

Gamal El-Leithy - Head, Federation of Egyptian Industries, Pharmaceutical Chamber



We are very proud of Egypt as a country and of how the authorities handled the COVID-19 crisis. We did not experience any shortages of medicines, food or other commodities. Most of the pharmaceutical companies were eager to continue producing in spite of an increase in costs.

22.08.2022

Tags: [Egypt](#), [MENA](#), [MEA](#), [Federation of Egyptian Industries](#), [Pharmaceutical Chamber](#), [Regulatory](#), [Egyptian Unified Procurement Agency](#)

The head of the Pharmaceutical Chamber of the Federation of Egyptian Industries, Gamal El-Leithy, shares his view on the positive developments driving the growth of Egypt's pharma market, including the creation of an independent regulatory body and a procurement agency. In addition, he analyses the country's response to the COVID-19 pandemic, the strength of Egypt's pharma manufacturing base, and the challenging pricing system.

How would you describe the main priorities of the Pharmaceutical Chamber of the Federation of Egyptian Industries?

As chairman of the Pharmaceutical Chamber of the Federation of Egyptian Industries, I can say that our agenda is focused on the challenges facing the sector, especially on the regulatory side, registration, importation of raw materials, packaging material and so on. On top of that, we have an economic challenge related to finding hard currency to import material, machinery and spare parts that are essential for the continuity of the business.

We work closely with the Egyptian Drug Authority, Unified Procurement Agency (UPA), the Ministry of Finance, the Ministry of Investment and other relevant authorities.

Some of the challenges you just described are related to issues in the supply chain and the disruptions arising from the COVID-19 pandemic. In your view, how did the Egyptian ecosystem respond to the crisis?

We are very proud of Egypt as a country and of how the authorities handled the COVID-19 crisis. We did not experience any shortages of medicines, food or other commodities. Most of the pharmaceutical companies were eager to continue producing in spite of an increase in costs. The objective was to avoid prolonged shortages. The industry handled the situation correctly. The pandemic reinforced the need to diversify the supply chain, including active pharmaceutical ingredients (APIs), to rely less on imports from China and India. Today, there are at least four ongoing projects that aim to localise the production of APIs in Egypt; these projects are coming from the private sector. Furthermore, we are planning to create an academy for technical education so we can train more technicians for the pharmaceutical industry.

Today, we have 170 factories operating in the country and there are around 40 under construction. Also, existing factories are expanding, adding new production lines for new pharmaceutical forms, which requires many more technicians and chemists. The manufacturing of pharmaceutical products started in Egypt in 1939 so we have plenty of cumulative experience; but we need more.

Just how important is the Egyptian pharmaceutical industry in terms of supplying the local market and where do you see future investment going?

The local manufacturing of pharmaceutical products covers 93 percent of the needs of the market by units and 85 percent in value. The gap between the two is due to high-tech products, oncology products, immunology products, vaccines, anaesthesia, and so on, that are produced outside of the country. Interestingly, companies that own plants in Egypt are looking to produce some of these products. For example, Future Pharmaceutical Industries (FPI) has a project to produce pre-filled syringes with fully automated technology that will cover some of those high-tech products. We are trying to close the gap between exports and imports, the overall trade balance.

How would you assess the strategy followed by the Egyptian Unified Procurement Agency, the body in charge pricing in the public healthcare system?

The UPA was created in 2019 and it still has a long way to go; they could be doing an even better job. As with any new organisation, they cannot concentrate on strategic aspects until they are fully

established.

Do you see having a centralised procurement body as positive for Egypt, especially considering the impact it may have on price erosion?

I have mentioned to the chairman of the UPA that getting the lowest price is not necessarily a success. Going for the lowest price is not an achievement because it often results in shortages, in companies deciding not to invest or pursue opportunities. The authorities should be focused on securing more investment from the private sector. Still, conversations with the UPA have been productive more often than not.

They take into account if a product is imported or locally produced – regardless if it is produced by an Egyptian or multinational company. Of course, the technical elements come first in order to get approval, and then they start to discuss prices. At the moment the authorities are choosing multiple winners in order to secure availability of products.

The country has been positioning itself as the gateway to Africa and remains the largest producer of pharmaceuticals in the Middle East and Africa (MEA) region. Do you think that Egyptian manufacturers have the potential to remain competitive and expand their horizons?

Yes, we do have the potential, but we also have some challenges. First, we need to have our manufacturing facilities accredited and approved by the European Medicines Agency and the GCC. FDA approval is not as important for us because the EMA certification allows our companies to cover a vast geography already. We are working with the Industrial Modernisation Centre for support with training, technology, auditing and inspections.

Then, we have pricing challenges as they are some of the lowest in the world and, when exporting to other countries such as Saudi Arabia, they ask for a price certificate from the country of origin. Both pharmacists and healthcare professionals (HCPs) are often sceptic of medicines that are priced so low. To find a solution, we are working with the Egyptian Drug Authority (EDA) to establish two different prices, one for local consumption and another for exports. We understand that there is a responsibility to subsidise products for the local population, but it should not be the case with exports.

Are there any precedents of other countries that have managed to successfully implement this dual pricing model?

Yes, there are some other countries that have two prices. The EDA would not accept this proposal without looking at precedents first.

How strategically important is it for the local industry to group together and look for opportunities abroad?

We have no other option. Through association, we are looking at ways to diversify manufacturing, that is to say, producing the bulk products here, in collaboration, and then sending them abroad for primary and secondary packaging. There have been conversations with the Tanzanian authorities, for example. Our target today is to be the African leader. We are active across Sudan, Uganda, Tanzania, and Ethiopia.

Is there any other topic you would like to highlight on behalf of the Egyptian pharmaceutical industry?

The Egyptian pharmaceutical industry had been trying to establish a drug authority in Egypt for 15 years and we finally got it in 2019 with the creation of the Egyptian Drug Authority. It was a great achievement for the country, especially since it is an independent body. We have excellent communication with them, trying to solve problems and they are open to discussing new proposals. Also, the UPA was a great achievement for the national industry, as well as the National Food Safety Authority (NAFSA) which opened up opportunities for the industry because their registration allows for free pricing.

[See more interviews](#)