

Government Policies and Performance of Pharmaceutical Firms in South-East, Nigeria

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Abstract: *The study aimed at investigating the effect of government policies and performance of pharmaceutical firms in South-East, Nigeria the specific objectives were; Determine the extent of relationship between tax policies and competitive advantage of Pharmaceutical industries in South-East, Nigeria; Evaluate the effect of regulatory policies and quality control of Pharmaceutical industries in South-East, Nigeria; The research work was anchored on and rational-choice theory. Survey research design was adopted. The population of the study was 1881. The statistical formula devised by Borg and Gall (1973), was employed to arrive at a sample size of 361. Pearson product-moment correlation analysis method was used in testing the hypotheses. The result of the hypotheses showed that Tax Policies has a significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria. Pearson's product moment correlation coefficient values between tax policies and competitive advantage of Pharmaceutical industries revealed ($r = 0.769$, $p < 0.05$); Regulatory Policies has a significant positive effect on quality control of pharmaceutical industries in South-East, Nigeria. Pearson's product moment correlation coefficient values between regulatory policies and quality control shows ($r = .790$, at $p < 0.05$). The study concluded that that government policies has significant positive effect on performance of pharmaceutical industries in South-East, Nigeria. The study recommended that Nigeria government should introduce tax exemptions on some specific medicines or active pharmaceutical ingredients, eliminate or reduce custom duties on pharmaceutical products and reduce the rate of value-added tax (VAT) to pharmaceutical products or specific medicines among others.*

Keywords: government policies, performance, pharmaceutical firms, tax policies, competitive advantage

INTRODUCTION

Background to the Study

Government policies is a key element in regulating pharmaceutical companies in Nigeria. The pharmaceutical sector is vital and plays a key role in the health of citizens. The pharmaceutical sector is a complex one, involving many different stakeholders such as the manufacturers themselves, national regulators, government ministries, wholesalers and others and has grown at an average annual rate of between 10 and 15 percent over the last five years (Anosike, Anekwe & Egbunike, 2021).

The pharmaceutical sector is a multibillion dollar industry with underutilized potential and Pharmaceutical Manufacturers Group of the Manufacturers Association of Nigerian asserted that the Nigerian pharmaceutical sector has the potential to be a leader in the production and this means that there is need for these stake-holders to put in additional effort to create an enabling environment to exploit the full potentials of the sector (Obukohwo, Olele & Buzugbe, 2018). Pharmaceutical industry is considered as one of the future strategic industries and continuous innovation of bio-technology, and the convergence of the pharmaceutical industry and other industries such as the IT industry, are expected to make the pharmaceutical industry more profitable and state-of-the-art (Moon, 2012).

The emergence of indigenous pharmaceutical companies began in the early 80s during a downturn in the nation's economy. These companies exploited gaps created by the difficulties experienced by the multinationals by manufacturing simple and common medicines such as analgesics and anti-malarias and these companies were up against several constraints, including challenges posed by infrastructural decay, unfair government policies, poor marketing and administrative structure, low capacity utilization, spiraling cost of business as a result of the high cost of inputs, lack of effective research and development etc. (GTB, 2018).

From past research, the National Health Policy revealed that there has been adownward trend in health development since 1993 which has attributed to irregularsupply and non-availability of good quality essential medicines and this led to the establishment of National Drug Policy in 1990which was entrusted with the duty of ensuring access to safe, effective and affordablegood quality drugs at all levels of health on the basis of health care needsbut the failure of the National Drug Policy (NDP) was attributed to a lot of factors among which include the failure of theNational Health Policy (NHP), smuggling and dumping of medicines as well asillegal sourcing of medicines which encourages sale of fake, substandard,adulterated drugs and unregistered drugs, lack of political will and lawenforcement, poor funding and poor development of the local pharmaceuticalindustries (Ebenezer, 2015).

The recent trend of pharmaceutical industries in the global market in 2010 has shown that the global sales of medicine totaled 874.6 billion U.S. dollars, up 4.1% from the previous year, the market share of North America was highest (\$335.1 billion, 38.3%); Europe (\$253.2 billion, 29.0%) and Asia/Africa/Australia (\$129.7 billion, 14.8%) and the growth rate shows that North America and Japan which have led the global pharmaceutical market have some stagnation in sales because the global pharmaceutical industry is dynamic and competition is heating up particularly, the patent expirations of blockbuster new drugs have led to major global pharmaceutical companies experiencing the dramatic drop of sales and the extra burden of developing new medicine. For example, since the patents of the top 10 products in the U.S. pharmaceutical market expired at the end of 2011, the competition of the production of the inexpensive general medicine has been becoming fierce even though the advanced countries like the United States, European Union countries, and Japan have invested a lot of money into R&D activities for a long time, they are facing obstacles in the development of new medicine containing new composite materials. This fact leads to the decrease of the productivity of the R&D activities and the drop of the increase rate in sales (Moon, 2012).

Over the past decades, there is evidence that suggests that the considerable Pharmaceutical manufacturing capacity in Nigeria is below 30% and about 70% of medicines consumed in Nigeria are imported into the country, local production can satisfy up to three quarters of national medicines' needs because the current status of the Nigerian healthcare sector where majority of the medicines used are imported is in direct contravention of the National Drug Policy who sought to promote pharmaceutical research and development of raw materials for manufacturing pharmaceutical and related products, increasing availability of high quality, effective, affordable, and safe medicines, through various means (Adigwe, 2021). The local production capacity of pharmaceutical companies in Nigeria cannot be separated from the monetary and tax policies in the country. The quality and extent of infrastructural development and the ease of doing business in the country are all economic realities that influence actors in the pharmaceutical industries to either produce locally or import essential medicines (Obembe, Adenipekun, Morakinyo and Odebunmi, 2022). The Nigerian pharmaceutical sector has come a long way from the pre-independence era when the pharmaceutical sector involved the distribution of imported drugs by the representatives of the different foreign manufacturers such as Beecham, May and Baker, Pfizer, Glaxo and J.I. Morrison (Ugbam & Okoro. 2017).

But notwithstanding, the performance of Pharmaceutical industries in Nigeria over the years has not been impressive. According to Dike, et al. (2021), management of organisations needs to understand the key benefits of employee performance so that they can develop consistent and objective methods for evaluating employees by determining the strengths, weakness and potentials of each employee. Government policies either domestic or foreign can impact positively or negatively on competitiveness or return on assets (profitability) of a firm. It is generally believed that monetary policy (exchange and inflation rates) instability constitutes a major constraint to domestic investment in Nigeria. For instance; exchange and inflation rates are important factors

affecting business organizations performance; Taxation policy can affect businesses because high tax rate on imported products would encourage local entrepreneurs to produce goods at home but high tax rate on raw materials will discourage domestic production and encourage imports; Lending rates of the banks and the financial policy of a government can affect the economy. If interest rate rises, investment falls because businessmen would not borrow at unviable rates and also affects the purchasing power of consumers thereby leading to a fall in business sales; Government subsidies for some business activity - e.g. provision of petroleum subsidy, tax holiday and removal of excise duties from inputs of real sectors in the economy; Government spending policy also affects business. For example, if the government spends more on a particular sector, this will increase the income of businesses that supply inputs in that sector (Ibrahim & Muritala, 2015). So it is advisable to spend more funds and give grants on research and development in pharmaceutical industries to enable them in finding new cures for incurable ailments.

