



Health and Pharmaceutical Sector Quarterly Round-up for Q3 2025

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Executive Summary

The third quarter of 2025 was a notable period in Nigeria's health and pharmaceutical trajectory, characterised by a sequence of reforms designed to enhance structural efficiency and restore investor confidence. Central to this evolving transformation was the establishment of the Empower Academy Nigeria, launched under the Presidential Initiative to Unlock the Healthcare Value Chain (PVAC) in partnership with the Empower School of Health, Geneva, and supported by the Federal Ministry of Health and Social Welfare. The Academy, formally inaugurated in April 2024, is envisioned to train thousands of professionals annually, cultivating the technical expertise and managerial competence required to advance Nigeria's strategic ambition of achieving substantial domestic pharmaceutical production by 2030. Concurrently, in Lagos, a new class of hospitals is performing advanced surgical procedures that were once the preserve of medical tourism abroad, a development that underscores the rising standards of healthcare

delivery and signals the gradual maturation of Nigeria's healthcare investment landscape.

Furthermore, the private sector remains a pivotal catalyst in sustaining this transformation. HealthCap Africa's HealthTech Unicorns Report 2.0 positions Nigeria as a hub for digital health innovation in Africa, underscoring the country's growing prominence in the continent's healthtech landscape. Similarly, the partnership between GETMEDCO and Sterling Bank exemplifies the growing intersection of financial inclusion and healthcare access. The recent Executive Order that reduced pharmaceutical production costs by 12% further consolidates local manufacturing capacity and reaffirms policy commitment to industrial self-sufficiency.

Moreover, the regulatory and infrastructural dimensions of the sector have witnessed significant consolidation. The closure of noncompliant pharmaceutical premises, the completion of over five hundred public health

projects, and the commissioning of a world-class cancer center in Benin City, Nigeria, reflect an intensified focus on institutional accountability and capacity building. Complementing these developments, legislative and bilateral initiatives, ranging from Jigawa State's mandatory genotype testing policy to Nigeria's strategic partnerships with China's Shanghai Haiqi and Japan's Ohara, illustrate a deepening resolve to embed quality, innovation, and global collaboration at the core of national health governance.

Collectively, these milestones reveal a sector in transition, propelled by reform, sustained by public-private synergy, and anchored in a collective determination to heal, produce, and lead. The trajectory of reform not only augurs economic diversification but also redefines Nigeria's standing in the continental health economy as a future hub of resilience, innovation, and pharmaceutical sovereignty.

Notable Developments in the Health Sector in Q3

Health and Pharmaceutical
Sector Quarterly Round-up
for Q3 2025



Nigeria Records 12% Drop in Pharma Production Costs Following Presidential Executive Order

In Q3, Nigeria experienced a 12% drop in pharmaceutical production costs following President Bola Tinubu's executive order signed in June 2024, which removes tariffs, excise duties, and value-added tax on specialised machinery, raw materials, and equipment used in drug manufacturing. The Minister of State for Health, Iziaq Salako, confirmed that at least 87 local manufacturers were already benefiting from the incentives under the order, covering nearly 1,000 Harmonised System codes.

No doubt, lower production costs improve profitability for local pharmaceutical firms and make the Nigerian market more attractive for

investment, particularly in manufacturing, supply chain infrastructure, and the development of upstream inputs. It also reduces entry barriers for new players who were previously deterred by high import duties and heavy tax burdens. Confidence in regulatory reforms and government-backed incentives will likely attract both domestic and foreign capital to the sector.

While this cost relief holds significant promise for enhancing competitiveness, market observers caution that downstream medicine prices have not uniformly declined, pointing to implementation and supply chain frictions.



10 Lagos Hospitals Delivering Advanced Surgeries and Challenging Outbound Medical Tourism

Nigeria's healthcare sector also saw a notable capacity shift in Q3, with at least ten Lagos hospitals recorded to be routinely delivering advanced surgeries domestically, thereby challenging the outbound medical tourism trend. This development was officially highlighted on September 15, 2025, during a health sector briefing by the Lagos State Government, which emphasised efforts to retain patients who hitherto travelled abroad for complex medical procedures.

