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From global to local Ã¢â?¬â?? the need to build pharmaceutical self-sufficiency in the Middle East for a sustainable future

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Today, the Gulf Cooperation Council (GCC) markets are making significant strides in boosting the domestic production of pharmaceuticals. While the opportunities are ripe for the Middle East to pivot towards a more localised pharmaceutical landscape, the journey to success will demand collective action, significant financial commitments, and a unified vision between government entities and private stakeholders.



While global inflationary pressures are expected to ease this year, experts opine that the pharmaceutical sector may still grapple with its lingering effects. That said, with challenges come opportunities to build resilience and the outlook for innovation in the realm of health has never been more promising, especially in the Middle East.

The region is already a burgeoning hub for healthcare, showcasing remarkable growth trajectories and future potential. With an established pharmaceutical sector that houses more than 140 companies, accounts for approximately 2 per cent of the global pharma market, and is estimated to be worth $60 billion by 2025, the Middle East is anything but a passive player in the field. However, despite its booming market, the region's dependency on international counterparts for essential medicines and

healthcare products persists.

Localisation in the pharmaceutical sector entails developing domestic production capabilities and focusing on different aspects of the value chain within a specific country or region. This strategic initiative can serve as a catalyst for achieving self-sufficiency, increased fulfilment of domestic needs, and empowerment of national healthcare systems, which are essential foundations for a sustainable economy. By channelling investments into local manufacturing, Middle Eastern countries stand to gain through reduced import costs, lower labour costs, increased foreign direct investment, and improved prospects for exports to other states. Moreover, it also enables the nurturing and development of a skilled talent force, and technology driven industries along with accelerated research and development initiatives – driving innovation and global competency.

COVID-19 brought about a paradigm shift in the operations of the pharmaceutical industry across regions, and the Middle East was no exception. Serving as a wake-up call, the pandemic exposed the vulnerabilities in global supply chains reinforcing the need for localisation, forcing governments across the region to re-evaluate their strategies to bolster national production and minimise dependencies.

Today, the Gulf Cooperation Council (GCC) markets are making significant strides in boosting the domestic production of pharmaceuticals. For instance, boasting 23 manufacturing centres and a portfolio of 2,500 locally produced medications, the UAE's pharmaceutical sector is estimated to reach a value of $4.7 billion by 2025. With its aspiration to become a regional manufacturing hub on the back of improved infrastructure, the country also has plans to grow its pharmaceutical export market to about $297 million by 2025.

Similarly, Saudi Arabia, under its long-term plan embedded in Vision 2030 is actively expanding its local manufacturing prowess while opening avenues for exports. The Kingdom currently has 40 local factories in the pharma sector with revenue exceeding SR1.5 billion. Oman, for its part, is also taking substantive steps toward elevating healthcare within its Vision 2040 framework, making it a national priority. It is increasingly focusing on strengthening its pharmaceutical sector to cater to local needs.

In summary, while the opportunities are ripe for the Middle East to pivot towards a more localised pharmaceutical landscape, the journey to success will demand collective action, significant financial commitments, and a unified vision between government entities and private stakeholders. Equipped with ample resources, strategic plans, and established capabilities, the region holds the promise for a more autonomous future in healthcare that is not only sustainable but also gated against any uncertainties that lie ahead.

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