

Novo Nordisk Algeria - Peter Ulvskjold, General Manager



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The new country manager of the multinational at the forefront of the fight against diabetes in Algeria sheds light on some of the creative strategies employed to spread the word about diabetes management and prevention including an innovative formula for co-opting the Imams in raising awareness about the importance of diabetics maintaining their normal eating patterns during Ramadan.

Congratulations on your recent appointment as GM of Novo Nordisk in Algeria. Can you please start by introducing the company's ongoing activities and priorities?

Novo Nordisk is a very successful company in Algeria playing an important role in countering a complex and difficult disease. Incidence of diabetes in the country is increasing and this is posing a multitude of new challenges whether to do with the screening, the prevention or the treatment. Throughout my career my focus has been on providing safe and effective medicines in an ethical way and my intention is to apply that knowledge to this market as well. You cannot, for example, conduct diagnoses and have no provision in place for the follow-up treatment.

In Algeria, we have to foster more activity on the prevention-side and in the education of patients and practitioners alike so that they are able to identify the warning signs at an early stage. Diagnosis of diabetes in its initial phases before secondary complications arise is fundamental to sustaining better lives for millions of sufferers. Once the disease is advanced and the functionality

of the pancreas is diminished then a certain amount of damage is already done and irreversible.

The platform that the government has been building to counter the diabetes epidemic is really quite advanced and I applaud the visionary stance of the Ministries. They are aware of the problem and are grappling with it actively and this presents the perfect conditions for the private sector to engage closely with the state in partnerships to confront this disease head on.

Novo Nordisk's plan is to invest not only in expanding our metformine production and collaborating with the public entity Sidal to produce human insulin, but ultimately to be able to deliver modern insulin as well. For us, it is extremely important that, irrespective of whatever happens to global markets, the country can meet the local patient needs with high quality insulin. These are precisely the sorts of conditions we are putting in place. If, in four years' time, Novo Nordisk has successfully established a well-functioning pill factory for the instant diabetes pills novamin and novanorm, along with in-country production of insulin, then this is going to be of huge benefit to the Algerian population.

You are obviously coming to this country with a fresh pair of eyes. What is your preliminary assessment of the Algerian pharma market?

This is already a massively attractive market and it will only become more so. The mean average age is currently only around 25 years and, as the population matures, the demand for medicaments will necessarily rise. There will have to be sustained investment in healthcare as a whole with modernization and construction of new infrastructure such as hospitals and clinics. Thus, from a purely financial standpoint, there is much to excite investors. Healthcare must never, however, merely be reduced to economics. According to social and welfare markers, the market is also ripe for investment. All sorts of new healthcare needs are going to arise and the private sector and government are going to have to work hard to address these needs and fill any voids. Having just one party trying to attempt this undertaking alone is obviously not the smartest approach in today's globalized world and happily the government understands this. Novo Nordisk is very happy to be engaging in this particular market in a big way.

What sort of challenges does the Algerian market present? Where do you identify most room for improvement?

If we look at the make-up of the Algerian economy, there is obviously a systemic risk relating to the dependency on hydrocarbons. If the oil price were to drop by 30 percent then we could expect government expenditure to drop by a broadly similar amount. Such a scenario could potentially have a big impact on the healthcare and infrastructure budgets. The way Algeria's sovereign

hydrocarbon fund is currently sculpted ensures that a steady supply of capital is being channeled towards the healthcare industry. It would be unwise, however, to assume that this will always, by default, be the case as we never know what adverse externalities might arise from oil price volatility or currency fluctuations.

Another challenge relates to ensuring that a good communication platform is maintained both with the government and the patient associations. Data on the Algerian pharmaceuticals market is not always freely available and that means we are to some extent reliant on the different stakeholders to inform us of the issues patients are facing at grassroots level in the different regions. Cultural aspects also throw up additional challenges. Diabetes is a silent killer that can, at least in the early stages, be masked. It is therefore essential that Novo Nordisk is engaging at the family level. We need to identify the information silos and roll out a multi-tier action plan for tackling the disease that operates not just across strategic circles through partnership with government, but also at the family-unit level as well. Our aim is actually to foster the development of ingrained processes so that any Algerian with a body mass index (BMI) over 25 is automatically booked in for a blood test once he or she reaches the age of 40.