These hospitals expanded their capacities and are adding specialised surgical units, improving diagnostic tools, enhancing ICU support, and recruiting or training highly skilled specialists in fields such as cardiothoracic surgery, neurosurgery, orthopedics, and oncology. Offering these treatments that match international standards has not only improved patient outcomes but also worked towards lowering the financial and emotional costs that families bear when seeking healthcare overseas. This development signals that Nigeria is increasingly secure for investment in complex healthcare infrastructure.



GETMEDCO and Sterling Bank Forge Groundbreaking Partnership to Elevate Healthcare Access

In the third quarter of 2025, GETMEDCO and Sterling Bank entered a partnership aimed at transforming healthcare access across Nigeria. The collaboration pairs GETMEDCO's expertise in medical supply chain and service delivery with Sterling Bank's financial infrastructure and community network. This alliance promises to improve the distribution of essential medical supplies, diagnostic tools, and telehealth services in underserved and remote regions. For Sterling Bank, the partnership represents a strong foray into health sector finance, enabling customer-centric products like health loans, mobile health payment solutions,

and financing terms that accommodate healthcare providers.

This partnership has the potential to redefine healthcare access in Nigeria by combining financial inclusion with medical infrastructure strengthening. It will also serve as a model for public-private cooperation in healthcare and propel more investments into the health ecosystem.



Nigeria Partners with China's Shanghai Haiqi to Establish First Local Insulin Production Plant

In September 2025, Nigeria's National Biotechnology Research and Development Agency (NBRDA) entered a landmark partnership with China's Shanghai Haiqi Industrial Company to establish its first local insulin production plant. This agreement was formalised through a Memorandum of Agreement. The plant is expected to significantly cut Nigeria's reliance on imported insulin, saving billions of naira in foreign exchange annually while improving access to this essential medicine for millions of Nigerians living with diabetes.

This is a major step in biotechnology/pharmaceutical manufacturing capacity. It is aimed at reducing dependence on imported

insulin, saving foreign exchange, ensuring regular availability, and lowering costs. The facility will also boost health security and industrial innovation by transferring biotechnology expertise, creating jobs, and improving local capacity in pharmaceutical manufacturing.

Ultimately, the establishment of the insulin production plant in partnership with Shanghai Haiqi represents a transformative step for Nigeria's healthcare and biotechnology sectors. If successfully executed, it could deliver affordable life-saving medication, foster innovation, reduce dependence on imports, and position Nigeria as a leader in biopharmaceutical production in Africa.

Legal and Regulatory Updates

Health and Pharmaceutical
Sector Quarterly Round-up
for Q3 2025

Pharmacy Council of Nigeria Seals 486 Pharmaceutical Premises in Niger State Over Regulatory Violations



The PCN's closure of 486 pharmaceutical premises raises questions about the hidden challenges within Nigeria's drug distribution network and what steps are being taken to ensure drug safety and compliance.

The Pharmacy Council of Nigeria (PCN) recently sealed 486 pharmaceutical premises across Niger State for various regulatory violations, underscoring the government's renewed commitment to sanitizing the pharmaceutical distribution chain and ensuring drug safety. The enforcement exercise, carried out in August 2025, covered both retail and wholesale outlets, including patent medicine shops and community pharmacies found to be operating without proper registration, professional supervision, or compliance with storage and quality standards.

According to the PCN's Director of Enforcement, Stephen Esumobi, the affected premises were shut down for offenses ranging from dispensing prescription drugs without the supervision of a registered pharmacist to selling counterfeit or substandard medicines. The Council also discovered several unlicensed operators engaged in large-scale drug sales in residential buildings and unapproved locations. The operation is part of PCN's nationwide drive to curb the proliferation of illegal drug

outlets and enforce adherence to the provisions of the Pharmacy Council of Nigeria Act 2022.

