

Dr. Sanjay Advani, The Standard Newspaper - Tuesday 13, 2010, Published Article

Regional Pharmaceutical group eyes baby foods market

By Macharia Kamau

Beta Healthcare International plans to distribute baby food as part of its product diversification strategy. The pharmaceutical manufacturer is also readying itself to venture into Central and West African markets with its current product offerings. The company said it will, this month, launch Infacare, a baby formula, in Kenyan Market.

Dr. Sanjay Advani, the company's Chief Executive Officer said the firm would initially import the formula from an affiliate company, Aspen Pharmacare Holdings based in South Africa. "Aspen has a 60 per cent shareholding in Shelys Africa, which is the parent company to Beta Healthcare Kenya".

FIRM'S DIVERSIFICATION

Beta Healthcare Kenya has traditionally been known for its pain management drugs that include Mara Moja, Action and Good Morning Lung Tonic. Infacare, the baby formula too will be launched in the course of July, is part of the range of products that it is bringing to its stable diversify product offering.

Following acquisition of a larger plant and increase in production capacity, the firm said it plans to start distributing product to central and West Africa having already covered East Africa.

ENORMOUS DEMAND

He said the firm plans to eventually manufacture the formula at its plant in Industrial Area. There are currently about five baby formula products in the market that according to Advani barely meet demand in the Kenyan and larger East African market which he said is enormous.

"We have weighed the situation and can confidently say Infacare can be the largest brand in Kenya within its first year of introduction," he said.

Other than food baby formula, the firm recently introduced what it terms as lifestyle supplements, the healthy living range, which include Slimtrim, which is a weight loss product, Livlife which is a liver protector, Memcap a memory enhance, Jointcare (herbal supplement for strong bones), Megavit (multivitamin for children). Lady Zoom (for Female stamina and vitality).

The new range of products including the baby formula is a departure from its previous strategy that saw it manufacture mostly over the counter (OTC) pain management drugs.

"The products that we have introduced in the market in the course of this year are doing well. We are working with a time frame of three years within which we expect them to have a hold of the market and even have market leadership positions," he said. Within the three-year period, Advani said, the firm should be able to grow revenues by over 100 per cent.

Other firms currently doing baby foods for the Kenyan market include Haco Industries and Nestle. The latter is the market leader, with an estimated 45 per cent market share. Annual revenues for the market are in excess of Sh1 billion, having grown from Sh400 million in 2004 to Sh1.1 billion in 2008.

NEW PLANT

Meanwhile, the firm said it intends to increase its export markets after it started operation of its recently acquired manufacturing plant that has a larger production capacity. "We have weighed the situation and can confidently say Infacare can be the largest brand in Kenya within its first year of introduction,"

Beta Healthcare recently acquired Colgate Palmolive's manufacturing plant in Nairobi, following the firm's closure of the factory close to four years ago, which has three times the capacity of its old one.

Advani, who doubles up as Shelys Africa Chief Executive, said Beta Healthcare would use the larger facility to diversify its product offering in the local and regional market, including manufacture of the baby formula. It also intends to increase volumes of other products with an eye on other markets, including new ones in West Africa.

"We have just finished refurbishing the plant, it has three times more capacity than what we had previously," he said.

EXPORT MARKETS

The huge capacity gives the firm an opportunity to expand its export markets. Currently, the firm distributes a range of its products that are manufactured in Kenya to the five East Africa countries, Mauritius, Sudan, Ethiopia and Nigeria.