Although, several researches have been conducted over the decade as it relates to government policies as they affect pharmaceutical industries in Nigeria. Despite these numbers of studies, little empirical studies exist on government policies and pharmaceutical survival in developing countries especially in Nigeria.

Statement of the Problem

Although Nigeria has a large human capital (approximately 190 million people) and vast natural resources, the country is still fraught with poverty, diseases and malnutrition (World Health Organisation, 2013). The World Health Organisation (WHO) rated Nigeria's health sector 187th out of 191 members (WHO, 2000). The heart of the healthcare system centres around the provision of essential medicines and the pharmaceutical sector is directly saddled with the responsibility of ensuring that essential medicines are available, accessible, and affordable to Nigerians and evidence from developed countries such as the United Kingdom and the United States of America show that the pharmaceutical industry can add significant value to the nation's economy which is struggling for recovery and growth.

The poor rating of the sector is due to a lack of standard equipment for production and storage of pharmaceuticals. As such, only a few of the pharmaceutical firms in Nigeria have the capacity to participate in the supply of anti-malaria, anti-TB medicines, anti-retroviral and other pharmaceuticals in international tenders.

Provision of adequate health care to their populations remains a major challenge for Nigerian governments. Unsatisfactory and inadequate access to essential drugs and other healthcare commodities is a key limitation that impacts on people's health in most developing and Least Developed Countries. About a decade ago, a seminal report enumerated 130 local drug manufacturers in Nigeria and identified that this represented about a third of the total

pharmaceutical manufacturing capacity in the West Africa sub region. Despite this apparent capacity, local manufacturing has not been perceived to make a commensurate impact on medicines' access in Nigeria. On the other hand, due to the small scale, the lack of money, and poor experience in R&D activities, poor government spending policies, high interest rates given by government, tax rates, regulatory policies given by government, high exchange rates, Pharmaceutical firms have some difficulty in exploring the global market and adapting to new environments which are characterized by fierce competition. Therefore, they are in jeopardy of even losing the domestic market.

Although, effective strategies or policies have been developed by government to curb shortcomings of the survival of Nigerian Pharmaceutical industries. Pharmaceutical industries in recent times are still faced with all these challenges. It is against this backdrop that the study examined government policies and performance of Pharmaceutical industries in South-East, Nigeria.

Objectives of the Study

The overall objective of this research investigated government policies and performance of pharmaceutical manufacturing industries in South-East, Nigeria. In order to achieve this, the research attempted to achieve the following objectives:

1. Determine the extent of relationship between tax policies and competitive advantage of Pharmaceutical industries in South-East, Nigeria.
2. Evaluate the effect of regulatory policies and quality control of Pharmaceutical industries in South-East, Nigeria.

Hypotheses

The following null hypotheses were formulated to guide this study:

Hypothesis One

Ho: Tax Policies has no significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria

Hypothesis Two

Ho: Regulatory Policies has no significant positive effect on quality control of Pharmaceutical industries in South-East, Nigeria.

Conceptual Framework

Government Policies

Several researchers have provided a comprehensive definition of the term ‘Government policies. Government policy is the principal guide to action taken by the administrative executive branches of the state with regard to a class of issues, in a manner consistent with law and institutional customs composed of national constitutional laws and regulations and is considered strong when it solves problems efficiently and effectively, serves justice, supports governmental institutions and policies, and encourages active citizenship (Omale, et. al. 2016). The government is seen as an important part of the economy of any country which in the form of legislation and economic security provides an appropriate context for optimal resource allocation as well as economic growth and development because it plays a role by creating infrastructure and facilities to increase economic productivity. This is in line with assertion of Madreseh, et. al. (2018), they view government’s economic policies as solely those policies that government expands public and underlying investments through them. Karnsomdee (2021) has defined Government policies a political activities, plans, and a scope of principles to be achieved by government and political actors in order to recognize public issues and make public decisions for the country’s development.

Government policies control the economy by involving technology and consumer stability, which in turn improve business performance and these policies collaborate technology between large and small companies to attract customers. They in turn, can increase sales and product innovation improve the innovative behavior of small businesses, especially in the form of providing assistance such as training, technology, market information and funds (Ismanu, et. al. 2019). Government policy refers to the series of actions taken by the government which has the purpose of altering a situation from one form to another, used by Governments to control or manage a number of issues which comprise operation of law and regulations, taxes, interest rates and market control and these tools of the government can directly or indirectly impact the financial performance of organizations (Ofei, et. al., 2020).

Tax Policy

Omotoso (2001) in Kuria, et. al. (2016), defined tax as a compulsory charge imposed by a public authority on the income of individuals, firms and companies as stipulated by the government acts or case laws irrespective of the exact amount of services rendered to the payer in return. According to Omesi, et. al. (2020) in Ebimobowei (2022), taxes are the main source of revenue to government all over the world. Taxation generally increases the costs of operation small enterprises. Taxation refers to a fee levied by the government or regional entities on transaction, product or activities in order to finance government expenditures (Kabajulizi, 2019). To compensate for the increased costs of operation, prices on goods are raised thus causing the

amounts of sales to go down, leading to reduced profits, reduced capital base and slow creation of employment resulting to slow growth (Maeri, 2017).

Regulatory Policies

Usar, et. al. (2020) defined regulation policies as the sustained and focused control exercised by a public agency over activities which are valued by a community but in healthcare, it reflects any set of influences or rules exterior to the practice or administration of medical care that imposes rules of behavior. Regulation serves three key functions: performance and quality improvement, ensuring that minimum standards are achieved and providing accountability for both performance levels and value for money. The Nigerian government has designed various ways to do this, and it is expected to equip the regulatory agencies with materials and manpower to effectively perform their duties. The regulatory environment is a subset of the external environment; and, refers to a variety of rules, regulations, policies, taxes, etc. that affect a business organization and has been identified as a controlling element for businesses to legally and freely function because incessant regulatory changes by governments often creates a highly turbulent business environment; which, may pose difficulties for managers in forecasting demand or anticipating responses to marketing strategies (Nosike, et. al. 2021).