This crackdown carries broader implications for the pharmaceutical and healthcare ecosystem. For legitimate investors and operators, it reinforces the regulatory commitment to maintaining professional integrity and protecting consumers from unsafe or adulterated drugs. It also helps restore public confidence in the local pharmaceutical sector, encouraging more structured participation and compliance-driven investment.

The exercise demonstrates stronger institutional enforcement capacity within Nigeria's drug regulation system. It reflects a shift from reactive to preventive oversight, where erring operators face real sanctions for non-compliance. The PCN's sustained vigilance not only safeguards patient health but also enhances the credibility of Nigeria's pharmaceutical market, positioning it for more transparent and ethical growth in line with global standards.

Jigawa State Makes Genotype Test Mandatory for Couples

Jigawa State's new policy mandating genotype testing for intending couples marks a pivotal step in combating sickle cell disease, promoting early detection and informed decisions that could significantly reduce the disease's prevalence.

By institutionalizing pre-marital genetic testing, the policy underscores a broader shift toward preventive healthcare in Nigeria, reflecting the state's commitment to improving long-term health outcomes and reducing the burden of genetic disorders.

In Q3 2025, Jigawa State Government introduced a new policy making “genotype testing” mandatory for all intending couples before marriage, in a decisive move to curb the prevalence of sickle cell disease within the state. The policy, officially announced by Governor Umar Namadi, aims to promote public health awareness, prevent avoidable suffering, and reduce the growing social and economic burden of managing genetic blood disorders. Under the directive, couples are required to undergo genotype screening at accredited medical facilities and present valid test certificates before their marriages can be officially registered. The initiative, implemented through the state's Ministry of Health and the Primary Healthcare Development Agency, is supported by traditional and religious institutions to ensure compliance at community and grassroots levels. Health officials have also begun sensitisation campaigns across local government areas to educate residents on the implications of genotype incompatibility.

This policy represents a forward-looking public health intervention that balances social sensitivity with preventive healthcare. By institutionalising pre-marital genetic testing, the government is prioritising early detection and informed decision-making, potentially reducing the incidence of sickle cell anemia among future generations. It also reflects the broader trend among Nigerian states toward legislating preventive health measures as part of efforts to improve population-level outcomes.



FG Launches National Plan to Overhaul Brain and Spine Healthcare in Nigeria

The launch of Nigeria's National Plan for Brain and Spine Health represents a transformative move to elevate the country's capabilities in diagnosing, treating, and rehabilitating neurological and spinal disorders, positioning it as a regional leader in this critical field.

The plan's emphasis on upgrading facilities, expanding workforce training, and integrating advanced technology opens up significant opportunities for private healthcare providers and investors, particularly in equipment supply, telemedicine, and medical research partnerships.

The Federal Government of Nigeria launched a comprehensive National Plan for Brain and Spine Health, a strategic initiative designed to transform the diagnosis, treatment, and rehabilitation of neurological and spinal disorders across the country. Announced in September 2024 by the Coordinating Minister of Health and Social Welfare, Professor Muhammad Pate, the plan marks a bold step toward positioning Nigeria as a regional leader in neurosurgical and neurorehabilitative care.

The policy framework seeks to bridge critical gaps in infrastructure, workforce training, and access to specialised care. It includes the establishment of regional centres of excellence in brain and

spine health, the upgrading of neurosurgical facilities in federal teaching hospitals, and the integration of advanced diagnostic tools such as MRI and CT technology. The plan also emphasises capacity building through partnerships with international institutions to train neurosurgeons, neurologists, and spine specialists.

For investors and private healthcare providers, the reform presents promising entry points in equipment supply, hospital infrastructure, telemedicine integration, and medical training partnerships. It also creates potential for public-private collaboration in clinical research and innovation within neuroscience and rehabilitation technologies.



