Interview: Lasaâd Boujbel – Executive President, MédiS Group, Tunisia



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Lasaâd Boujbel, CEO of MédiS Group, and founder of the company, today leads what became one of the first Tunisian-based multinationals. His company's recent investments in the Tunisian headquarters and in Senegal respectively respond to increased international demand and desires of expansion in the African market. MédiS has built up a portfolio encompassing 700 marketing authorizations for more than 250 products in 22 years and still has the ambition to grow further with a recent series of extensions in facilities.

MédiS is considered as the Tunisian multinational by excellence in the pharmaceutical industry. How did it all start?

I started my career investing with an Italian pharmaceutical partner. Financially it was a mistake, but having seen Italian companies, originally local family owned businesses, operate at an international level, I started dreaming of building my own Tunisian-based multinational pharmaceutical company akin to a Jordan pharmaceutical company, which is now listed at the London stock exchange.

When I finally launched my own company, I set myself ten years to become one of Tunisia's top three pharmaceutical companies, 20 years to become one of the top ten leading companies operating in Africa, and a hundred years to see MédiS be amongst the worldwide top hundred. It took 12 years of perseverance to become the leading Tunisian player in our country and I thus

achieved my first goal in 2009. The second objective is slowly becoming a reality as well. We now have plants in Algeria and Senegal, and operate in most of the Middle Eastern markets with expansion plans targeting the sub-Saharan African market.

However, we must not rest on our past accomplishments. I still pursue the ambition to become one of the largest multinationals in the world. My role is to create a sense of purpose within my teams, so that I might capture the most performing talents which will enable us to reach our dreams together

What is the current state of MédiS' production capacity?

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The current production capacity largely covers the national demand and has been increased to match the international demand for our products. Today, MédiS' operations abroad have surpassed those in Tunisia. Indeed, the international demand exceeds the national demand. For example, only a third of our Tunisian production of dental anaesthetics supplies the Tunisian market. The remaining two thirds are directly exported to various markets. We steadily watch our supply and demand ratio closely, in order to ensure our supply capacity always matches the market's needs. In the case of lyophilised products, for instance, we have had to increase our production capabilities to supply our export markets.

As a consequence, MédiS' pursued investments in consideration of the possible evolution of the markets we operate in and those we want to target in the future. As of late, we have significantly developed our production facilities, augmenting our capacities. They are thus underutilised as with this latest expansion consisting of a new quality control laboratory and an additional floor on our sterile unit, we tried to plan for years to come this time, so that we may have enough manoeuvring space to adapt our responsiveness to market evolution in the future, and sudden investments solely consist in the purchase of production equipment, as the facilities in themselves will already be there. Nevertheless, we once more were too modest it would appear, and are already looking to acquire a neighbouring industrial site to build a new factory.

What are the recent investments plans that you have committed to?

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We have acquired a plant in Senegal this year, whose activities will first focus on the packaging of Tunisia's bulk production to cater to the Senegalese markets and neighbouring countries. Before additional resources are allocated to this plant, I want to test Senegal's profitability. Indeed, investing in expensive manufacturing equipment with no guarantees of the market's receptiveness would be inappropriate. Instead, we chose to follow as step-by-step approach. In the case Senegal and the markets of its neighbouring countries prove interesting, additional investments will be allocated so as to capitalise on the Senegalese location and their low labour costs to produce products at a much more competitive rate.

For Senegal to turn into a profitable investment, MédiS' teams have to make sure that all of the company's products are registered in the neighbouring countries and that distribution networks are created in said countries. Eventually, Senegal will become MédiS' first hub on the other side of the Sahara with a role in targeting most of Africa's Anglophone and Francophone countries.

MédiS' portfolio is quite diversified. Which are the main therapeutic areas that drive MédiS' growth?

In the last 22 years, MédiS has developed a portfolio of products that represent over 700 marketing authorisations in Tunisia in 17 different therapeutic segments. All segments perform equally, and it is part of MédiS' strength that its overall performance does not depend on a single therapeutic area. Indeed, our diversity hedges us against the possible counter performances in a segment of our business. In the eventuality of a segment experiencing a slowdown, the remaining ones can compensate the loss.

