Health and Pharmaceutical Sector Quarterly Insights for Q4 2025

STREN & BLAN PARTNERS

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3 Theophilus Orji Street, Off
Fola Osibo Street, Lekki
Phase 1, Lagos, Nigeria.

contact@strenandblan.com
www.strenandblan.com
@strenandblan.com

Executive Summary

Q4 2025 marks an important period for Nigeria's health and pharmaceutical sector. It is no longer just about introducing new reforms, but about **strengthening what has already been put in place, expanding it, and earning global confidence.** While Q3 focused on setting up systems and structures, Q4 shows a sector that is now more comfortable handling **large investments, strong partnerships, and clearer rules.** This period shows Nigeria moving from simply carrying out reforms to **building a deeper, more mature health market,** one that investors can trust and regulators can manage.

This shift is reflected in the **size and quality of major deals** shaping the sector. Globally, Takeda's partnership with Innovent, worth up to **$11.4 billion,** shows continued global interest in cancer treatment innovation. This has clear lessons for countries like Nigeria that are working to develop and produce advanced medical treatments locally. Similarly, Thermo Fisher's **$9.4 billion acquisition of Clario** highlights how healthcare is becoming more dependent on **data, digital tools, and smarter clinical trials.** These are areas that Nigerian regulators and investors are now paying closer attention to as they plan the future of the health and life sciences industry.

Strategic deals also defined private sector activities domestically. The acquisition of Paelon Memorial Hospital by Iwosan Investments Limited (IWOSAN) reflects a growing appetite for scalable healthcare platforms capable of expanding access while maintaining quality. The partnership between the Healthcare Federation of Nigeria and the Private and Allied Veterans Coalition further illustrates the deliberate strengthening of private sector collaboration, aimed at pooling resources, expertise, and advocacy to complement public health delivery. These developments point to a maturing market where scale, governance, and integration are becoming competitive advantages.

Executive Summary

Moving on, the regulatory oversight in Q4 shifted decisively from reform statements to enforcement and standardisation. The launch of Nigeria's Trans Fatty Acid Regulation by the National Agency for Food and Drug Administration and Control (NAFDAC) aligns the country with global public health standards and signals a broader willingness to regulate lifestyle and non-communicable disease drivers. The Federal Government's new policy to standardise drug procurement introduces predictability into pricing, supply chains, and quality assurance, a critical signal for manufacturers and distributors assessing long-term commitments.

International engagement in Q4 further elevated Nigeria's strategic positioning. China's plan to establish Africa's first insulin plant in Nigeria marks a milestone in pharmaceutical manufacturing localisation and deepens bilateral economic ties. The World Bank's designation of Nigeria as a priority country to showcase Universal Health Coverage reforms provides powerful multilateral endorsement and is likely to unlock both technical assistance and catalytic funding. Complementing this, the Nigeria-Brazil memorandum of understanding on pharmaceutical production signals South-South cooperation aimed at technology transfer, active pharmaceutical ingredient development, and manufacturing resilience.

Q4 2025 closes the year with a sector no longer merely reforming, but coherently positioning itself as a continental platform for healthcare innovation, manufacturing, and capital deployment. For foreign investors, the message is clear: Nigeria's health economy is entering a phase where structure meets opportunity, and where regulatory clarity increasingly matches market potential.

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Notable Developments in the Health Sector in Q4

Takeda Signs Deal Worth up to $11.4bn with Innovent for Cancer Drug Hopefuls[1]

