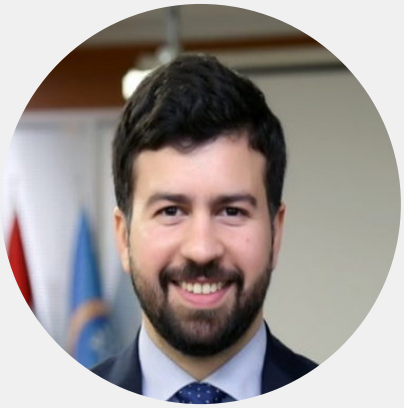
Khalid Saleh – Managing Director, Mera Pharma



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Mera Pharma's Khalid Saleh introduces the Swiss-headquartered but MENA-focused company, how it plans to expand via CMOs, and its evolution from food supplements, cosmetics and medical devices into the more strictly regulated world of pharmaceuticals.

Please introduce yourself to our international readership and Mera Pharma's business today?

I was born in Erbil, the capital of Iraq's Kurdistan Region and first started working in the pharmaceutical field in 2009 after having a job in a pharmacy. After that, I worked in a drug distribution company. Then I joined Mera Pharma in 2016. I have a diploma in pharmacy and a bachelor's degree in business administration.

Mera Pharma's business plan is to use contract manufacturing organisations (CMOs) to build the Mera brand and develop a market for Mera's products in the Middle East and North Africa, with a long-term view to setting up its own factory and expanding into European markets. Mera's initial plan was to establish its brand in the Middle East, and then expand as a fully-fledged manufacturer by building a factory in Europe.

Why did Mera choose to establish its headquarters in Switzerland?

Firstly, Switzerland is the number one destination for the pharmaceutical industry in Europe. From a financial perspective, Switzerland's taxation system is also highly attractive. Furthermore, when building a brand in the Middle East, it is important that you manufacture and brand your products in a country that customers view in a positive light. Middle Eastern customers hold Switzerland and its pharmaceutical industry in high esteem. Manufacturing products in Switzerland also ensures that they are of the highest quality.

Apart from low taxes and high-quality production, Switzerland also has a lot of highly qualified people in the pharmaceutical industry.

Certainly, our products are in a high-quality segment and are targeted towards a specific segment of the population. European products come with a price premium. Customers expect to pay higher prices for European brands.

What does Mera's current portfolio look like and how might it evolve in the future?

Mera Pharma initially started out selling food supplements, cosmetics, and medical devices, mainly due to the fact that it is easier to enter those markets than it is to enter the market for pharmaceuticals. Regulatory processes are much more stringent for drugs, meaning entering the market can become a very long and complicated process. As Mera's plan was to develop its brand, we thought it best to start by selling fast-moving, well-known products. Mera's multivitamins are now well-known and customers are able to buy them without a prescription. These products allowed us to introduce our brand to the market quite quickly.

Competition is high in the drugs field. The competitivity of the drugs market means it is important that companies selling drugs have a strong marketing team and allocating a big marketing budget. Effective marketing is necessary to beat competitors. Now, we are working to develop our drugs and pharmaceuticals portfolio. We have started negotiations to establish the process. However, this process may take up to two years.

When it comes to the selection of drug categories and therapeutic areas, our team is currently conducting a market study basing on our business development and our team in return plans to select molecules for which there is high demand in the market.

What advice do you have for companies operating in the Iraqi market?

The Iraqi market has a lot of potential but is also very complex. Companies operating there should make sure to understand the structure of the Iraqi healthcare system. In Iraq, there is a health authority in Baghdad and also a separate health authority in Erbil, which is the capital of the Kurdistan Region. They are two different health authorities with two different sets of rules and regulations. If you want to import drugs into Kurdistan, you need to follow the rules of the Kurdistan Medical Control Agency (KMCA). If you want to import pharmaceutical products into the south of Iraq, you must follow the Iraqi Ministry of Health's requirements.

Classification of products is also different between the regions. For example, food supplements and cosmetics are subject to much fewer regulations in Kurdistan than they are in Iraq. In Baghdad, there is a national list of drugs, food supplements and medical devices which can be sold in the Iraqi market. To enter the Iraqi market, you must apply to go on this list. If your application is successful you must then register the product's manufacturer. In Iraq, they do not deal with the marketing authorization holders – they only deal with the manufacturers. This can act as an obstacle to enter into the Iraqi market.

Did Mera Pharma struggle to convince contract manufacturing organisations (CMOs) in Europe to work with the Iraqi authorities?

Yes, it was difficult. We are currently trying to register our products with Baghdad authorities, but we have struggled. In many cases, we found it easier to register our products in Kurdistan because the regulators are more openminded and the regulatory system is less complex.

How big is Kurdistan's market compared to the wider Iraqi market?

Kurdistan's income per capita is higher than in Iraq. However, Kurdistan has a smaller population. The Iraqi market as a whole is worth around USD 1.8 billion. Kurdistan controls around 15 to 20 percent of this market. Baghdad specifically has a lot of potential. There are around 10 million people living in Baghdad.

Competition in the Iraqi market is very high. Currently, Mera is the number two player in the multivitamin market, but in some product areas we are still very new. We are currently aiming to be the number one player in the Iraqi market.

How does Mera select the Middle Eastern markets it plans to enter?

The decision as to which markets we enter is based on market studies and also our ability to find suitable local distributors. There are significant differences between the various Middle Eastern markets. For example, Gulf countries are a high-income with a relatively small population by comparison, some countries have large populations with relatively low incomes.

What are Mera Pharma's core values and where do you see the business going in the next five years?

Above all, it is important that customers are satisfied with our products. We aim to deliver high-quality products to our customers at affordable prices.

In five years, we aim to enter all of the MENA markets. After that we hope to begin selling our products in European countries as well. In five years-time we hope that Mera Pharma products will be available across the MENA region.

What message would you like to send to your colleagues across the pharmaceutical industry?

My message to people working in the pharmaceutical industry is, make sure you continue delivering high-quality products to your customers and make sure that the products you bring to market are safe. Above all, we in the pharmaceutical industry must make sure that we are not selling counterfeit or low-quality drugs. By selling low-quality drugs, you are playing with people's lives.

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