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Noureddine Issad, general manager of Dar Al Dawa Algeria & Medi Pharma International unveils his ambitions to establish Dar Al Dawa as a major player in the Algerian market through local production of previously untapped product areas and discusses the new position of generics in the Algerian health industry.

Dar Al Dawa has a broad portfolio across a range of therapeutic areas. What is the rationale behind the choice of products produced locally in Algeria?

I am responsible, in collaboration with the business department in Jordan, for deciding which products to manufacture. The dynamics of the market in Algeria change daily, as new companies enter the market. Thus, the manufacturing director and I must review and decide the best products to produce. I consider the whole Dar Al Dawa portfolio in Amman. From this, I select the products that are best suited to the Algerian market. Moreover, if a product is not required in Jordan, we still have the possibility to develop it exclusively for Algeria. I look to products which will have few competitors in the Algerian market. We altered the product selection from that of the previous General Manager because the market has changed so much in the last few months, so we must adapt.

In which areas do you have the strongest presence in Algeria?

Our strongest products are currently antibiotics, namely cephalosporins. However, we are developing the market of products in different therapeutic areas such as urology, cardiology and gastroenterology. We are seeking to expand our presence in eye drops. This will be vital: most of these products on the market are currently imported.

You mentioned that your factory, once fully operational, will be able to manufacture eye drops. How important will this product be for you in Algeria?

Our first product should be manufactured in January 2019. I am confident that we can gain a substantial market share. There are only two other companies willing to produce eye drops. We decided to shift to eye drops before the competition. Moreover, this is a significant opportunity to grow the brand of Dar Al Dawa and build our reputation amongst doctors and patients.

What other therapeutic areas are you seeking to expand into?

We also have oncology products in the pipeline, under development in Jordan. We have approximately 100 new products to develop. It is still under discussion which of these will reach Algeria. This is vital as Algeria imports 100 percent of the oncology products in the market.

I believe the government should make it compulsory for larger players in the market to locally produce oncology products.

Can you give our readers a scope of the investment size that Dar Al Dawa has made into local production in Algeria?

Between 20 and 25 million dollars has been invested to build a manufacturing plant and we are extending to produce eye drops. The output volume will depend on the number of products we manufacture. We already have 16 products being produced. The first one entered the market in August, following Marketing Authorization. By 2019, we will manufacture between 30-40 products locally, depending on registration times. We envisage releasing a new product onto the market every 2 months.

At present, our ranking in Algeria is unacceptable, given that we've been in the market for over 20 years. There is a desire amongst the board of directors to catch up. In three to four years, we aim to break into the Top Ten. It is about choosing the right products and not being in competition with 15 or 20 others, as is the case for many products being manufactured locally.

Why did the Jordanians choose Algeria for such a project?

Dar Al Dawa management had the intention to invest in Algeria from the beginning. Originally, there was production agreements first with Saidal and then with Hikma, a partnership known as Dar Al Arabiya, but both proved unsuccessful. As a result, Dar Al Dawa decided to invest alone. In my view this was a good decision as we have complete control over the company's direction.

What will be the impact of sales and growth in 2019, resulting from your investment decisions?

We expect sales to double from their 2018 levels. Moving to local production, we will lower our prices below the imported products. Last year our budget fell due to products being lost from the import ban. Nonetheless, our sales will exceed their 2017 values.

Does Algeria have the potential to be a regional export hub?

This is one of our ambitions. Algeria is in a key geostrategic position, especially to export to our neighbours in Africa. However, this will be a long process, whose foundations are built on solidifying our local production capabilities. Nonetheless, it is a process we need to follow.

The pillars of Dar Al Dawa's presence are very clear. You are focusing on generics and local manufacturing. As a market access specialist, is there any aversion to locally produced products?

In the past, stigmas around the quality of Algerian products existed. However, these have abated over time and are no longer a factor in the market. Local manufacturing represents 54 percent of the pharmaceuticals available.

Thus, with more exposure to local products, the myths surrounding quality have been disproven.

In the minds of some Algerians, a product manufactured in Europe or the USA is superior to a locally manufactured product. I simply do not agree. We have the LNCPP which is recognised internationally and has high quality standards. They will not allow any products below these standards to reach the market. In fact, in 15 years Dar Al Dawa has never had a product refused due to quality issues.

Focusing on marketing and branding, how do you differentiate generic products in the Algerian market?

Unfortunately, it is necessary to follow our competitors' actions, otherwise we will lose out. We cannot just work with the doctors who write the prescriptions. In Algeria, a pharmacist can change the prescription to the drug of their preference, so we must convince the wholesaler and the pharmacist to use our products too. This often requires supplying them with discounted, or free products to boost their profits. This is the norm within the market.

When a branded product is prescribed, the pharmacist tends to supply the brand, although they do have discretion to supply a generic if they see fit. Nonetheless, the emphasis is on persuading the doctors and the decision makers of the merits of our products. With generics, the concentration is on convincing the pharmacists.

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