# Interview: Ridha Charfeddine â?? CEO, Unimed & President, National Chamber of the Pharmaceutical Industry (CNIP), Tunisia

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*Ridha Charfeddine, founding CEO of Unimed and president of the National Chamber of the Pharmaceutical Industry (CNIP) discusses enforcing European quality standards in Tunisia, the CNIPâ??s role in guiding pharmaceutical and medical device companies in Tunisia, as well as his entrepreneurial journey with Unimed, now the preferred partner of the largest international pharmaceutical laboratories.*

**What is the CNIPâ??s role within Tunisia?**

The CNIP is an association that represents all the medical device and drug manufacturers in Tunisia, whether their products are destined for human or animal use. The association is also involved in the defense of manufacturers whether national or international. Thus, since its creation, the CNIP attempts to influence the government into implementing regulation changes that correspond to the needs of all types of manufacturing companies. So far, the changes suggested, notably the investment framework, have not been enforced. Nonetheless, it is quite possible and very important to define a regulatory framework that is favorable to domestic and foreign industries importing products to Tunisia, without it encouraging one while constraining the other.
It is not easy to reconcile the interests of both parties. Nonetheless, the Tunisian pharmaceutical industry must develop itself in compliance with the ethics of the regulation and with respect of the interests of each. Furthermore, in the case of international companies importing products into Tunisia and maintaining production in the country at the same time, it is important to take into account this double role when assessing their comparative advantages.
**How important are domestic manufacturers in the Tunisian pharmaceutical market?**

National production is doing well. It represents at least 70 percent of the volume sold on the domestic market. In value however, it represents just under 50 percent of the market because most of the products manufactured on the territory are generics and therefore are less expensive than innovative products.
Importing innovation will always be necessary given the fact any generic product requires an original drug as a source of inspiration. Freedom of competition is essential for Tunisian patients. The diversity of the offering in terms of price, quality and branding will allow the patient to make an informed purchasing decision. For this reason, the CNIP is committed to defending the interest of all companies whether they produce locally or not.
The stagnant national production levels in recent years are not a sign of failure of any sort. The governmentâ??s willingness to develop a national industrial base has succeeded. It should now be directed at finding new added value segments to generate value. For companies specialized in generics, the first step is to consider export activities. Those wishing to focus solely on the domestic market must deploy the necessary resources to transition into innovative products. This can be achieved through partnering with international companies or through private-public dialogue.
The private-public collaboration convened by the World Bank is an example of an initiative aimed at developing the competitive capabilities of the Tunisian industry both domestically and internationally. It involves every pharmaceutical industry stakeholder, such as local manufacturers, international laboratories, service providers, and governmental agencies, and the CNIP was the first association to join the initiative, instigated by the government.
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**What are the strategic priorities you will pursue to ensure the success of your members in the years to come?**
The CNIP has no political affiliation. Therefore, it acts as an influencer and only has the ability to give propositions. In other words, the CNIP does not take part in the any legal decision-making process but can suggest discussion topics to authorities, which they remain free to adopt, or not.
Despite our eagerness to change this and continue going forward, the multiplicity of ministerial regimes since the revolution has hindered our ability to promote the interests of our members. The pharmaceutical sector is considered a valorizing project for the economy and therefore remains a governmental priority. Our political regime needs to stabilize before a long-term vision can be implemented and enforced. Unfortunately, this has not been the case since I was appointed president of the CNIP
**What are the international and domestic perceptions of products made in Tunisia**?
Since the start, the Tunisian pharmaceutical industry has followed European quality standards. While adjustments in our regulatory framework might be needed elsewhere, this was an excellent decision. Indeed, 25 years later, the Tunisian Healthcare system is recognized and praised for its ability to deliver high quality healthcare at an affordable price. In fact, the WHO recommends all African countries follow Tunisiaâ??s example to develop their healthcare systems. Also, an increasing number of countries looking to industrialize take Tunisia as an example.
In turn, the countryâ??s strong focus on quality standards will trigger additional licensing partnerships involving a Tunisian producer and international laboratories specialized in the production of generic drugs.
**How can Tunisian pharmaceutical companies strengthen their global reputation?**
I think it is important to champion our national companies. There are a multitude of small companies in the health sector across Tunisia and the Maghreb. The influence of the Tunisian and Maghreb pharmaceutical sector would be multiplied if these laboratories merged. For example, a free trade agreement authorizing the free movement of capital and people in the Maghreb would create favorable conditions for the consolidation of the health industry. By joining forces, national companies would reach a critical size that would allow them to establish powerful positions abroad. Furthermore, the skill and funding synergies between Maghreb companies are already substantial.
**Mr Charfeddine, you are also the founding CEO of Unimed, a national producer of generic medicines, can you tell us about the journey that led you to the creation of one of the**

