Interview: Walid Chriaa – CEO, Society of Pharmaceutical Industries of Tunisia (SIPHAT)



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Walid Chriaa, CEO of SIPHAT, explains the history of the public company's position in Tunisia, as the pearl of the Tunisian pharmaceutical industry. He also points out a few of the strategies in place to counter the financial struggles that SIPHAT has been under, such as reforms with a 2030 vision and a focus on new therapeutic lines.

Mr. Chriaa, what is SIPHAT exactly and how have you begun your first 65 days in office?

I was honored to be named as CEO of SIPHAT, as it truly is the pearl of the Tunisian pharmaceutical industry. We are getting ready for our 30^{th} birthday which is coming up soon! As for what I have discovered coming into office were competent, dedicated people, driven by a true entrepreneurial spirit and with a precious heritage. The employees of SIPHAT are united by one goal: the good of the patient, however trying times may be.

SIPHAT was founded in 1989 after the Central Pharmacy of Tunis (PCT) went through a restructuration, and is today the only public pharmaceutical company in Tunisia. It has been listed on the stock exchange since May 2001 while 67.77 percent of its capital are still hold by the PCT. It employs 574 people today, of whom 75.49 percent work in technical functions.

The particularity of SIPHAT is that it was founded in order to produce the medication the Tunisian government required in order to be able to provide health services to the entire Tunisian population. SIPHAT has always been and will remain, the organ to satisfy direct demand by the

state. At the difference of a private institution, this historic heritage allows us to act without overmuch concern for financial aspects. We are not bound to make very large benefits, but provide the needed medication at the price required. Therefore, 63 percent of our drugs are sold at less than TND two (USD 0.82)

Nonetheless, we of course need to maintain our financial sustainability, and since we have of late accumulated debts, we need to return to a saner financial situation. I am very confident that, with the right measures put in place, we will be able to ensure good financial stability and our sustainability in years to come, without having to let go of our social dimension, which truly is our pride.

What strategies have you implemented in order to see SIPHAT overcome the challenges it is currently facing?

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Being CEO of SIPHAT in 2017 is a challenge in itself, but I believe challenges are there so that you may grow beyond them. Moreover, I am by my very character, someone who has ambition and knows exactly how to pursue his dreams until they are fulfilled. I am strongly convinced that we can get very far with SIPHAT, all elements for success are there.

Since I took over the head of the company, we have rolled out short-, middle- and long-term strategies aimed at ensuring SIPHAT’s competitiveness in a milieu where all other players operate with private funds and that will guarantee us more flexibility in procedures. Our strategy is based on a 2030 vision where we dream of goals such as raising our production standards in our laboratories to meet international standards. Equally, we dream of a broader product portfolio with modern molecules that constitute a solution for new therapeutic domains. Further, we dream of ensuring self-sufficiency for Tunisia in drug supply and soon to export to various African states and maybe even the Middle East. And we even dream of a SIPHAT group.

For those goals to become reality we work very closely with the BiotechPole and the Institut Pasteur of Tunis and in general partnerships that have proven beneficial in the past. Hence, we will reinforce our partnership with Pfizer, Pierre Fabre and the other companies of which we hold capital here in Tunisia. Those are long-lasting partnerships in which we now aim to go beyond a licensing and technical outsourcing relationship. We will support and assist each other in quality control, research and development and exchange human resources. Of course, those partnerships hold many advantages for us: technical, commercial, financial and in research.

In the short-term, we have already started to implement some changes. I have been focusing on a “shock treatment” so to speak, injecting hope, ambition and motivation into the workforce and results have begun to show. The human factor is one of my main areas of focus for the coming years as competency is one of our main success factors.

You have a very diversified portfolio, with products ranging from hypertension, dermatology and respiratory areas to branded products in cardiology, anti-inflammatories and neurology. How did you achieve such diversity and how do you manage your portfolio currently?

This diversity we can boast with today is the result of the dedication to research our laboratories are committed to. Almost every graduate of local pharmacy and even medicine universities starts his or her career at SIPHAT before moving on to other laboratories. Not many public companies can display a variety of research and development activities such as ours.

However, our portfolio has always been aimed to satisfy the most pressing demands of the market, most of our products are designed to help basic health issues. Thus, we produce antibiotics (injection or topically applied), cough drugs, and drugs to alleviate rheumatisms and fevers. We also have a portfolio dedicated to the fight against some chronic diseases such as diabetes, cardio-vascular diseases or dyslipidemia. We are also the main producers of infusion solutions and dialysis liquids in Tunisia.

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As you can see, our portfolio is not constructed to achieve the highest revenues possible. In our efforts to find more of a balance between the most urgent needs of the state in terms of healthcare and our own financial sustainability, we have decided to strategize and venture into new lines that hold strong financial potential. Therefore, we plan to adopt new technologies that will lead us to modern molecules, and to diversify our portfolio by entering new areas such as hygiene products, dermo cosmetics and nutritionals.

Although the Tunisian pharmaceutical market is growing and one of the most developed in the region, it remains a small market. In 2010, the board of directors has decided to focus more on export in the future. Where do those plans stand today?

It is still an important point on our agenda and we conduct regular meetings to see it become reality. We already work with the Maghreb states as well as with various African countries. We are present in the Libyan market as well as in countries of the sub-Saharan region such as Niger,

Soudan and the Ivory Coast. These partnerships sometimes go beyond the simple export of drugs. In Niger for instance we also provide our local partners with support in infrastructure to ensure the development of their own pharmaceutical industry. We help them with logistics, as well as human resources and consulting. After all, Tunisia has long been an exporter of services and knowledge more than tangible products to the African continent.

Some of these partnerships go beyond exporting of medication. In Niger for instance, we also provide help in infrastructure for pharma development. With HR, with logistics, with consulting, it is export of services and knowledge more than products. This is Tunisian policy, Africa is our market.

Where do you see SIPHAT's responsibilities in Tunisia in the near future?

SIPHAT will remain true to its main purpose, being a support institution to the state in its healthcare policies. Yes, changes in our strategy will be necessary in order to overcome some of our current struggles, but I am not worried, with determination and the right mindset we will get there. I do not make this overly personal, I simply want to see SIPHAT occupy the place it deserves in the industry.

SIPHAT has to regain its former image, that of being a reference in terms of providing responses to specific needs. Illustrating this, we have developed strong and very specific bonds with some of the hospitals we work with, such as the Military Instruction Hospital of Tunis, for which we produce drugs that are specially catered to their needs.

It is important to highlight that even today, SIPHAT is considered as a pillar of the Tunisian pharmaceutical industry. We cover 43 percent of the PCT's tender and given our potential to better and expand our production capabilities, we aim to cover 80 percent of the Tunisian consumption with local manufacturing.

What makes Tunisia attractive to potential investors?

The Tunisian market is a competitive one, and it holds much promises for growth. Our main assets remain the men and women of the country. We have a history of excellent educational institutions since the independence in 1956. Education and health have long been the credos of Tunisia. The struggles we are facing since the revolution will be overcome and we will raise the stronger from those challenges. We have always been an open country, and this will not change in the years to come.

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