

Clicks Pharmacy sees scope in SA for major growth

There remains considerable growth potential in SA for Clicks Pharmacy, the Clicks Group-owned pharmacy chain that operates in 254 Clicks retail stores, according to Dan Zinner, head of business development at the group.



Clicks Pharmacy is the largest corporate-owned pharmacy chain in SA and a major component of Clicks Group's growth strategy.

Zinner said yesterday, 16 September 2010, in an interview at a conference in Durban, that Clicks Pharmacy was exploring opportunities in other African countries.

Nevertheless, "the growth opportunity remains huge in SA" given that the group operated more than 370 Clicks stores across the country, and there were many of these stores where new pharmacies could be opened, Zinner said.

Future stores depend on a number of factors

The further establishment of pharmacies in Clicks stores in SA depended on a number of factors, including time, capacity, the shortage of pharmacists and the speed of regulatory processes.

Opportunities also existed for the pharmacies to work with the government on initiatives such as the acceleration of testing for HIV, the national health insurance scheme and other changes within the medical aid industry, he said.

For instance, the group was working with the government on a campaign to test 15 million South Africans for HIV within 15 months. So far, more than 12 000 people had been tested since the initiative started in May, with 9000 tested for free using kits supplied by Clicks or, in some provinces, by the government.

Zinner said the aim was to establish further strong partnerships with the government in the provision of primary healthcare across SA.

Weathered a 'tough period'

Willie Jordaan, head of professional services for Clicks Pharmacy, said the chain had worked hard to "improve efficiencies without affecting the quality of care", through "a tough period" after 2004 when the government first regulated the prices of medicine, and this had affected profit margins.

He said that from a pharmacy industry perspective, it was becoming important for the recent draft regulations on dispensing fees to be promulgated.

The draft regulations propose an increase in the dispensing fee of 30% to 32%. Jordaan said Clicks thought the increase was "fair".

The draft regulations, although capping the amount that pharmacies may charge in dispensing fees, would improve margins for some pharmacies and help make healthcare more affordable.

Jordaan said the shortage of pharmacists in the country was part of a worldwide trend and SA remained a recruiting country for pharmacists by large international groups.

Source: *Business Day*

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