**Tunisian champions?**

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I started the company 28 years ago, leveraging my background as a teacher and pharmacist. At the end of the 1980s, about 30 people worked on Unimedâ??s only production line. Nowadays, the companyâ??s production quality standards are recognized throughout the world. It has six production plants, 680 employees with a supervisory ratio of 37 percent, and 325 products with a marketing authorization (MA). We specialize in sterile forms, in particular injectables and eye drops.

The few resources available from the beginning have led us to develop certain skills that make for Unimedâ??s strength today. While some had the resources to use the services of experts to constitute or even acquire the MA, we had no other choice than to rely upon ourselves to find ways to obtain these marketing authorizations. These skills are now a part of our corporate culture. Our employees and R&D team are proactive in finding solutions and overcoming challenges.

We have pursued a step-by-step investment strategy. In 1999 a French laboratory approached us for the development of a drug to be distributed worldwide. To meet their demand, we invested in a European Union certified plant. Seven years later we obtained the MA in 10 European countries. Since then, we have continued the manufacturing of the drug, despite the multiple ownership changes of the molecule.

**How does Unimed position itself on the Tunisian pharmaceutical industry market and how do you intend to maintain this position in the coming years?**

Unimed ranks as the sixth largest company volume-wise in the officinal market. Indeed, Unimed operates in a niche sector, concentrating on sterile forms â?? that accounts for only 20 percent of the total market â?? but is a leader in ophthalmological products. Just over half of Unimedâ??s local revenues come from the hospital market where Unimed ranks first in terms of volume and sixth in terms of value.

The fact that Unimedâ??s position in the market is the result of our relentless work makes me particularly proud. Our employees, intensely drawn to the fact that they are participating in a historical project, are keen to conduct activities in an ethical way. Despite strong competition in this market, the ethics in conducting our business and the quality of our products enables us to distinguish ourselves from our rivals and helps us to maintain our position.

Since the revolution, Unimed has invested over 50 million TDN (22 million USD) in the construction of three plants, and has doubled its number of employees. We are now pursuing a new investment plan with a five-year horizon to develop our international activities.

**You already export your products to a number of European countries, as well as in the MENA region and Sub-Saharan Africa. In March, you announced your intention of acquiring a company present in East Africa. What is your current internationalization and export strategy?**

We have let go our acquisition project in East Africa. Despite the reluctance of the Central Bank, we had forged an agreement with an investment fund to allow this acquisition. During the discussions with the company, we were not able to agree on its valuation.

However, we are currently considering other acquisition projects, and I plan to fuel Unimedâ??s future growth with increased exports. We have already started to export to neighboring countries; we now wish to expand our activities in other regions. A structure dedicated to export has therefore been created within Unimed. It will give our company the organizational means to support the development of export activity.

**Which advice would you give to young entrepreneurs who want to pursue a career in the pharmaceutical industry?**

If they have a real conviction, they have to get started, whether they have the solutions for the challenges they foresee or not, because no matter what, an entrepreneur will have to face the obstacles he encounters one after the other. The path will be arduous and one must be ready to compete, however the reward of realizing oneself as an entrepreneur is well worth battling the difficulties one will encounter on his entrepreneurial adventure.

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