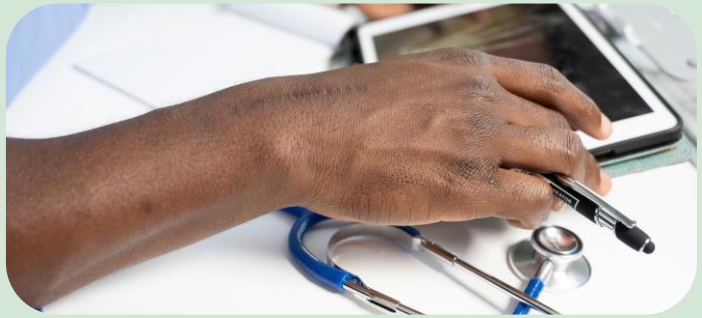
Takeda's agreement with Innovent, valued at up to USD 11.4 billion, marks one of the most consequential oncology partnerships of the year and reflects the intensifying global race to secure high-quality cancer assets. The deal, which was reported on 23rd October 2025, covers multiple oncology drug candidates, including therapies aimed at solid tumours and immune-mediated cancers, with Takeda obtaining development and commercial rights outside China while Innovent retains a strong role in research and its domestic market.

The transaction speaks to a broader shift in how large pharmaceutical companies are building their pipelines. Rather than relying solely on in-house research, global players are increasingly turning to partnerships with biopharmaceutical firms that have demonstrated scientific depth but may lack worldwide reach. Innovent's track record in advancing oncology products from early-stage development to regulatory approval made it a natural partner in a climate where late-stage, de-risked assets command significant premiums.

For the wider sector, the deal reinforces oncology's position as the most capital-intensive and strategically important therapeutic area in pharmaceuticals. It also highlights the growing integration of Asian innovation into global drug development, a trend that is reshaping clinical trial design, regulatory engagement, and manufacturing strategy worldwide. By committing resources at this scale, Takeda is signalling long-term confidence in cancer research despite pricing pressures and regulatory scrutiny. The partnership further underscores how collaboration, rather than competition alone, is becoming the defining feature of sustainable growth in the life sciences industry.

HFN, PVAC Sign Pact to Deepen Private Partnership in Healthcare[2]

The partnership between the Healthcare Federation of Nigeria (HFN) and the Private and Allied Veterans Coalition (PVAC) marks a significant step toward institutional consolidation within Nigeria's private healthcare sector.



Structured as a formal pact, the collaboration, which was announced on 24th October 2025, is intended to deepen coordination among private healthcare providers, financiers, and allied service organisations, while strengthening their collective capacity to engage with regulatory authorities and policy makers. At a structural level, the agreement seeks to create a more coherent private sector voice in discussions around health policy reform, regulation, and sector financing. Nigeria's private healthcare ecosystem has historically been characterised by fragmentation, with operators functioning in isolation and engaging the state on an ad hoc basis. The HFN PVAC pact responds to this challenge by promoting shared standards, coordinated advocacy, and joint initiatives aimed at improving service delivery and operational efficiency.

The collaboration also has implications for healthcare financing and investment. By aligning diverse private actors under a common framework, the partnership enhances transparency and reduces coordination risks for investors seeking exposure to healthcare assets, insurance models, and health technology platforms. It further supports the development of scalable public-private partnership (PPP) models at a time when government policy increasingly recognises the private sector as a critical partner in achieving universal health coverage.

IWOSAN Acquires Paelon Memorial Hospital to Expand Healthcare Access[3]

The acquisition of Paelon Memorial Hospital by Iwosan Investments Limited (IWOSAN) represents a carefully targeted expansion within Nigeria's private healthcare market, driven by the need to scale service delivery and strengthen institutional capacity. Paelon Memorial Hospital, a well-established private facility with a history of providing secondary and specialist care, brings to IWOSAN an existing patient base, clinical workforce, and physical infrastructure that would otherwise take years to build organically. While the financial terms of the transaction were not publicly disclosed, the acquisition reflects a growing preference for asset-based expansion over greenfield development in Nigeria's healthcare sector.