Having said this, MédiS is particularly strong in reanimation anaesthetics, despite tough international competition, and in gastroenterology specifically the antiulcer drugs. As a matter of fact, MédiS' Tunisian market share in antiulcer drugs such as proton pump inhibitors exceeds 30 percent even though 17active competitors are present in this segment alone in Tunisia.

Looking into the future, it appears necessary to reinforce MédiS' coverage of non-communicable chronic diseases such as diabetes and cardiovascular diseases. In addition, MédiS is also in the process of developing a dietary supplement line. Some of our products are already available on the market but we wish to develop this line of products further because we are witnessing an increased demand.

MédiS is one of only very few biosimilar producers in Tunisia. How did you come to venture in this area of expertise?

MédiS was the first Tunisian company to develop a biosimilar for the Tunisian market. Our adventure started, many years ago, with unfractionated heparin then enoxaparin's biosimilars, both indicated in thromboembolic disease. Actually, MédiS is one of the few laboratories in the region manufacturing these products and is approved by the Red Cross as a heparin supplier.

In 2013, MédiS obtained the marketing authorization for the first locally produced biosimilar of the recombinant erythropoietin in Tunisia. Another interesting example is our product, indicated for multiple sclerosis, In fact this product was jointly developed with a partner from the Czech Republic. This partner was the raw material supplier of the firm that developed the original biotechnology. As the original developer of the biotech is not present in the Arab countries, we are the only supplier of this product in the Arab world. We have also other medication currently under development for multiple sclerosis. These should help us gain the status of specialist in this area, which is a vastly untapped market in the region.

What differentiates you from your competition?

Competition on the African market mostly stems from Indian and Chinese multinationals. We have managed to distinguish ourselves through the quality and brand reputation MédiS has built over the years.

Our products have a great reputation because they comply with the highest levels of international standards and have never been involved in quality deficiency issues. At MédiS we enforce strict control measures to verify the quality of raw materials we use and the output of our production plants. These are either compliant and serve their purpose or not, I do not believe in such a thing as good or bad quality when it comes to drugs. In any case only compliant—and therefore of the highest quality—products reach the market.

Furthermore, our production sites are certified in multiple countries for the production of our portfolio. More specifically, the UAE, Jordan, Iran, Kuwait, Lebanon as well as the European Union certified our three production sites, in Algeria, Tunisia and the Czech Republic after thorough audits. Though this helps in the registration processes of new products in oversea markets, none of the products can be exported unless significant amounts of capital are directed towards the construction of solid distribution networks to and within the country as well as marketing activities in the targeted market. The Tunisian government should look into supporting its national champions in its efforts to export and enhance production, bearing this in mind.

Another example of MédiS' innovative focus allowing us to stay ahead of competition is the production of single dosed syrups. This type of packaging is more convenient for the patient and

has already found a place on the market. These types of small differentiating factors are essential in the production of generic formulations.

How do you intend to maintain your leadership position in the years to come?

We are looking forward to reinforcing our portfolio of products with innovative molecules in promising therapeutic areas or niche markets. Innovation is at the centre of MédiS' strategy to maintain a leading position in Tunisia and grow in our export markets.

With this in mind, MédiS has just registered a Hepatitis C product that will be launched in Tunisia and should soon be available in the entire Arab region. Hepatitis C is still a predominant disease here and needs to be eradicated. These innovative drugs will ensure the continuity of our revenue streams as the price of older products have plunged recently but are maintained on the market for evident ethical reasons.

Also, MédiS is the first company in Africa to cover the whole production chain of inhalable powders. Certain companies already produce this type of galenic formulation, however they either focus on bulk production of powders or the process of conditioning. Our production should be a lot more competitive because we will cover the whole value chain in this segment.

I hope these actions will enable the company to reinforce its position on African markets and consolidate a leading position in Tunisia. Maybe then, we will also be listed on the London stock exchange in five years.

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