

DEVELOPMENT OF THE PHARMACEUTICAL INDUSTRY IN MOROCCO

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Introduction. Morocco's pharmaceutical industry is the country's second most important chemical industry after phosphate production, which in 2013 was included in the National Programme for the Development of Priority Industries. Morocco's pharmaceutical market is one of the top 5 fastest growing markets on the African continent. It is valued at around USD 2.5 billion and represents around 0.13% of the total value of trade in medicines in value terms. Morocco's pharmaceutical industry has a turnover of DHs (dirhams) 13.7 billion (USD 1.4 billion).

The aim of the study. To explore the development of the pharmaceutical industry in Morocco, looking at communication links with other countries in terms of the dynamics of pharmaceutical market expansion.

Methods of research. Legislation regulating the Moroccan pharmaceutical industry, electronic resources of the Moroccan Ministry of Health, the Embassy of Ukraine in Morocco, Moroccan Federation of Pharmaceutical Industry and Innovation and the National Guild of Pharmacists of Morocco were used to analysis the development of the pharmaceutical industry in Morocco [1, 2, 3, 4].

Main results. In 2010, the main importer of Moroccan pharmaceutical products was France (its share accounted for 66% of exports), since 2011 there was a reorientation of Moroccan pharmaceutical exports to Africa and the Persian Gulf. France accounts for 17% of exports, Côte d'Ivoire for 20%, Senegal for 15%, Burkina Faso for 11%, Algeria and Tunisia for 17%. The main export products of Morocco's pharmaceutical industry are antibiotics, painkillers and anti-infectives. However, Moroccan exports of medicines are still unable to offset the strong growth in imports seen since 2007, leading to a widening trade gap. In 2016, Morocco imported 5.4 billion dirhams worth of medicines and health products. Local production covers only 65% of consumption and imports 35%, whereas in 2010 these figures were 75% and 25% respectively.

Experts attribute this trend both to the state policy of import facilitation and the unfairness of some international pharmaceutical manufacturers based in Morocco. Experts note that a number of companies are increasing production volumes or are being burnt out in the country, while retaining the status of pharmaceutical production laboratories, which allows them to import medicines

The growing gap in the balance of trade in the medication market is also affected by the fact that most imports of medicines are expensive high-tech products such as vaccines and hormones. To rebalance the pharmaceutical market, Morocco plans to accelerate imports of medicines by boosting local production and increasing exports of Moroccan pharmaceuticals, expecting to return to 75% coverage of domestic consumption of medicines in the next five years.

Currently, around 10% of medicines produced in the Kingdom are exported (mainly to neighbouring African countries). Morocco plans to increase its exports of pharmaceuticals to USD 1 billion by 2023, up from USD 1 billion in 2002. Morocco

plans to expand its exports of pharmaceuticals to the Maghreb countries, particularly Algeria and Libya, the Persian Gulf region and Europe, by 2023.

The growth in the Moroccan pharmaceutical market has not exceeded 2.2% over the last two to three years. By comparison, in 2013-2014 this figure was 6%. The low per capita consumption of medicines and the deficit of health care provision in rural areas are the main factors hindering the growth of the Moroccan market.

The Kingdom has some 250 pharmaceutical distributors with a market share of around 40 companies. The country has positioned itself as a reexport centre to West African countries, claiming the role of a regional pharmaceutical leader. The country's pharmaceutical industry is eagerly invested by European and Arab countries, which is explained by Morocco's economic and political stability and its strategic position as a gateway to Europe and Africa. Morocco has 46 laboratories and 33 production facilities.

Private pharmaceutical market turnover (based on IMS Health): DHs 9 billion (USD 978 million) or 65.7% of the total Moroccan pharmaceutical market. The Ministry of Health registers 6,000 original pharmaceuticals. The pharmaceutical industry employs close to 40,000 men. The number of pharmacies in Morocco is over 11,000. As of 2016, the number of products was close to 425 million units (of which 325.8 million units). (Per capita consumption in 2016 was 413 dirhams (USD 44.8 million). The quality of medicines produced in the country meets international standards.