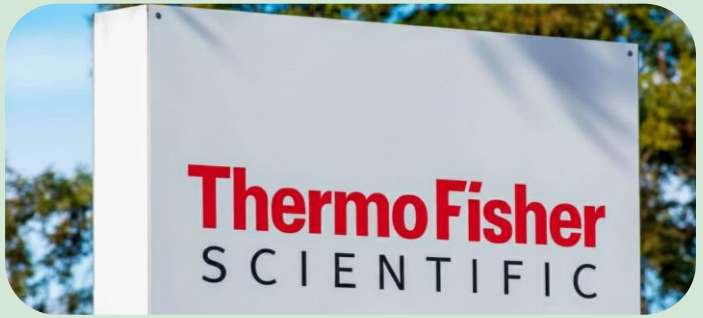
The transaction allows IWOSAN to immediately expand its service footprint while integrating Paelon into a broader operational and governance framework. This includes the standardisation of clinical protocols, consolidation of procurement systems, and the deployment of centralised management and quality assurance processes. Such integration is particularly important in Nigeria's fragmented private healthcare market, where scale often determines sustainability, regulatory compliance, and bargaining power within pharmaceutical and insurance supply chains.

More broadly, the transaction signals increasing confidence in Nigeria's private healthcare demand fundamentals, driven by population growth, urbanisation, and persistent gaps in public healthcare provision. IWOSAN's move reinforces the role of mergers and acquisitions as a key mechanism for expanding access, improving efficiency, and professionalising healthcare delivery across the country.

Thermo Fisher Deepens Clinical Data and AI Footprint with $9.4 Billion Clario Acquisition[4]

Thermo Fisher Scientific has announced its acquisition of Clario Holdings for up to nine point four billion dollars in a transaction that underscores the growing importance of clinical data and artificial intelligence in drug development. The deal, which was announced on 29th October 2025, involves nearly nine billion dollar\s in cash upfront, supplemented by deferred and performance-based payments that reflect Clario's projected growth and operational execution. Clario provides endpoint data solutions for clinical trials, integrating patient-generated data from wearables and devices with site-captured information into structured datasets ready for regulatory submission.

The company's technologies span electronic clinical outcome assessments, cardiac and respiratory monitoring, medical imaging, and real-time data capture, supporting a substantial portion of global drug approvals in recent years.



For Thermo Fisher, the acquisition represents more than an expansion of services. It strengthens the company's position as a full-service partner for pharmaceutical and biotech sponsors, enabling integrated evidence generation that reduces complexity, improves data quality, and accelerates decision-making. By combining Clario's digital platforms and analytic capabilities with its existing laboratory and clinical services, Thermo Fisher can offer sponsors a seamless workflow from data collection to insight generation. Financially, the acquisition is expected to be immediately accretive and generate significant synergies over time.

Regulatory Oversight and Enforcement

NAFDAC Launches Nigeria Trans-Fatty Acid Regulation[5]

On 27th October 2025, the National Agency for Food and Drug Administration and Control (NAFDAC) officially launched Nigeria's Trans Fatty Acid Regulation, setting limits on industrially produced trans fats and requiring clear labelling on all packaged foods. The regulation applies to locally produced and imported products, targeting categories such as baked goods, fried snacks, margarine, confectionery, and processed fast foods, which have traditionally contributed most to trans fat consumption. For food manufacturers, the regulation requires significant operational adjustments.

Companies will need to reformulate recipes, source alternative fats such as fully hydrogenated oils or naturally unsaturated vegetable oils, and update production processes to comply with the trans fat threshold.

While initial compliance costs, including research and development, ingredient substitution, and labeling updates, may be substantial, the regulation creates opportunities for differentiation in a market where consumers are increasingly health-conscious. Early adopters can gain a competitive advantage by positioning products as healthier options, potentially capturing new market segments.

From a public health perspective, the regulation is expected to reduce the prevalence of diet-related cardiovascular conditions, particularly in urban areas where processed foods are more prevalent. NAFDAC has outlined a monitoring framework, including inspections, random product testing, and penalties for non-compliance, indicating a commitment to enforcement and consumer protection. The regulation is likely to reshape supply chains, stimulate production of healthier oils and fats locally, and influence long-term dietary habits. Its significance lies not only in protecting public health but also in driving industry transformation, encouraging innovation, and reinforcing the principle that regulatory policy can be a powerful tool to improve nutrition and economic opportunity simultaneously.

