of our long-term healthcare and pharmaceutical strategies.

**Many local stakeholders hope to see Morocco play an important role in bringing improved access to medicines to the region. How do you think Morocco compares to larger countries like Egypt and Saudi Arabia who also share similar ambitions?**

One significant differentiator is our well-established history in the pharmaceutical industry. We've cultivated a network of 55 pharmaceutical manufacturing plants according to FMIIP. While Egypt might have a higher number of pharmaceutical plants, it's essential to highlight the superior quality and comprehensive manufacturing capabilities we offer in Morocco. Moroccan Pharma industry has built supply chains with Subsaharian Africa and East Africa.

While we have the infrastructure and expertise at the Ministry of Health, we would gain from increased digitalization between private and public sectors.

Within the region, Saudi Arabia's ambitions and investments in healthcare and pharmaceuticals are substantial. They are part of the 2030 vision. This presents an exciting opportunity for regional collaboration. Saudi Arabia's success is based on great execution and a supporting health agency (SFDA).

**Aside from providing affordable medicines through generics, where Morocco is already strong, what do you see as the local sector's capacity to embrace innovation with**

## **biosimilars for example?**

While generics have been a cornerstone of our pharmaceutical industry, relying solely on them is no longer a sustainable strategy. Recognizing this, we established IDC Pharma in Casablanca almost a decade ago, a dedicated research and development center that plays a pivotal role in Cooper Pharma's future strategy.

Generics alone are not enough. We must venture into value-added medicines and biosimilars to remain competitive. While some of our endeavours in this space may face challenges due to the late entry, we're taking a realistic approach to navigate these hurdles. We've launched Cooper Biosciences in Dubai, which collaborates with renowned institutions like MIT, Stanford, and Pasteur Institute in Paris. Our aim is to learn and apply lessons from industry leaders while devising our own path in this innovative area.

Embarking on this journey comes with no guarantee of immediate success, but we are approaching it with care and a sense of what is realistically achievable. Rather than chasing unrealistic goals, we're focusing on finding tangible opportunities. In this endeavor, we explore avenues for enhancing existing drugs and delving into neglected areas where innovation has slowed down. Often, these are therapeutic spaces where Big Pharma has lost interest due to lower financial returns, despite the potential for medical advancement. While the financial returns may not match the criteria of major pharmaceutical companies, they offer an opportunity to make a meaningful impact. We are proud to collaborate with top-tier international universities and companies to pursue these avenues of innovation.

## **Looking forward, what is your current mandate for the next phases of Cooper Pharma's development?**

The next phases of Cooper Pharma's development revolve around two key pillars. Firstly, we are focused on enhancing our services to innovative pharmaceutical firms, which encompass both large multinational companies and specialized ones. This involves fostering more partnerships with international pharmaceutical players. The primary driver behind this strategic move is our recognition that innovation is the lifeblood of this industry. It's crucial to understand that generics themselves would not exist without the foundation of innovation. Hence, we plan on strengthening our connections with innovative companies in offering them market authorizations holding (MAH) in importation, distribution, manufacturing if need and foremost market access with our commercial teams in Morocco.

Secondly, we are actively seeking partnerships for greater access to innovation. Cooper Pharma is uniquely positioned to offer regional platforms that span key countries in Africa, the Middle East, and select European markets. These platforms provide a comprehensive solution for pharmaceutical companies. Instead of navigating the intricacies of individual markets, they can leverage our one-stop-shop approach. Over the past decade, we've diligently worked on establishing our manufacturing capacity, as well as our own market access & commercial capabilities to serve this strategic positioning.

**Having been CEO of Cooper Pharma for nearly two decades, how have you managed to attract and retain the right talent to allow the company to continue its growth?**

I'm proud to say that on average, senior employees have been with Cooper Pharma for approximately 15 years. People tend to stay with us, and I believe it's because we've been successful in making them feel at home. My personal mission is fulfilled when our team members genuinely feel that they are part of the Cooper family. To accomplish this, it's crucial to create an environment where talent can thrive.

It's essential to provide our collaborators with opportunities for growth and development. We've implemented various career pathways commonly used by multinational companies to achieve this. However, the key is to make sure they feel truly at home and valued within the organization.

Lastly, we believe in the significance of our work. We understand that we are contributing to something meaningful by improving healthcare and well-being. Personally, I'm excited to play a part in the healthcare sector and to represent Morocco along with my peers on an international stage. I find fulfilment in facing challenges head-on and overcoming them, even if it means operating in regions far from my home country. The sense of purpose and the knowledge that we are making a difference drive us every day.

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