Theoretical Framework

The theoretical foundation of this study is anchored on the Rational-choice theory. This theory was early popularized by a 1992 Nobel Memorial Prize Laureate in Economics Science, Gary Becker, who was one of the first to apply rational actor models more widely rationalism are words too often found and used in the literature of social science, are more widely espoused than practiced in policy-making. However, rationality is considered to be the 'yardstick of wisdom' in policy-making: This approach emphasizes that policy-making is making a choice among policy alternatives on rational grounds. Rational policymaking is "to choose the one best option". In politics, as well as economics, there is always the competition for scarce resources. Since the 1950s, the semblance between market competition for goods and political competition for power and its privileges has given a large number of scholars, especially social scientists, the impression that the economic methods could also be usefully applied in the study of politics (Ogu, 2013). Rational choice is simultaneously a method and a theory about how societal or governing processes work. In other words, this method attempts to explain a social behavior done by the individual, the rational actor or agent. It unpacks patterns of rule, institutions and social facts in general, according to analyses of individuals in activity, modeling individual actions assuming that they adopt the course of action according to their rational preferences (Fornasier & Sabine, 2019). Rational choice theory starts with the idea that individuals have preferences and choose according to those. The relevance of this theory to this work is that it helps management in pharmaceutical organisations in making decision about the future, understand individual and collective behaviours, calculate and compare potential costs

and benefits of different options in order to choose the one that is most likely to achieve their goals

Theoretical Exposition

Tax Policies and Competitive Advantage of Pharmaceutical Industries

Taxation has always been a concern of global significance because it affects every economy irrespective of national differences and constitute the principal source of government revenue and the beauty of any government is for its citizen to voluntarily execute their tax obligations without much coercion and harassment (Kuria, et. al. 2016). The government's tax policies affect the financial performance of pharmaceutical industries (Hendou, 2019). The expansion of the tax base is one of the government's efforts to maximize tax revenues (Agus, et. al. 2019). Many countries have previously enacted laws to impose or increase taxes on specific foods, such as soft drinks, sweets, chocolate, ice cream, or drug production, with the goal of combining budgetary and health benefits and a strong rationale for this is that an imposition of tax increases the price of such products, which in turn reduces consumption (Oluwakorede, et. al., 2022). This is to ensure the health of all citizens is the core responsibility of any country's health system and reducing the production of substandard drugs. The expansion of the tax base is one of the government's efforts to maximize tax revenues and also control and monitor pharmaceutical industries in Nigeria.

Government as an economic institution plays a vital role in the determination of the output performance and capacity utilization of manufacturing industry in Nigeria and apart from being the coordinating agent for manufacturing sectors and others, it also plays crucial roles in stimulating and influencing the market forces of demand and supply through its policy instruments (Adefoso, 2018). Bowen, Morara & Mureithi (2009) in Maeri (2017) explained that taxes are perceived to be a major problem for both young and old firms. The dependence on importation to meet the drug needs of an expanding population has implications on the growth of the local pharmaceutical industry, availability, and affordability of essential medicines in the country (Obembe, et. al. 2022). Small tax payers under the regular system of taxation are discriminated against, since the compliance requirements, cost of compliance and tax rates are the same for both small and large enterprises. Reducing the compliance costs and tax rate increases the small enterprises profit margin. Bandiyono & Augustine (2019) stated that to achieve success assessment in tax revenues, it important to pay attention to achieving tax administration objectives, including: increasing compliance of taxpayers, and implementing tax regulations uniformly to obtain maximum revenue at optimal costs. This aligns with the findings of Adefos (2018), Bagherzadeh and Vali Pour (2018) and Dashti Shahrokh (2017) in Hendou (2018) showed that tax policies affect the performance of organizations.

Tax policy and administrative measures mobilizes revenues, reduce economic distortions, improve resource allocation, and lift productivity and growth prospects of pharmaceutical industries but research has shown that tax compliance costs can add significantly to the tax burden that pharmaceutical firms face and are separate from their direct financial tax liability. The reason is that they include substantial fixed components—filing a value added tax (VAT) return costs the same regardless of the amount remitted—that can be especially large for growing pharmaceutical industries while the larger firms can also benefit from economies of scale due to specialization within firms. Similarly, post-filing procedures (e.g., claiming a VAT refund, undergoing a tax audit, or appealing a tax assessment) can be more challenging for small taxpayers and younger and less-experienced firms. To the extent that a high compliance burden diverts resources from productive activities (e.g., investment in physical capital, productivity-enhancing innovation) and increases input costs without creating additional output, firm productivity can decline (Norris, et. al., 2017). This is line with Adefoso (2018), who asserted that a firm with negative value-added, due to an unsuccessful project, will commonly have a hard time receiving the implied tax rebates from the government and if there is no-loss-offset in practice under the VAT, so that favourable outcomes are taxed while unfavourable outcomes do not save from taxes, a higher VAT rate should also discourage risk-taking. This also aligns with the view of Value Added Tax Act compliance may well be at least one of the vehicles to raise public fund for building local technology capacity in our healthcare system and to develop solutions on pharmaceuticals and medical consumables, and the health sector component of the Economic Sustainability Plan (ESP) (Nwonyuku, 2021).

Gordon (1989) in Kuri & Membi (2016), examined the effects of the microeconomic incidence of the VAT, i.e., whether it is fully passed through to output prices or shifted back onto profits. His findings shows that VAT in general raises the long-term level of output, but at the cost of initial output losses, which are in evidence even when the associated rise in the price level is accommodated by a corresponding shift in monetary policy. In addition to changes in the intertemporal distribution of growth, there are significant changes in the composition of GNP, which shifts away from consumption, toward business fixed investment and net exports. These changes are particularly pronounced when the VAT is fully passed through marked, while business profits are reduced, and the long-term increase in output is smaller. When the tax is partially shifted back, the gains in investment and trade are less Taxes, as a fiscal tool of government policy, can be used to attract investors and consequently enhance the performance of businesses and to make the businesses more competitive.

According to Hilton, Mahar, and Selto, (2006) in Kabajulizi, (2019), the lack of proper taxation policies is currently one of the most serious issues and inefficient taxation policies may damage firm's profitability and as a result complicate the difficulties of the firm's business. The tax environment for the pharmaceutical sector is not friendly. It was found in the research of Obembe, et. al., (2022) that pharmaceutical products are Value Added Tax (VAT) exempt.

However, drug importers and local manufacturers pay huge customs duties for importing Active Pharmaceutical Ingredients (APIs), excipients, packaging materials, and finished products. All these add to the cost of the product at the retail level. Apart from customs duties, local manufacturers and stakeholders in the sector also emphasized the challenges of multiple taxations and an inefficient tax system where tax dues are arbitrary and although the 2017 National Tax Policy which attempted to simplify and summarize the 2012 National Tax Policy document has failed in the improvement in the taxation system over the years and that local pharmaceutical industries are not currently enjoying any tax incentives which could help boost the sector.

Regulatory Policies and Quality Control of Pharmaceutical Industries

The regulatory environment has been identified as a controlling element for businesses to legally and freely function (Nosike, et. al., 2021). In Nigeria today, there is an influx into the market of fake machine parts, fake motor spare parts, fake chemicals, fake and adulterated food items, amongst many others. It may appear that almost every existing product has a fake counterpart (Ehrun, et. al., 2001). Regulation policies serves three key functions: performance and quality improvement, ensuring that minimum standards are achieved and providing accountability for both performance levels and value for money and therefore, to achieve effective regulation of pharmaceuticals would require a comprehensive legal and legislative framework that clearly specifies appropriate governance structures, technical expertise of regulators, sustainable funding, and performance monitoring strategies (Usar, et. al. 2020).

