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THE PROSPECTS OF NIGERIA'S PHARMA INDUSTRY

Nigeria's pharmaceutical industry should encourage collaboration with established companies in other climes focusing on Research and Development of select molecular types that are applied to treating ailments faced by Nigerians.

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In the [first part](#) of this series, we explored the challenges that face Nigeria's pharmaceutical industry and the opportunities that exist for growth. In this concluding part, we recommend actions for driving meaningful growth in the industry.

The pharmaceutical industry in Nigeria has headroom for growth and can potentially reach \$4 billion over the next 10 years. This is hoping that economic growth levels will be such that can propel Gross Domestic Product (GDP) per capita levels of close to \$4,000 over the next decade. There are a few 'demons' the industry will have to confront to be able to grow and achieve levels of importance that are meaningful. These issues can be categorised into a few buckets:

1. How can we expand access to wholesome medicines and good pharmacy care for more Nigerians?
2. How can we distinguish the practice from the business of pharmacy?
3. How can we work to achieve inclusion of various stakeholders within the industry?
4. How can we get the regulators to facilitate the practice/business of pharmacy?
5. Which therapeutic classes and molecules shall we incentivise to build comparative manufacturing advantage over the next few years?

To drive sustainable growth in the pharma industry and position it as a priority sector, the players will have to 'rethink the thinking' behind a few practices and policies including regulations.

The industry will do well to open up the retail sector through collaboration with stakeholders that will enable capital flow into the sector. On the manufacturing /importing side, collaboration should be encouraged with more established companies in other climes focusing on Research and Development of select molecular types that are applied to treating ailments faced by majority of Nigerians.

Here are a few ideas we can explore to expand the pharma industry's size and scale.

1. Enabling access should be the focus of regulations, regulatory and professional bodies over the next decade. One of the ways to achieve this is to develop and explore a 'tiered' access model to fast-track the establishment of pharmacies in tier 2-4 cities across Nigeria. Patent medicine

dealers should be upgraded in terms of knowledge and encouraged to operate in an affinity format in these tier 2-4 cities. Existing retail pharmacies should be incentivised to set up a maximum of two satellite locations within their states of operation. The role of patent medicine dealers should be integrated into the pharmacy system and under control of Pharmacy Council laws and regulations. Necessary training on basic drugs and patients' management should be administered to assure quality and compliance.

The proposed Pharmacy Law awaiting passage by the National assembly may address this and open up opportunities in this area. This is hoping execution is not hampered by excessive regulations.

2. Distinguishing between the practice and business of pharmacy while ensuring compliance with professional laws and regulations should be pursued. The industry needs to make conscious effort to welcome investment capital by accepting the very vital place of the investing publics. Again, clear frameworks should be set for collaboration with non-pharmacists to expand the frontiers of the industry. Maybe now is the time to review the law regarding investment in retail practice by non-pharmacists. The pharmacists will profit to a large extent from opening up this space to investors. The pharma industry should seek more cooperation and openness and less competition, controls and exclusion.
3. The regulatory/professional bodies should consider aligning with stakeholders to remodel, upgrade and transform existing 'drug markets' into pharma distribution centers. This a more pragmatic step than trying to create new ones from scratch. The industry needs to face up to the reality and adapt its rules to facilitate access to wholesome medicines thereby increasing its importance and contribution to Nigeria's economy and wellbeing.
4. The pharma industry should position itself to become a priority sector in the face of growth or declining economy. The sector should commence more positive engagement with all publics to highlight its importance to healthcare provision for Nigerians. An engagement policy that highlights the

opportunities for and ongoing contribution to the health and wellbeing of Nigerians needs to be highlighted.

5. Regulators/regulations should become facilitators of expanding access to wholesome medicines and pharmacy care to a larger Nigerian populace. Such agencies at every level should streamline the process of registering products and outlets for wholesale, retail, importation and manufacturing purposes in ways that encourage industry expansion. Regulators should aim to register new products within three months at the latest, and this can be achieved in many ways – for example, partner with major international organisations for licensing of manufacturing laboratories in countries of interest and issue administrative approvals to intending importers and manufacturers to commercialise products, collaborate with countries with comparative quality standards and issue approvals to manufacturers who are already approved in these countries.

Regarding wholesale and retail premises locations and approval process, the relevant agencies should apply simple GPS technology to fast track the process, this will cut down the time it takes to register retail or wholesale premises. And the law on distance between outlets needs to be reviewed at least in tier 1 cities where we have seen high population density overtime.

We should also start looking at e-pharmacy model opportunities to deepen the penetration of wholesome medicines and good pharmacy care services. The entire industry will profit from it.

6. The industry needs to develop scalable 'therapeutic areas' of comparative advantage and incentivise targeted investors in manufacturing to ensure local production and then dovetail into vertical integration overtime. The relevant agencies of government will need to facilitate collaboration between local industries and select international companies to enable us develop research and development capability overtime. A 20-year rolling plan should be set to enable the manufacturing sector achieve targeted sufficiency in some molecular types.

The pharma industry in Nigeria as is, remains underperforming with glaring untapped opportunity. If the current approach is continued, industry growth will remain stunted with attendant negative impact to health and wellbeing of Nigerians.

Effort priority should be facilitating access by Nigerians to wholesome medicines and good pharmacy care. Existing operating models can be upscaled and refined to meet the standards of the law in the short to medium term while building framework for the future. Overall, we need to move from controls and enforcement to facilitating expansion and access to good pharmacy care services.