FG Unveils New Policy to Standardise Drug Procurement[6]

In a decisive move to elevate the integrity and efficiency of pharmaceutical supply, the Federal Government has unveiled a comprehensive policy to standardise drug procurement across public health institutions. The framework imposes uniform procedures for tendering, sourcing, verification, and distribution of medicines, ensuring that public hospitals, primary healthcare centres, and state agencies operate under a single, transparent standard. This initiative reflects a strategic effort to safeguard public health, enhance accountability, and optimize government expenditure on essential pharmaceuticals.

Under the new framework, all procurement contracts are to be executed through competitive processes in line with the Public Procurement Act, with suppliers required to provide verifiable quality certifications and batch testing documentation in compliance with the National Agency for Food and Drug Administration and Control standards.

This structured approach establishes a traceable supply chain from manufacturer to end user, mitigating the risk of counterfeit or substandard products entering the healthcare system.

Furthermore, consolidation of procurement volumes is projected to improve bargaining power, reduce costs, and minimize wastage. Pharmaceutical companies and distributors benefit from clearly defined operational expectations, standardized contracts, and predictable reporting obligations, while public institutions gain enhanced oversight and enforceable accountability mechanisms.

The policy will be implemented in phases, beginning with high-demand essential medicines and expanding to specialty drugs and state-level procurement. Oversight committees at the federal and state levels will monitor compliance, with violations triggering contract termination or financial penalties.

Lagos to Establish New Agency to Regulate Private Health Facilities[7]

Recognising the need for a more coordinated and accountable private healthcare sector, the Lagos State Government has announced the establishment of a dedicated agency to regulate private health facilities. The agency will serve as the central authority responsible for licensing, monitoring, and enforcing compliance across hospitals, clinics, diagnostic centres, and specialised medical service providers operating within the state. Its creation reflects a strategic effort to strengthen patient safety, elevate standards of care, and enhance public trust in private health services.

Under its mandate, the agency will implement a comprehensive regulatory framework aligned with national and state healthcare laws. This includes periodic inspections, verification of facility infrastructure and equipment, assessment of clinical practices, and review of professional staffing credentials. Facilities that fail to meet prescribed standards may face penalties ranging from fines and mandatory corrective measures to suspension or revocation of operating licenses. The agency will also establish reporting and record-keeping requirements, ensuring transparency and accountability in all private healthcare operations.

For private healthcare providers, the initiative presents both compliance obligations and strategic opportunities. While facilities will need to invest in quality assurance, staff training, and operational documentation, adherence to regulatory standards can enhance credibility, attract insurance partnerships, and foster patient confidence. By creating uniform standards, the agency is expected to reduce systemic inefficiencies, prevent malpractice, and support the professionalisation of the sector.

The phased implementation will begin with high-volume hospitals and clinics, before expanding to smaller facilities. The agency's work is poised to position Lagos as a benchmark for private healthcare regulation in Nigeria, strengthening sector resilience, improving care delivery, and ensuring that citizens receive safe, reliable, and high-quality healthcare services.

International Updates

China Plans Africa's First Insulin Plant in Nigeria, Strengthening Economic Ties[8]

China's plan to establish Africa's first insulin manufacturing plant in Nigeria involves a structured investment agreement between Chinese stakeholders and a local partner entity. The transaction includes capital investment commitments, equity participation, and long-term operational agreements that define governance, revenue sharing, and intellectual property management. The facility will be incorporated under Nigerian corporate law, with all permits, licenses, and approvals secured in compliance with the Companies and Allied Matters Act and other relevant statutory provisions. Regulatory clearance from the National Agency for Food and Drug Administration and Control (NAFDAC) is central to the transaction, ensuring that production standards, quality controls, and safety protocols meet both domestic and international requirements.

The contractual framework specifies obligations for technology transfer, workforce training, and supply chain management, providing legal clarity on operational responsibilities and dispute resolution mechanisms.

