

Ahmed Kelani - Chairman & Managing Director, Egyptian International Pharmaceutical Industries Company (EIPICO)



EIPICO will become the first company in the MENA region to produce biological products starting from the cell line all the way through upstream, downstream, formulation and packing to the final dosage form

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The chairman of EIPICO – Egypt’s largest pharma company by units –, Dr Ahmed Kelani, outlines the company’s ambitious growth strategy, which includes the construction of the first biological & biosimilar production plant in Egypt. The plant is expected to commence production at the end of 2023 and would become the first of its kind in the Middle East and North Africa (MENA) region. Moreover, Dr Kelani analyses important trends affecting the Egyptian market, and comments on the importance of the country having a local source of APIs.

Can you begin by explaining how you first got involved with the Egyptian International Pharmaceuticals Industries Company (EIPICO)?

I have been with the company for three years, since 2019. Prior to joining EIPICO, I worked for Medical Union Pharmaceuticals (MUP) and a few other Egyptian pharma companies, serving as a sort of fixer of problems, and helping to remodel their operations.

EIPICO is currently the number one company in the Egyptian market by units and number five in terms of value. The company used to be the largest one in the country and was the first to apply the investment law in 1980, starting production in 1984. Since there were few competitors at the

time, and a non-existing private sector, EIPICO was able to lead until 2007. However, new companies and the arrival of multinationals with manufacturing capabilities presented a challenge for EIPICO.

In December of 2018, I left MUP and took over EIPICO at the beginning of January 2019, looking to remodel the company, change the culture, helping it digitalize, think globally not locally, and expand. In fact, we acquired 10 percent of MUP, which in turn had acquired a facility from Eli Lilly to produce insulin in 2016; this investment helped Egypt save more than USD 24 million per year in imports.

It has been widely reported that EIPICO accounts for almost one-fourth of Egypt's total pharmaceutical exports. Can you expand on that figure?

EIPICO's exports cover 70 countries in the Middle East, Africa, Europe, Far East and Latin America. The company represents 25 percent of Egypt's total exports of pharmaceutical products by value and 30 percent of the country's pharma exports to Africa. Our expansion plan is targeting 15 more countries by 2025.

Being the top producer in the country by units must be a challenging operation. Can you expand on the manufacturing capabilities of EIPICO and any ongoing projects?

Today, EIPICO has two facilities in the greater Cairo region and is currently building a third facility to produce biological & biosimilar products. We already started constructing the factory, previously we have finished the technology transfer, activating an agreement with Pharmadule, which specializes in the design & construction of modular pharmaceutical manufacturing facilities. 14 products have already been registered and production is expected to start at the end of 2023. The company has invested around USD 80 million in this project as it looks to diversify.

EIPICO will become the first company in the Middle East and North Africa (MENA) region to produce biological products starting from the cell line all the way through upstream, downstream, formulation and packing to the final dosage form; there is currently one state-of-the-art plant in Saudi Arabia, but it is not producing.

EIPICO 3, as the new plant is called, will manufacture 7 biological products, 4 monoclonal antibodies (MABs) and 3 biopharmaceutical proteins with an investment cost estimated at EGP 2

billion.

The company worked on this project to be adapted to the latest technology in the manufacturing of biological and biosimilar products. EIPICO will equip the facility with the latest technological equipment to provide the highest quality of products according to the latest market trends and technologies such as using single-use manufacturing vessels and pre-sterilized ready-to-use containers to provide safety and eliminate the possibility of cross-contamination

What about the other two production facilities operated by EIPICO?

The first factory, EIPICO 1, was built in 1980 and renewed using state-of-the-art construction systems and materials in compliance with the International Society for Pharmaceutical Engineering (ISPE) regulations, which assure a clean environment for all production rooms to provide maximum protection for both products and personnel. The site contains several departments for the manufacturing of many dosage forms. It includes the largest and most advanced sterile area in the MENA region, as well as warehousing, engineering, and administrative spaces.

The second factory, EIPICO 2, was launched in 2013 to fulfil the ever-growing demand from both national and international markets. The production facilities have been designed to cope with the latest GMP and WHO regulations.

You mentioned earlier that the investment in a biologics plant is part of the company's effort to diversify, but what about expanding into new markets? What is the next frontier?

In 2016, when I was in MUP, we realized that Africa should be a main priority and found that the Commonwealth of Independent States (CIS) countries were also a logical destination for Egypt's pharma business. In that context, I believe that Kazakhstan, as the centre of CIS, is an ideal place to invest since it already has a treaty with Russia, Azerbaijan, Armenia, and Belarus. It is relatively easy to register products in Kazakhstan.

A viability study has been carried out.

Going back to the general expansion plan, EIPICO is interested in creating two hubs on its home continent, one in West Africa and another in East Africa.

Going back to the two hubs that you would like to install in West and East Africa, are you concerned that it will be difficult to find the know-how in those regions?

Not really, because we have Common Technical Document (CTD) files, and well-defined processes for chemistry, analysis, and quality assurance, as well as a huge labour force that can travel from Egypt and has been educated at great universities. With over 400 products, EIPICO is one of the few companies in the region capable of accomplishing that mission.

What about the financial resources needed to pursue both the API project and the two African hubs?

We work extremely hard to generate cash flow and have a great relationship with financial institutions that recognize the amount of revenue generated through EIPICO's exports, around USD 50 million per year, to overcome the low average price of EIPICO products.

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