A final challenge relates to human capital. More and more Algerian health specialists are being formed through the university apparatus, but there is always the possibility of a brain drain with newly skilled graduates opting to seek their careers abroad rather than serving the domestic market. Further ways need to be found to attract them or, even better, entice them back home again after a period of practical learning in the most advanced healthcare systems in Europe or America.

What sorts of local and cultural adaptations do you need to make when interacting with the Algerian market?

There are cultural characteristics that sometimes mean we need to adopt a different style of approach to elsewhere. One example would be the fact that Algeria is a devout Muslim country that practices Ramadan. A four week change in nutrition patterns where you fast during the daylight hours is going to be very challenging for a diabetic because the body metabolism is built upon frequency of eating and that in turn impacts the insulin needs and hormonal balance.

We, at Novo Nordisk, are very keen to raise awareness about this issue across the religious community so that the seriousness of diabetes is properly understood and so that it becomes culturally acceptable for diabetics to maintain a minimum stability of nutrition levels. We have been engaging closely with the Ministry for Religious Affairs and directly with the Imams to this

effect. They, for their part, have been very supportive. According to their religious customs, exceptions during Ramadan are made for people who are sick and the next step is to promote understanding that diabetes, which is the sort of illness that can be easily concealed, is nevertheless a very real and serious disease. In order to measure the impact of such initiatives we are again reliant on feedback from the patient associations and from the patients themselves via questionnaires.

We are actually the only firm to have researched the clinical effects of taking base insulin when the daily norm and routine of eating is disrupted. We were able to track that certain diabetes medications produce different effects in accordance with the time of day and the rhythm of the metabolism. The study is, in effect, an excellent example of the types of clinical research that can be successfully undertaken here in Algeria and then exported and replicated throughout the rest of the world.

What do you have to say about Novo Nordisk's ambitions to eventually export pharmaceuticals from Algeria to Europe?

The metformine and novamine market in Algeria absorbs about 20 million packs of 30 pills and we could actually install the capacity to make 30 million if we adjusted our shift patterns. Because of the current barriers to export, however, we have not yet chosen to make full use of that capacity. To successfully export one needs to secure the appropriate registration and authorization from the government and that effectively entails building up a large volume of clinical files. If you don't have the expertise to do this then you will really struggle to export. Then to establish a stable one-shot delivery into another country presents additional hurdles, because it is essential to guarantee the safety and efficacy of the product during the transportation and to ensure that the eventual distribution takes place in a controlled manner. Novo Nordisk has already been assigned local registration in Ghana and hopes to achieve a similar set-up in Libya and Nigeria so that the company can participate in future tender bidding.

My vision is for our Algerian operation to ultimately become a bridgehead into Africa and I am confident that, with the assistance of local stakeholders, we can establish a secure and stable production platform with full export capabilities. This will, of course, initially be quite difficult. You have to take into account environmental characteristics such as humidity and temperature swings all of which can affect the stability of the pill. Nevertheless the more we understand these localized issues the more headway we will make.

What are the immediate next steps for Novo Nordisk?

We have new products approaching the commercialization phase. Novanorm is already on the market and the idea is that we shall produce it next year. We have taken our time because we regard it as critical to secure the requisite stability data that assures us that the effect of a specific pill today will be exactly the same tomorrow. That sort of reliability can only be maintained with strong processes. We will then compliment this with production of local insulin from Constantine in conjunction with Sidal. A collaboration agreement has been signed and is now being acted upon. We will then diversify out into modern insulin production. Obviously Novo Nordisk has the capabilities to set this up all at once, but our experience from elsewhere tells us it is better in the long run to nurture local knowledge transfer and to build solid local foundations and processes before transitioning to higher, more complicated product bases. Putting in the initial effort and discipline will reap rewards for all parties over time.

The Algerian market is up and coming. The financial platform is already in place and is increasingly inducing the industry to manufacture high quality products. From a customer perspective and societal base, the market is equally strong. Novo Nordisk, for its part, is proud to be here making a tangible difference to peoples' lives and transforming the paradigm in how diabetes is treated across the county. Furthermore we have a long term vision for catering to the market's need and rolling out an advanced treatment plan. This is the start of a long and fruitful partnership and so far we have only seen the beginning.

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