International Updates

Health and Pharmaceutical
Sector Quarterly Round-up
for Q3 2025

WHO Pushes for 50% Health Tax Hike on Tobacco, Alcohol, Sugary Drinks Globally to Curb Chronic Diseases

In Q3 2025, the World Health Organisation (WHO) launched a major global initiative urging countries to increase health taxes on tobacco, alcohol, and sugary drinks by at least 50% by 2035. Known as the “3 by 35” Initiative, the campaign was announced in July 2025 during the UN Finance for Development Conference in Seville. The move seeks to reduce the consumption of harmful products fueling non-communicable diseases such as heart disease, cancer, and diabetes, while also raising crucial public revenue amid shrinking development aid and growing public debt.

WHO estimated that a 50% price increase on these products across all countries could prevent as many as 50 million

premature deaths over the next five decades. The initiative also projects that governments could mobilise approximately one trillion dollars in additional revenue over the next ten years, which could be reinvested into healthcare, education, and social protection systems. Countries such as Colombia and South Africa have already demonstrated how increased excise taxes on tobacco and sugary drinks can reduce consumption while boosting government earnings. On one hand, higher taxes could drive the growth of alternative industries, such as healthy beverage production, wellness services, and diagnostics, and strengthen domestic health financing systems. On the other hand,

producers and distributors of tobacco, alcohol, and sugary beverages may face declining demand, new regulatory hurdles, and heightened scrutiny from both governments and advocacy groups.

The initiative represents a shift toward fiscal tools as instruments of public health reform. Countries implementing the policy will need to ensure that enabling tax legislation is transparent, enforceable, and harmonised with trade and investment laws. Effective enforcement, anti-evasion safeguards, and clear definitions of taxable goods will also be critical to avoiding disputes or regulatory loopholes.



FIDSON Healthcare Signs MOU with Japanese Firm Ohara, Highlights Partnership Benefits

The third quarter of 2025 also witnessed the signing of a Memorandum of Understanding between FIDSON Healthcare and the Japanese firm Ohara, outlining a strategic partnership aimed at enhancing pharmaceutical product quality and expanding technological capabilities in Nigeria. The agreement specified collaboration on research and development, with Ohara set to support FIDSON in areas such as advanced materials for drug formulation, analytical testing, and potentially co-manufacture of selected pharmaceutical components.

The partnership promises benefits for patients and industry alike. For consumers, it means higher quality medicines and more consistent supply chains as production adopts more stringent international standards. For FIDSON, the arrangement offers access to specialised expertise, modern laboratory practices, and possibly Japanese investment and technical assistance, reinforcing its position in the West African pharmaceutical market. From an investor perspective, the MOU with Ohara signals increasing foreign confidence in Nigerian pharma companies. It underscores the potential for public-private and international joint ventures as mechanisms for upgrading capacity, improving export potential, and engaging in global supply networks.

On the regulatory side, this collaboration raises important legal and compliance considerations. The parties will need to negotiate robust licensing and intellectual property agreements, ensure regulatory approval of imported or co-developed components, and adhere to safety and quality control rules. Contracts should clearly define liability in case of product failure, and mechanisms for dispute resolution should be established. Overall, FIDSON's partnership with Ohara shows how international collaboration can catalyse raising standards, enhancing capabilities, and integrating Nigeria's pharmaceutical sector more closely with global innovation and manufacturing networks.

愿景：成为受人尊敬的卓越的制药企业
Vision: to be a respected pharmaceutical company



Conclusion

Nigeria’s healthcare and pharmaceutical landscape is clearly entering a new phase of reform and modernization. The combined effect of fiscal incentives, such as the Executive Order on production costs, capacity-building programs like Empower Academy, and international partnerships in manufacturing,

positions the country to reduce import dependency and expand pharmaceutical sovereignty.

Sustaining this progress will require policy consistency, transparency in incentive implementation, and continued collaboration between the public and private sectors. With

appropriate governance and targeted funding, Nigeria is on course to emerge not only as a consumer of global medical innovation but as a regional producer, exporter, and knowledge hub for health technologies and pharmaceutical products in Africa.



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developed a clear vision for anticipating our clients' business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

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