Regulation of pharmaceutical markets is normally targeted at providers, consumers and the industry, using regulatory instruments that best suit the policy objectives which often include universal access to quality, safe and affordable essential medicines (including devices and consumables) and their rational use and Drug production, distribution and consumption in Nigeria falls principally under the regulatory purview of the Pharmaceutical Council of Nigeria (PCN) and the National Agency for Food and Drug Administration and Control (NAFDAC), with the Federal Ministry of Health of Nigeria (FMOH) articulating policy frameworks for their modus operandi (Usar, 2014).

Nigeria's poor pharmaceutical regulatory environment and sporadic power supplies to energy-heavy industries are major drawbacks to foreign direct investment (FDI) and the country's inability to provide its own reliable high-capacity pharmaceutical sector contradicts its own rationale behind banning imported drugs. The National Agency for Food and Drug Administration and Control (NAFDAC), the World Health Organization (WHO), and the Pharmaceutical Society of Nigeria (PSN) are continually working towards raising the standards of locally produced medicines and supporting Nigerian drug makers in their pursuit of WHO prequalification status but however, as of November 2017, only four local drug makers, namely May & Baker, Chi Pharmaceutical, Evans Pharmaceuticals and Swiss Pharma Nigeria have

obtained WHO prequalification status to produce drugs in accordance with its Good Manufacturing Practice (GMP) standards (Pharmacexil, 2013).

According Usar & Bukar (2020), Pharmaceutical regulation in Nigeria is particularly weak, characterized by irregular regulatory inspections, weak enforcement and pervasive infringements and associated negative health outcomes and government has proffer policy solutions for improved regulatory performance that promotes public health in Nigeria.

Legal and Policy Framework for Pharmaceutical Regulation in Nigeria

- i. **National Drug Policy 1990:** This policy has the goals of improving availability, adequate supplies of drugs that are effective, safe, effective and affordable medicines and their rational use for all Nigerians. Nigeria has a National Drug Policy, developed in 1990 and revised in 2005 and 2021, with a goal “to make available at all times to the Nigerian populace adequate supplies of drugs that are efficacious, affordable, safe, and of good quality”, with overarching objectives that include ensuring the rational use of such drugs and stimulating local production of drugs and pharmaceutical raw materials through favorable policies and advocacy (HPC, 2022).
- ii. **Poisons and Pharmacy Act, Cap 366 of 1990:** The Act regulates the compounding, distribution, marketing and dispensing of drugs and medicinal products in Nigeria.
- iii. **Food and Drugs Act Cap 150 of 1990:** This prohibits the sale of certain drugs, foods, cosmetics and devices in some disease conditions, as well as export, import, distribution and sale of specific drugs. It further proscribes misinformation regarding drugs and the manufacture of food and drugs in unclean environments.
- iv. **Counterfeit and Fake Drugs (miscellaneous provisions) Act, Cap 73 of 1990:** This Act bans the production, importation, distribution and sale of any banned, counterfeit, adulterated or fake drugs in the country. It also disallows persons to sell drugs in open markets without permission from regulatory authorities. .
- v. **Pharmacists Council of Nigeria, Decree 91 of 1992.** The decree established the Pharmacists Council of Nigeria (PCN), which determines the standard of knowledge and skill required by persons seeking to become registered members of the pharmacy profession and establishes and maintains a register of persons qualified to practice as pharmacists. It also mandates the PCN to prepare and review the code of conduct for pharmacists and regulate and control pharmacy practice in all its ramifications.
- vi. **National Agency for Food and Drug Administration and Control Decree No. 15 of 1993:** The agency is responsible for regulation and control of imports, exports, manufacture, advertisement, distribution, sale, and use of foods, drugs, cosmetics, medical devices, bottled water and chemicals. It is also mandated to conduct appropriate tests to ensure compliance with standard specifications set by the council for the purpose of effective control of the quality of food, drugs, as well as their raw materials and their production processes.

- vii. **Drugs and Related Products (Registration) Decree No. 19 of 1993:** This decree outlaws the manufacture, importation, exportation, advertisement, sale or distribution of drugs, drug products, cosmetics or medical devices without prior registration. It also stipulates the registration procedure, conditions for suspension or cancellation of certificates of registration and clinical trials.

Empirical Review

Ebimobowei (2022) investigated the effects of corporate governance characteristics on tax planning of listed pharmaceutical firms in Nigeria from 2015 to 2020. The study used ex post facto correlational research design and a population of eleven (11) pharmaceutical firms made up the population of the study. The data was collected from the published financial statements of the sampled firms as at 31 December, 2020. The secondary data from the annual reports were analysed using univariate, bivariate and multivariate analysis. The multiple regression results disclosed that board size and board financial expertise positively and insignificantly impact tax savings; board compensation and board meetings negatively and insignificantly affects tax savings while gender diversity negatively and insignificantly influences tax savings. Board financial expertise positively and significantly influences book-tax difference while board size, gender diversity, board compensation and board meetings negatively and insignificantly impact book tax difference. The study concluded that corporate governance characteristics influences tax planning of listed firms in Nigeria and hence recommended amongst others that shareholders must preserve a structure to guarantee that the board is given financial incentives for effective tax planning that will assist to solve the agency problem where management exploits shareholders through tax planning practices.

Sadibo, Adesina & Obamuyi (2022) evaluated quality management practices in pharmaceutical industries in Nigeria amidst the competition among companies in the industry that gives room for threats and opportunities from the outside environment, creating the need for quality management practices in order to win the market. The papery also examines factors affecting quality management practices of the industry in Nigeria and its relevance to the society. This paper makes use of survey design and multi-stage sampling technique to collect data from 96 respondents with the aid of 22-item well-structured questionnaire from selected pharmaceutical companies in Ogun State, Nigeria. Data from this survey was tested by chi- square (X^2) at 0.05 alpha level. The result indicates that quality management has significant effect on production output and participation amongst employees, managers and organization as a whole. The paper concludes that manufacturer should be in a position to control the sources of product quality variation, namely materials, machine, method and men and also to ensure the correct and the most appropriate manufacturing and packaging practices.

Hassan & Ahmed (2022) examines the reaction of banking sector health to the shocks of monetary policy in Nigeria using a monthly time series dataset from January 2010 to December

2021. In the estimate instruments of monetary policy such as monetary policy rate, open buyback, treasury bills, liquidity ratio and cash reserve ratio were used while banking sector health was measured as loan-to-asset-ratio and loan-to-deposit ratio. In addition, the impulse response function was used as the technique of analysis. The results of this study reveal that monetary policy rate and cash reserve ratio impulse adverse shocks to banking sector health measured as a loan-to-asset ratio, while open buyback, treasury bills, and liquidity ratios have caused a positive shock to banking sector health. Differently, from the loan-to-deposit ratio, this study shows that shocks to the monetary policy rate, open buyback, and cash reserve ratio have transmitted negative shocks to the health of the banking sector. In addition, shocks from treasury bills and liquidity ratios have led to a positive reaction from the side of banking sector health. To make the banking sector so strong, the central bank should reduce the monetary policy rate and cash reserve ratio, and increase treasury bills and liquidity ratio.