Some 2021 statistics:

- turnover of more than DHs 15 billion;
- 11.000 pharmacies;
- 450 million packs produced (not including exports);
- DHs 497 annual expenditure per inhabitant;
- Planned expansion of health coverage to 90% of the population by 2022.

Morocco is an example of stability in the region with an economy estimated at 314 billion in 2018 and a CAGR (compound annual growth rate) of 4.8% (between 2014-2018).

Representing around DHs 5 billion in value added, the national pharmaceutical industry is one of the highest value-added industries in the country. Thanks to constant investment in technological innovation, quality, training and, more recently, in the environment, the Moroccan industry confirms its civic dimension, which is indeed its strength. In addition to its economic dimension, the Moroccan pharmaceutical industry has an ambitious social mission: to make available to the general population effective and quality medicines capable of treating all pathologies.

The pharmaceutical sector is regulated by Law 17-04 of 22 November 2006, which requires that pharmaceuticals be opened in Morocco by the Secretary General of the Government (Secrétariat Général du Gouvernement, SGG) for an initial authorization, followed by a residual authorization from the Ministry of Health and the National Guild of Pharmacists of Morocco (Ordre des pharmaciens). The main systematic legislation in Morocco that regulates the import and commercialization of pharmaceutical products in Morocco is the Code of Pharmaceutical Products and Pharmacy Activity (Code du médicament et de la pharmacie). The procedure for starting commercialisation of a medicinal product on the territory of the country

requires obtaining an authorisation for commercialisation of the product (Autorisation de mise sur le marché, AMM). The AMM authorization is issued by the Moroccan Ministry of Health. Morocco has had a fixed system of prices for medicines since the 1960s. On 9 June 2014, Decree No. 2-13-852 of the Moroccan Government of 18 December 2013 on the system of prices for medicines in Morocco entered into force. The legislative changes are intended to generally reduce prices in the pharmaceutical market in the Kingdom, mainly for pharmaceutical products, which are most in demand among the population. Under the new rules, the end-user price of medicines in Morocco is calculated and priced by the Ministry of Health of the Kingdom depending on the manufacturer's minimum price for similar products without taxes and charges in 6 country markets (Saudi Arabia, Belgium, Spain, France, Portugal, Turkey). If an imported drug is not available in one of the above markets, the price of the product in Morocco is calculated according to the price of these drugs in the market of the country of manufacture (in exchange for Moroccan dirhams at Moroccan Central Bank exchange rate).

The listed commercial margin of the importing company is 10% of the value of the drug in the country of production (markets). This commercial margin also includes marketing costs for product promotion (so-called "frais d'approche") and costs of customs duties (2.5% for most medicinal products). In Morocco, a significant share of pharmaceutical products is taxed at 7% value added. At the same time, medicines for the treatment of cancer, drugs against viral hepatitis B and C, drugs for the treatment of diabetes, asthma, cardiovascular disease and VAT (value added tax) are exempt from HIV (human immunodeficiency virus).

The regulation on the import of pharmaceutical products is mainly tariff-based. For most medicines, especially rare, high-tech and lifesaving medicines, the duty is usually 2.5%. These include, in particular, drugs for the treatment of oncological diseases, HIV and others. For medicines, analogues of which are produced in Morocco, the tax can be 25% of the value of goods. Under local law, to register a foreign medicinal product for its distribution on Moroccan territory, the company may be asked to submit a set of documents for the drug to the Ministry of Health. The submission of registration documents is usually handled by the local distributor partner, who will help to specify the required list of documents. Documents are only accepted in French or English. The registration process and obtaining all necessary permits from the Ministry of Health often takes 6 to 9 months.

Conclusions. Analysis of data from official sources showed that the pharmaceutical industry in Morocco is developing dynamically, with each year increasing production of drugs, expanding market for pharmaceutical products to countries not only the African continent, but also in Europe, Asia and America.

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