

# Jacques Henri Charpentier - Director General, Bayer Healthcare Maghreb - Morocco

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*The director general of Bayer Maghreb explains how Morocco has real potential to position itself as a hub for the region, talks about the challenges associated with the reforms of the last two years and why as local director he has a responsibility to set the context for headquarters*

## **What are the latest developments in the region and also more specifically in the case of Bayer?**

The current Minister of Health has put in place an important series of reforms so as to modernize the entire body of medical regulations and more generally to widen the access to treatments for Moroccans.

The implementation of such reforms has naturally led to a certain period of turbulence in the market. Not merely due to the fact prices have been aligned to a benchmark of prices in other countries , leading to a certain number of price reductions, but also because the entirety of the market and the stakeholders in it had some difficulty in fully accepting the reforms. Now that the implementation process is largely behind us I am confident that, after an understandable period of difficulty, the Moroccan market will again regain some of the certainty which is required for investors. We have absorbed the shock of the previous reforms and now what is crucial is to look to the future and clearly all the reforms undertaken by the authorities have been with the intention of

improving the stability of the Moroccan pharmaceutical market.

Bayer has been present in Morocco for more than 50 years, through our pharmaceutical practice but also our two other divisions, namely MaterialScience and CropScience. Morocco acts as the Maghreb hub for Bayer's activities. It had even been a hub for a part of French-speaking Africa up to this year when the group decided to reorganise its regional practice and now Morocco continues as the hub for the Maghreb region. When we talk of the Maghreb we are referring to three countries, Tunisia, Algeria, and Morocco. Libya does not form a part of our definition of the Maghreb, instead it is part of our Middle East region.

In 2007 when Bayer acquired Schering we decided to consolidate all our activities in Morocco while reinforcing the management of our Moroccan pharmaceutical practice. Progressively we have integrated our entire product range into Bayer and as of 2009 we were fully operational. At the same time, using Morocco as the hub, we developed a presence in Tunisia and Algeria. Back in 2007 there were no direct representatives in Tunisia or Algeria and we created two branches, one in each country, that are now up and running. In Algeria we now have a legal entity and in Tunisia we still have a branch office.



Bayer Morocco

Following the acquisition of Schering we boosted our pharmaceutical presence in Morocco by registering products that were not yet present in the Moroccan market. We have now registered in Morocco a portfolio of products that is nearly equivalent to what you will find in European countries. While there is always a delay between the registering of a product in Europe and the same process taking place in Morocco, by the end of this year we hope to have all Bayer's registered products available in Morocco, which will mean that the Moroccan patient will benefit from the full range of Bayer's products just like a European patient.

**Bayer is one of only four MNC to have a production plant in Morocco. Why this strong commitment to Morocco?**

Our longstanding presence in Morocco underlines our strong commitment to the country and desire to contribute to the development of its pharmaceutical industry. We have one production plant alongside two partnerships with Polymedic and Sothema, allowing us to develop local products in Morocco. Around 70 percent of what we sell on the Moroccan market is produced locally. And from this year we are going to start using our production plant in Morocco to export a certain number of products, initially to the Maghreb region and eventually to the wider African continent.

**Has Morocco lost its influence in the Maghreb region, now that the Algerian market is growing strongly and the Tunisian market is working efficiently? We hear of a certain disengagement by MNC in Morocco. Is this the case?**

If you consider the viewpoint of headquarters, who look at Morocco alongside the other countries where we operate, it is unfortunately the case that the reforms implemented these last few years, while necessary, have not contributed to the allure of Morocco compared to other countries with a strong potential for growth. Whenever I have the opportunity to talk with representatives of the government, I always stress the fact that Morocco is in competition, in terms of investments from MNC such as ours, with other countries and that it is therefore crucial for Morocco to demonstrate its attractiveness.

From a more positive perspective, as local director, it is my responsibility to explain to headquarters that the situation we are going through is one that is temporary, but most certainly necessary, so as to redefine the parameters of the pharma industry within Morocco. The country needed to modernise its legislation to match changes in the country and to come into line with international norms.



What will be fundamental for the perception of Morocco at our headquarters is what happens next. I am confident that if Morocco demonstrates that due to the reforms that have been put in place, we witness a return to the levels of growth previously witnessed in Morocco, and that with a clear foreseeable regulatory framework the country will regain the positive vision that was present before the reforms.

It is the responsibility of our Moroccan management to set the context and ensure that our headquarters do not take fast arbitrary decisions, which could have occurred given the changes in the market during the last two years. We were successful in this and now we need to see how things develop in the years from 2015 onwards. There are still extremely important steps left, the procedures concerning the *Autorisation de mise sur le marché* (AMM), the price decree, access to reimbursement, all this is still in play. The year 2015 should allow for extra clarification so that by the end of the year, beginning of 2016, we start with the politics of medicine having been clearly settled, and that will allow for the predictability that is so essential for MNC.

**The Moroccan pharmaceutical industry has undergone serious reforms in recent years, aimed at extending access to medicines to the most underprivileged. How do you view these reforms?**

Clearly the government and in particular the minister of health, have demonstrated the political will to enlarge to a maximum the number of people covered by medical insurance. But at the same time there are a number of additional measures that need to follow the reforms – one cannot increase the level of public health coverage without also increasing the level of contributions.

The RAMED (*Regime d'Assistance Medicale*) reforms enacted by the government is relevant essentially for generics, for basic medicines, and is a very good initiative. Bayer has expressed its

desire to support the Minister of Health in implementing RAMED because for us it is not acceptable that a certain segment of the population does not have access to medicines.

**Where do you believe Morocco will be in five years' time and where will Bayer be in Morocco?**

I am optimistic. I believe that Morocco has real potential to position itself as a model for the region. Morocco has a real opportunity to showcase itself in a very positive manner in the Maghreb and equally in Africa. For Bayer there has never been any question of relocating our regional hub away from Morocco. Quite the opposite, due in part to the influence of the French language, we help train our African colleagues, we invite African medics to participate in meetings on the Maghreb and on Morocco.

We all share the same vision, whether we are a MNC or a local producers, we all have expressed our desire to support the Minister of Health in his ambition to improve the access to treatments for Moroccan patients.

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