Eche, Edidiong, Pam & Ato (2022) examined the impact of monetary policy on manufacturing sector contribution to gross domestic product in Nigeria. The study spanned through 1985 to 2019. This study adopted Autoregressive Distributed Lag (ARDL) Bounds testing approach to test for long run relationship. The long run dynamics are also captured from ARDL cointegration model. The results of the ARDL Bounds test suggest that there is a long run relationship between monetary policy and manufacturing sector contribution to gross domestic product. The result showed that in the short run (MPR) has a negative and significant impact on (MAN), while (DEL, LQR, INF and TRB) were found to exert positive and significant impact on (MAN). However, only (EXR) was found to exerting positive and insignificant impact on (MAN) for the period under review. While in the long run, (MPR) was also found to be negative and significant, while (EXR, DEL, and LQR) were found to be positive and insignificant. Incidentally, (INF and TBR) were found to exert positive and significant on the manufacturing sector contribution to gross domestic product in the long run. The study therefore concluded that manufacturing sector contribution to gross domestic product can be stimulated through effective and efficient monetary policy in both short and long run. As such, the study recommended that recommends that, to encourage steady growth of the gross domestic product, monetary policy rate should be managed in such a way as to favour the productive sector of the economy which the manufacturing sector is significant.

Awopegba, Afolabi, Adeoye & Akpokodje (2022) examines the effect of monetary policy rate (MPR) on market interest rates in Nigeria. For parsimony, we develop two indexes called the short-term interest rate (SINT) and Lending interest rate (LINT) to represent deposit and lending rates respectively. The nonlinear autoregressive distributed lag (NARDL) and threshold regression models are adopted. The study uses monthly data from 2002:M1 to 2019:M12. The results of the threshold regression model indicate that the degree of the effect of MPR on SINT and LINT above the estimated threshold of 11 and 13 percent respectively is greater and significant than if MPR were to be below the threshold. Moreover, estimates from the nonlinear

ARDL model show that increasing MPR induces a positive effect on short-term and lending interest rates, while a negative effect holds if MPR is decreased. For LINT, the magnitude of the negative effect is little, while for SINT, the effect is statistically insignificant. This depicts the downward stickiness of prices, which supports the argument that the inefficiveness of MPR only holds when it is adjusted downward. We recommend that the monetary authority should focus on reforming the banking system in ways that remove downward rigidities in the effect of MPR on interest rates in order to engender greater efficiency of monetary policy.

Akpogheli (2022) explicitly digs into the separated impact of fiscal and monetary policies as government stabilization policies on the Nigerian industrial sector performance as a real sector, from 1986-2021, using the ARDL Bounds Testing Approach. The data were filtered with use of Augmented Dickey Fuller unit root test while Johansen cointegration test was used to justify the long-run relationship among all included variables. Annual data were gathered from the Central Bank of Nigeria (CBN) Statistical Bulletin and World Bank Indicators (various issues). It was discovered that government stabilization policies are potent determinants on the industrial sector output in Nigeria both in the short-run and long-run. An appropriate monetary and fiscal policies mix and adjustments to match the dynamic nature of the economy would not only develop and sustain the Nigerian industrial sector but also enhance the living standard of the people.

Nosike, Anekwe & Egbunike (2021) examined the relationship between regulatory environment and performance of pharmaceutical companies in Anambra State, Nigeria. The study utilized the descriptive survey research design. The population comprised top and senior management personnel from one healthcare products provider and drug manufacturer in Awka metropolis. The study used the census technique and the sample comprised of the entire sixty-three employees from the two establishments. The study relied on primary data; obtained from a structured questionnaire. The questionnaire was designed in the Likert scale form. The data was analyzed using descriptive and inferential statistics. Pearson Product Moment Correlation Coefficient was used to validate the formulated hypothesis. The results showed that regulatory environment had a negative significant effect on organizational performance. Based on the findings, the study recommended among others that Government implements policies and measures that could trigger stability and reduce political risks. Managers should assess the strengths/weaknesses and opportunities/threats inherent in the environment and find ways of adapting to its changing nature.

RESEARCH METHODOLOGY

The researcher deemed it suitable to adopt a specific and scientific procedure in carrying out this research which is the survey method. Surveys attempt to answer questions of “what exists?” (Okeke, 2021). Survey research shows the possibility to collect wide scope of

information from large population and provides opportunity to deal with real situations, and development of research beyond description only (Sekaran & Bougie, 2019; Okeke, 2021).

Area of the Study

This study was conducted in South-East, Nigeria. South-East, Nigeria consists of five states; Anambra, Enugu, Abia, Imo, and Ebonyi.

Nature and Sources of Data collection

With respect to this research work, the researcher made use of primary and secondary sources of data. The primary sources of data include the questionnaire, while the secondary sources of data include the journals, magazines, textbooks, and internet. The questionnaire was structured into first and second parts. The first part answers demographic questions, while the second part answers the thematic questions geared towards appropriate response for the purpose of the research topic.

Population of Study

Stratified sampling method was adopted in selecting thirty pharmaceutical firms in this study due to the large number of pharmaceutical firms in South-East, Nigeria and the population drawn is 1881.

Determination of Sample Size

The sample size for the study was determined using Borg and Gall (1973) formula which states as follows:

$n = (2^a \times x)^2 (e) [N]$ where:

n = sample size to be determined

$2^a(x)$ = confidence level (1.960) at 0.05

e = error margin (0.05)

N = Population of interest (1656)

a = significant level

Therefore, $n = (1.960)^2 (0.05) [1881]$

n = 361

Hence the sample size is calculated to be 361

Sample Size and Sampling Technique

The pharmaceutical firms was selected using stratified sampling techniques due to the large number. The sampling technique used was the purposive sampling. Research participants included in the research was chosen based on the following attributes- key personnel (owners and administrative staff), should have been inexistence for more than 5 years. However, this was done in order that the researcher could be equipped with the ability to judge, select or

reject a respondent on the basis that he or she meets or fails to meet the purpose of the research.

Method of Data Analysis

The Statistical Package for Social Sciences (SPSS) version 22 was used to process the data to get inferential results while excel was used to present descriptive results. This involves descriptive statistics and inferential Pearson product-moment correlation analysis. Descriptive statistics, such as simple percentages, frequencies, mean scores and standard deviation was used to answer research questions, while Pearson Product Moment Correlation was used in testing the hypotheses.

Decision Rule: Probability value (P-value) measures the individual significant level of the individual independent variables. A P-value that is less than 0.05 (P-value < 0.05) level of significance, shows that the variable is significant but when the P-value is more than 0.05 (P-value > 0.05) level of significance, it shows that the variable is not significant.

DATA PRESENTATION AND ANALYSIS

The data generated were presented and analyzed in this section. The first section presented the distribution and return of research questions followed by the analysis of demographic data, and the analysis of data relevant to the research questions followed by test of hypotheses and discussion of findings.

