

Dr. Sanjay Advani, The Nation Newspaper – Tuesday 1, December 2009, Published Article,

Drug Maker Buys Colgate Factory

Beta Healthcare Kenya has acquired Colgate Palmolive's manufacturing plant in Nairobi at an undisclosed amount and plans to use it to diversify its products in Kenya. The transaction, which Beta Healthcare management says has been concluded, follows the closure of Colgate Palmolive's factory three years ago.

Beta Healthcare General Manager Dr. Sanjay Advani said last week the factory is being refurbished is expected to be ready for use by March next year. Colgate Palmolive ceased manufacturing in Kenya in 2006 and tendered out the plant after a review of its marketing and distribution operations as high production costs took their toll on business.

Though Beta Healthcare still decries high cost of production and a myriad other challenges in the country, especially in the last one year when consumer spending has been going down and seen a dip in sales for many manufacturers, the company is optimistic about prospects in the local and regional markets.

Through the newly acquired manufacturing plant and partnerships with other international pharmaceutical companies the company plans to introduce lifestyle drugs in Kenya, a radical shift in the strategy for a company that has been known for over-the-counter pain management drugs.

Dr. Advani said Beta Healthcare would in the next five months introduce the new range of products, which would also be available over the counter, as it diversifies its product offering to increase revenues. "We will in the course of this and next quarter introduce the drugs, at first import them from India and once the plant is ready for use, we should be able to start manufacturing locally," he said.

The new line will include vitality and energy supplements, weight loss pills, memory enhancing products for adults and children and a product for bone strength. "once they get hold of the market," he added, "which might take the next two to three years, the new products will double our revenues."

Lifestyle Medicines

Lifestyle drugs in the market are mostly imported and target high-end consumers. For instance, a month's supply of slimming pills currently retails at least Shs.2,000. It will also have to counter negative perception on such medication, especially about the side effects. Analysis, including medical doctors, have warned of side-effects of some drugs like sex enhancing or slimming pills, including pre-disposition to heart disease.

"The products are herbal in nature and have no side effects as is the case with modern medicine," said Mr. Advani "They are also affordable. Our earlier products have been popular with the older generation but have had problems with uptake among the younger generation, which will form the core target of our new range of products.