The financial structure of the transaction includes upfront capital deployment for plant construction, equipment acquisition, and workforce development, supported by potential fiscal incentives under the Nigerian Investment Promotion Commission framework. Provisions for phased funding linked to regulatory milestones and operational performance are incorporated to mitigate risk and ensure compliance. The transaction also establishes channels for regional distribution, enabling Nigeria to supply insulin to neighbouring countries while maintaining regulatory oversight. By formalising ownership, licensing, and operational responsibilities within a legally enforceable framework, the agreement ensures accountability, protects intellectual property, and provides a transparent model for large-scale pharmaceutical investments in Africa.

World Bank Designates Nigeria as Priority Country to Showcase Universal Health Coverage[9]

On 17th October 2025, the World Bank designated Nigeria as a priority country to showcase progress toward Universal Health Coverage, reflecting confidence in the country's ongoing reforms in healthcare financing, regulatory oversight, and service delivery. This designation comes with structured support from the World Bank, including technical assistance, advisory programs, and potential financing instruments aimed at expanding access to essential health services nationwide. Under the program, Nigeria will implement targeted initiatives to strengthen health infrastructure, digital health systems, and workforce capacity.

Specific interventions include scaling up primary healthcare centres, establishing interoperable health information systems, and expanding enrollment under the National Health Insurance Scheme. The framework emphasises equitable access to quality medicines, vaccines, and clinical services, requiring coordination between the National Health Insurance Authority, the National Agency for Food and Drug Administration and Control, and other regulatory bodies to ensure compliance with safety, efficacy, and quality standards.

By linking regulatory compliance, structured financing, and performance-based oversight, the initiative positions Nigeria to demonstrate scalable models for Universal Health Coverage, strengthen health system resilience, and provide a replicable blueprint for other countries in Africa facing similar healthcare challenges.

Nigeria, Brazil Sign MOU to Boost Local Pharmaceutical Production[10]

In November 2025, Nigeria and Brazil signed a memorandum of understanding (MOU) to enhance local pharmaceutical production, formalising a strategic partnership aimed at reducing reliance on imports and strengthening domestic manufacturing capacity. The MOU establishes a collaborative framework for technology transfer, capacity building, regulatory alignment, and knowledge sharing, positioning Nigeria to leverage Brazil's pharmaceutical expertise in developing high-quality, internationally compliant production facilities.

Under the MOU, both countries have agreed to jointly implement programs in research and development, workforce training, and quality assurance. Brazilian partners will provide technical guidance on formulation processes, manufacturing protocols, and adherence to global best practices, ensuring that medicines produced in Nigeria meet the standards of the NAFDAC as well as international regulatory requirements. The agreement also outlines mechanisms for ongoing evaluation, monitoring, and certification of facilities to sustain operational excellence.

The MOU provides a clear framework for intellectual property management, licensing arrangements, and dispute resolution, ensuring that the responsibilities and obligations of both parties are well defined. It encourages structured investment through public-private partnerships, facilitating financing for infrastructure upgrades, equipment acquisition, and technology deployment. These provisions create transparency and accountability while supporting scalable industrial development. Strategically, the collaboration is expected to expand Nigeria's pharmaceutical output, improve access to essential medicines, and generate employment in manufacturing, logistics, and quality control.

Conclusion

Looking ahead to 2026, these initiatives are expected to produce measurable outcomes. The insulin plant is projected to begin localised production, improving availability and reducing costs for diabetes care. The Nigeria-Brazil MOU is likely to translate into operational pharmaceutical facilities and increased domestic drug output, while standardised procurement and regulatory enforcement will enhance quality and transparency in medicine supply. The Lagos agency is anticipated to begin licensing and inspections of private hospitals, improving compliance and patient safety.

Collectively, these developments set a trajectory for a more accountable, self-reliant, and technologically enabled healthcare system. In 2026, stakeholders should experience improved access to essential medicines, greater availability of specialised care, and enhanced regulatory oversight, demonstrating the tangible impact of coordinated policy, investment, and international collaboration.

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The Authors

Francisca Igboanugo

Team Lead

FranciscaIgboanugo
@strenandblan.com

Emmanuel Ughanze

Associate

EmmanuelUghanze
@strenandblan.com

Oluchukwu Nwakor

Associate

OluchukwuNwakor
@strenandblan.com


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