Demographic Data Presentation and Analysis

The demographic features of the respondents were presented and analyzed in tables below:

Table 1: Gender of the Respondents

	Frequency	Percent
Female	199	60.9
Male	128	39.1
Total	327	100.0

Source: Field Survey, 2024

Table 1 presented and analyzed the gender of the respondents. One hundred and ninety nine respondents representing 60.9% were female while 128 respondents representing 39.1% were male. This implies that more female than male responded to the survey.

Table 2 Marital Statues

	Frequenc y	Percent
Single	96	29.4
Married	216	66.1
Separated/Divorced	15	4.6
Total	327	100.0

Source: Field Survey, 2024

Table 2 measured the marital status of the respondents. Majority of the respondents numbering 216 (66.1%) are married. This is followed by 96 respondents representing 29.4% who indicated that they are single while the remaining 15 respondents representing 4.6% are either separated or divorced.

Table 3: Age Bracket

	Frequenc y	Percent
20 - 30 Years	115	35.2
31 - 40 Years	112	34.3
41 - 50 Years	54	16.5
51 Years and above	46	14.0
Total	327	100.0

Source: Field Survey, 2024

Table 3 above indicates that 115 respondents representing 35.2% are within the age bracket of 20 to 30 years, 112 respondents representing 34.3% are within the age bracket of 31 to 40 years, 54 respondents representing 16.5% are within the age bracket of 41 to 50 years while the remaining 14 percent of the respondents are between the age bracket of 51 years and above.

Table 4: Educational Qualification

	Frequency	Percent
OND/NCE	130	39.8
B.Sc./HND	114	34.9
MSC/MBA	25	7.6
PhD/Others	16	4.9
GCE/WAEC	42	12.8
Total	327	100.0

Source: Field Survey, 2024

Table 4 above shows the educational qualifications of the respondents. The table indicates that 12.8% of the respondents have O'level as their educational qualification, 39.8% of the

respondents are OND/NCE holders, 34.9% of the respondents are B.Sc./HND holders, and 7.6% of the respondents have M.Sc./MBA, while 4.9% of the respondents have PhD and GCE/WAEC as their educational qualification.

Table 5. Work experience

	Frequenc y	Percent
➤ 1 Year	55	35.2
1 - 5 Years	92	28.1
6 - 10 Years	54	16.5
10 Years and above	126	38.5
Total	327	100.0

Source: Field Survey, 2024

Table 5 above indicates that 55 respondents representing 16.8% are have > 1 year work experience, 92 respondents representing 28.1% are within 1 to 5 years' experience, 54 respondents representing 16.5% are within of 6 to 10 years while the remaining 38.5 percent of the respondents are between the age bracket of 10 years and above.

Table 6: Job positions

	Frequenc y	Percent
Top owners	25	7.6
Middle management	118	36.0
Operational staff	184	56.2
Total	327	100.0

Source: Field Survey, 2024

Table 6 above indicates that 25 respondents representing 7.6% are top owners, 118 respondents representing 36.0% are middle management, and 184 respondents representing 56.2% are operational staff.

Analysis of Items Related to Research Question

The questionnaire items related to the research questions are presented and analyzed below:

Research Question 1: Taxation policies and competitive advantage of Pharmaceutical industries in South-East, Nigeria.

Table 7: Respondents view on government's tax policies affect the financial performance of pharmaceutical industries.

	Frequency	Percent
Strongly Disagree	18	5.5
Disagree	68	20.8
Agree	120	36.7
Strongly Agree	121	37.0
Total	327	100.0

Source: Field Survey, 2024

Table 7 above indicates that 37% of the respondents strongly agreed that government's tax policies affect the financial performance of pharmaceutical industries. 36.7% of the respondents agreed, 20.8% of the respondents disagreed while the remaining 5.5% of the respondents strongly disagreed.

Table 8: Respondents opinion on the expansion of the tax base is one of the government's efforts to maximize tax revenues

	Frequency	Percent
Strongly Disagree	20	6.1
Disagree	51	15.6
Agree	130	39.8
Strongly Agree	126	38.5
Total	327	100.0

Source: Field Survey, 2024

Table 8 above indicates that 38.5% of the respondents strongly agreed that expansion of the tax base is one of the government's efforts to maximize tax revenues, 39.8% of the respondents agreed, 15.6% of the respondents disagreed while the remaining 6.1% of the respondents strongly disagreed.

Table 9: Respondents opinion on imposition of tax increases the price of such products like soft drinks, sweets, chocolate, ice cream, or drug production, which in turn reduces consumption.

	Frequency	Percent
Strongly Disagree	23	7.0
Disagree	16	4.9
Agree	226	69.1
Strongly Agree	62	19.0
Total	327	100.0

Source: Field Survey, 2024

The table above indicates that 19% of the respondents strongly agreed that imposition of tax increases the price of such products like soft drinks, sweets, chocolate, ice cream, or drug production, which in turn reduces consumption, 69.1% of the respondents agreed, 4.9% of the respondents disagreed while 7% of the respondents were undecided.

Table 10: Respondents opinion on the expansion of the tax base is one of the government's efforts to maximize tax revenues and also control and monitor pharmaceutical industries in Nigeria

	Frequency	Percent
Strongly Disagree	8	2.4
Disagree	57	17.5
Agree	169	51.7
Strongly agree	93	28.4
Total	327	100.0

Source: Field Survey, 2024

Table 10 above indicates that 28.4% of the respondents strongly agreed that expansion of the tax base is one of the government's efforts to maximize tax revenues and also control and monitor pharmaceutical industries in Nigeria, 51.7% of the respondents agreed, and 17.5% of the respondents disagreed while the remaining 2.4% of the respondents strongly disagreed.

Table 11: Respondents opinion on tax policy and administrative measures mobilizes revenues, reduce economic distortions, improve resource allocation, and lift productivity and growth prospects of pharmaceutical industries

	Frequency	Percent
Strongly Disagree	36	11.0
Disagree	37	11.3
Agree	164	50.2
Strongly Agree	90	27.5
Total	327	100.0

Source: Field Survey, 2024

The table above indicates that 90 respondents representing 27.5% strongly agreed that Tax policy and administrative measures mobilizes revenues, reduce economic distortions, improve resource allocation, and lift productivity and growth prospects of pharmaceutical industries, 50.2% of the respondents agreed, and 11.3% of the respondents disagreed while the remaining 11.0% of the respondents strongly disagreed.

Research Question Two: Does regulatory policies influence quality control of Pharmaceutical industries in South-East, Nigeria?

Table 12: Respondents view on regulatory environment has been identified as a controlling element for businesses to legally and freely to function.

	Frequency	Percent
Strongly Disagree	29	8.9
Disagree	65	19.9
Agree	165	50.4
Strongly Agree	68	20.8
Total	327	100.0

Source: Field Survey, 2024

Table 12 above shows that 68 respondents representing 20.8% strongly agreed that regulatory environment has been identified as a controlling element for businesses to legally and freely to function, 50.4% of the respondents agreed, and 19.9% of the respondents disagreed while the remaining 8.9% strongly disagreed.

Table 13: Respondents view onregulation policies serves three key functions: performance and quality improvement, ensuring that minimum standards are achieved and providing accountability for both performance levels and value for money

	Frequency	Percent
Strongly Disagree	15	4.6
Disagree	43	13.1
Agree	161	49.2
Strongly Agree	108	33.0
Total	327	100.0

Source: Field Survey, 2024

Table 13 above indicates that 49.2% of the respondents strongly agree that regulation policies serves three key functions: performance and quality improvement, ensuring that minimum standards are achieved and providing accountability for both performance levels and value for money, 33% of the respondents agreed, 13.1% of the respondents disagreed while the remaining 4.6% of the respondents strongly disagreed.

Table 14: Respondents view onregulation of pharmaceutical markets is normally targeted at providers, consumers and the industry, using regulatory instruments that best suit the policy objectives which often include universal access to quality, safe and affordable essential medicines

	Frequency	Percent
Strongly Disagree	18	5.5
Disagreed	65	19.9
Agree	190	58.1
Strongly Agree	54	16.1
Total	327	100.0

Source: Field Survey, 2024

Table 14 above shows that 16.1% of the respondents strongly agreed that Regulation of pharmaceutical markets is normally targeted at providers, consumers and the industry, using regulatory instruments that best suit the policy objectives which often include universal access to quality, safe and affordable essential medicines, 58.1% of the respondents agreed, 19.9% of the respondents disagreed while the remaining 5.5% of the respondents strongly disagreed.

Table 15: Respondents opinion on Nigeria's poor pharmaceutical regulatory environment and sporadic power supplies to energy-heavy industries are major drawbacks to foreign direct investment

	Frequency	Percent
Strongly Disagree	15	4.6
Disagree	24	7.4
Agree	158	48.3
Strongly Agree	130	39.8
Total	327	100.0

Source: Field Survey, 2024

The table above indicates that 130 respondents representing 39.8% strongly agreed that Nigeria's poor pharmaceutical regulatory environment and sporadic power supplies to energy-heavy industries are major drawbacks to foreign direct investment, 48.3% of the respondents agreed, and 7.4% of the respondents disagreed while the remaining 4.6% of the respondents strongly disagreed.

Table 15: Respondents view on whether pharmaceutical regulation in Nigeria is particularly weak, characterized by irregular regulatory inspections, weak enforcement and pervasive infringements and associated negative health outcomes

	Frequency	Percent
Strongly Disagree	55	16.8
Disagree	57	17.4
Agree	175	53.5
Strongly Agree	40	12.2
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 12.2% of the respondents strongly agree that Pharmaceutical regulation in Nigeria is particularly weak, characterized by irregular regulatory inspections, weak enforcement and pervasive infringements and associated negative health outcomes, 53.5% of the respondents agreed, 17.4% of the respondents disagreed while the remaining 16.8% of the respondents strongly disagreed.

Research Question three: on Competitive advantage of Pharmaceutical industries in South-East, Nigeria.**Table 16:** Respondents view on my firm hire contractors that have specialized expertise that enables my firm stay ahead of competitors

	Frequency	Percent
Strongly Disagree	47	14.6
Disagree	31	9.4
Agree	152	46.4
Strongly agree	97	29.6
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 14.6% of the respondents strongly disagreed that my firm hire contractors that have specialized expertise that enables my firm stay ahead of competitors, 9.4% of the respondents disagreed, 46.4% of the respondents agreed while the remaining 29.6% of the respondents strongly agreed.

Table 17: Respondents view on my firm makes better use of data to drive more effective launches and respond to market opportunities.

	Frequency	Percent
Strongly Disagree	37	11.3
Disagree	31	9.5
Agree	122	37.4
Strongly agree	137	41.8
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 11.3% of the respondents strongly disagreed that my firm makes better use of data to drive more effective launches and respond to market opportunities, 9.5% of the respondents disagreed, 37.4% of the respondents agreed while the remaining 41.8% of the respondents strongly agreed.

Table 18: Respondents view on my firm is continuously improving in their innovation strategy.

	Frequency	Percent
Strongly Disagree	37	11.9
Disagree	41	12.7
Agree	112	34.4
Strongly agree	137	40.9
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 11.9% of the respondents strongly disagreed my firm is continuously improving in their innovation strategy, 12.7% of the respondents disagreed, 34.4% of the respondents agreed while the remaining 40.9% of the respondents strongly agreed.

Table 19: Respondents view on my firm has access to specialized expertise.

	Frequency	Percent
Strongly Disagree	27	8.2
Disagree	51	15.5
Agree	112	34.4
Strongly agree	137	40.9
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 8.2% of the respondents strongly disagreed my firm has access to specialized expertise, 15.5% of the respondents disagreed, 34.4% of the respondents agreed while the remaining 40.9% of the respondents strongly agreed.

Table 20: Respondents view on my firm continuously invest in their brand equity.

	Frequency	Percent
Strongly Disagree	22	6.1
Disagree	61	18.6
Agree	114	34.1
Strongly Disagree	140	43.0
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 43.0% of the respondents strongly agreed, 34.1% of the respondents agreed, 18.6% of the respondents disagreed while the remaining 6.1% of the respondents strongly disagreed.

Research Question on quality control of Pharmaceutical industries in South-East, Nigeria.

Table 21 Respondents view on if my firm engage in rigorous testing to detect and prevent defects or deviations in the manufacturing process

	Frequency	Percent
Strongly Disagree	58	17.8
Disagree	27	8.3
Agree	123	37.5
Strongly Agree	119	36.4
Total	327	100.0

Source: Field Survey, 2024

The table above indicates that 36.4% of the respondents strongly agreed my firm engage in rigorous testing to detect and prevent defects or deviations in the manufacturing process, 37.5% of the respondents agreed, 8.3% of the respondents disagreed while 17.8% of the respondents were undecided.

Table 22: Respondents opinion on inspections are done regularly to ensure that production processes adhere to quality criteria and regulations

	Frequency	Percent
Strongly Disagree	12	3.7
Disagree	86	26.3
Agree	150	45.8
Strongly Agree	79	24.2
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 24.2% of the respondents strongly agreed that Inspections are done regularly to ensure that production processes adhere to quality criteria and regulations, 45.8% of the respondents agreed, 26.3% of the respondents disagreed while the remaining 3.7% of the respondents strongly disagreed.

Table 23: Respondents opinion onmy firm comply with regulatory standards to maintain public health and safety

	Frequency	Percent
Strongly Disagree	12	3.7
Disagree	36	26.3
Agree	150	45.8
Strongly Agree	129	24.2
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 24.2% of the respondents strongly agreed that my firm comply with regulatory standards to maintain public health and safety, 45.8% of the respondents agreed, 26.3% of the respondents disagreed while the remaining 3.7% of the respondents strongly disagreed.

Table 24: Respondents view on whetherinternal audits are used in assessing compliance and identify problems that could lead to patient harm or product adulteration

	Frequency	Percent
Strongly Disagree	32	9.7
Disagree	35	10.7
Agree	183	56.1
Strongly agree	77	23.5
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 23.5% of the respondents strongly agreed that internal audits are used in assessing compliance and identify problems that could lead to patient harm or product adulteration, 56.1% of the respondents agreed, and 10.7% of the respondents disagreed while the remaining 9.7% of the respondents strongly disagreed.

Table 25: Respondents view on whethermy firm continually engage in competency-based training to ensure quality, safety, and regulatory compliance.

	Frequency	Percent
Strongly Disagree	36	11.0
Disagree	55	16.8
Agree	107	32.7
Strongly agree	129	39.5
Total	327	100.0

Source: Field Survey, 2024

Table above indicates that 39.5% of the respondents strongly agreed that my firm continually engage in competency-based training to ensure quality, safety, and regulatory compliance, 32.7% of the respondents agreed, and 16.8% of the respondents disagreed while the remaining 11.0% of the respondents strongly disagreed.

Testing of Hypotheses

Hypotheses testing is necessary in order to ascertain the authenticity or negativity of the assumption or claims made by the researcher before the actual investigation was carried out. As earlier stated, the statistical tool adopted for testing the hypothesis formulated for the wing null hypotheses were formulated to guide this study:

Hypotheses One

H₀:Tax Policies has no significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria.

H₁:Tax Policies has a significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria.

Decision Rule: in interpreting the strength of relationship between the variables, the guideline given by Osisioma (2009): from 0.0 to ± 0.2 = slight/no correlation, 0.2 to ± 0.4 = low correlation, 0.6-0.8 = strong correlation and 0.9 to ± 1.0 = very strong/perfect correlation

Table 26: Result of Pearson product-moment correlation analysis between tax Policies and competitive advantage of Pharmaceutical industries in South-East, Nigeria

Correlations			
		Tax policies	Competitive advantage
Tax policies	Pearson Correlation	1	.769**
	Sig. (2-tailed)		.000
	N	327	327
Competitive advantage	Pearson Correlation	.769**	1
	Sig. (2-tailed)	.000	
	N	327	327

** . Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey, 2024

Interpretations

Table presents result of Pearson Product Moment Correlation (PPMC) test on the relationship between tax policies and competitive advantage of pharmaceutical companies. The correlation table revealed that there is a strong and significant positive relationship between tax policies and competitive advantage of Pharmaceutical industries in South-East, Nigeria ($r = 0.769$, $p < 0.05$). This implies that tax policies helps to increase competitive advantage of Pharmaceutical industries in South-East, Nigeria. Therefore, the finding indicates that there is a significant positive relationship between tax policies and competitive advantage. Based on this result, the null hypothesis one (H_0) which states that there is no significant relationship between tax Policies and competitive advantage of Pharmaceutical industries in South-East, Nigeria is hereby rejected.

Hypotheses Two

H_0 :Regulatory Policies has no significant positive effect on quality control of Pharmaceutical industries in South-East, Nigeria.

H_{02} :Regulatory Policies has a significant positive effect on quality control of Pharmaceutical industries in South-East, Nigeria.

Decision Rule: in interpreting the strength of relationship between the variables, the guideline given by Osisioma (2009): from 0.0 to ± 0.2 = slight/no correlation, 0.2 to ± 0.4 = low correlation, 0.6-0.8 = strong correlation and 0.9 to ± 1.0 = very strong/perfect correlation.

Table 27: Result of Pearson product-moment correlation analysis between regulatory policies and quality control

Correlations			
		Regulatory policies	quality control
Regulatory policies	Pearson Correlation	1	.790**
	Sig. (2-tailed)		.000
	N	327	327
quality control	Pearson Correlation	.790**	1
	Sig. (2-tailed)	.000	
	N	327	327

** Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey, 2024

Interpretations

The correlation in Table shows that there is a significant relationship between regulatory policies and quality control. The Pearson's product moment correlation coefficient values reveal a strong positive and significant correlation between regulatory policies and quality control ($r = .790$, at $p < 0.05$). This implies that an increase in regulatory policies will increase quality control of pharmaceutical companies. Based on the findings, the study therefore rejects the null hypothesis two (H_0) which states that regulatory Policies has no significant positive effect on quality control of Pharmaceutical industries in South-East, Nigeria.

DISCUSSION OF FINDINGS

This study investigate the relationship between government policies and performance of Pharmaceutical industries in South-East, Nigeria. Pearson product-moment correlation analysis was used in analyzing the data generated through primary data. The result of the analysis reveals that:

Tax policies and competitive advantage of Pharmaceutical industries

The first hypothesis shows that Tax Policies has no significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria. This result is consistent with the views of Irau (2019) , found out in their research work that there that tax is a tool for fiscal policy employed by the government to influence the business negatively or positively depending on the nature of business activities in a country. Agus & Yvonne (2019) in their study stresses the importance of levers of control and learning organizations have a strong and positive effect on organizational performance, so does organizational performance on tax compliance. This aligns with the findings of Hendou (2019), shows that government tax policies affect the performance of small and medium enterprises in West Azarbaijan Province with regard to the mediating role of entrepreneurial orientation.

Regulatory policies and quality control of Pharmaceutical industries

The second result of the hypothesis revealed that regulatory policies has a significant positive effect on quality control of Pharmaceutical industries in South-East, Nigeria. This in line with Usar & Bukar (2020), who asserted that there is a positive and significant effect of improving services at pharmaceutical retail outlets to achieve health system objectives will require a modification of current rigid control approach by integrating market driven strategies that creatively engages all stakeholders, while recognizing appropriate relationships and balance between needs and standards. Akpoghelie (2022) asserted that appropriate monetary and fiscal policies mix and adjustments to match the dynamic nature of the economy would not only develop and sustain the Nigerian industrial sector but also enhance the living standard of the people

Summary of Findings

1. Tax Policies has a significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria. Pearson's product moment correlation coefficient values between tax policies and competitive advantage of Pharmaceutical industries revealed ($r = 0.769$, $p < 0.05$).
2. Regulatory Policies has a significant positive effect on quality control of pharmaceutical industries in South-East, Nigeria. Pearson's product moment correlation coefficient values between regulatory policies and quality control shows ($r = .790$, at $p < 0.05$).

CONCLUSION AND RECOMMENDATIONS

This work examined the relationship between government policies and performance of Pharmaceutical industries in South-East, Nigeria. Data generated from the selected pharmaceutical industries were tested using Pearson's product moment correlation coefficient. The study found that tax Policies has a significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria; regulatory policies has a significant positive effect on quality control of pharmaceutical industries in South-East, Nigeria; government spending policies has a significant positive effect on quality assurance of pharmaceutical industries in South-East, Nigeria. The study recommended that Nigeria government should introduce tax exemptions on some specific medicines or active pharmaceutical ingredients, eliminate or reduce custom duties on pharmaceutical products and reduce the rate of value-added tax (VAT) to pharmaceutical products or specific medicines. Government should ensure that there is a strong regulatory agency that ensure that pharmaceutical manufacturers adhere to good manufacturer practice established by WHO (World health organisation) on packaging, storage, inspection of manufacturer facilities and collaboration with research institutes and the petrochemical industry to ensure that quality medicines are produced.

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