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By promoting a performance-driven culture, maintaining a respectful work environment, and fostering agility, Tabuk Pharmaceuticals empowers its employees to thrive in an ever-changing market

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Tabuk Pharmaceuticals is a Saudi success story, now established as one of the GCC region's leading private pharmaceutical companies. Gulf Manager Ossama Salah Ramadan explains what attracted him to the firm, his current strategic objectives in line with the company's global growth goals, and some of the key local trends in the region's generics market.

Can you begin by outlining what led you to you join Tabuk Pharmaceuticals?

Throughout my 20+ year career in the pharmaceutical industry, I have worked for various international and regional manufacturers in the GCC region. During this time, I have always remained vigilant about market trends, advancements in disease therapies, and the emergence of the generics market as a strong competitor to originator drugs in terms of quality. Among the companies in the healthcare sector, Tabuk Pharmaceuticals stood out to me as a prominent leader and a key player in the MENA region. Their commitment to improving patient outcomes and their history of providing high-quality and affordable healthcare products resonated with me.

Tabuk Pharmaceuticals, initially established as a family-owned business in Riyadh in 1994, has now become one of the largest private pharmaceutical companies in Saudi Arabia. It operates as a subsidiary of the Astra Industrial Group, a publicly traded company, and has expanded its presence to 17 countries in the Middle East and Africa. With state-of-the-art manufacturing facilities in Saudi

Arabia (Tabuk and Dammam), Sudan, and Algeria, Tabuk Pharmaceuticals demonstrates a strong portfolio of innovative medications and a dedicated focus on research and development. The company offers a wide range of diversified products in major therapeutic areas and has formed partnerships with global players to bring licensed products to the market. In Saudi Arabia alone, Tabuk Pharmaceuticals has over 250 registered products. Although our portfolio in the UAE market currently represents only a quarter of the full range, we are continuously growing and striving to make more of our products available to patients in the region.

Tabuk consistently ranks among the top three pharmaceutical companies in Saudi Arabia, currently holding the second position according to the latest rankings. The pharmaceutical market in the Kingdom is valued at approximately USD 8 to 10 billion. In the first quarter of 2023, our latest quarterly report shows that we have sold nearly 2 million units in the UAE, experiencing a remarkable 58% growth compared to the previous year. This growth is a testament to the trust placed in our products by both healthcare providers and patients. In 2018, we established a scientific office in the UAE to cater to the local market and provide services to other GCC countries. Our strong presence in scientific activities and commitment to corporate social responsibility has further solidified trust among healthcare providers in the region, establishing Tabuk Pharmaceuticals as a reliable partner in delivering quality healthcare across all sectors.

Additionally, I have observed that Tabuk Pharmaceuticals maintains international standards, operating procedures, policies, vision, and strategy while adapting them to suit the local region. This unique approach enables us to form partnerships with companies worldwide, exclusively bringing innovative treatments to the region. A notable example of this is our partnership with Moderna in 2021, where Tabuk Pharmaceuticals became the exclusive provider of the COVID-19 vaccine in Saudi Arabia during the pandemic crisis.

The UAE offers numerous incentives for companies to invest, and as Tabuk strengthens its presence in the country, we are proud to have a supportive government that encourages the use of both innovative and generic medications. The government’s policies promote access to healthcare and regulatory efficiency. Measures such as the implementation of a reference price list for medications with generic equivalents, mandatory universal health insurance, and regulations for pharmacies to dispense generic medications have all contributed to the success of generic medications in the UAE. As a part of this innovative and patient-centric vision, I am excited to contribute to the company’s initiatives in making a positive impact on the region.

What are the strategic objectives for Tabuk Pharmaceuticals, and what have been the highlights of the past nine months since you joined the company?

My early stages of Tabuk Pharmaceuticals' journey were not without their challenges. However, as an established organization with a clear mission and strategic goals, the company continuously seeks to develop improved strategies to operate efficiently and provide patients with high-quality medications.

One significant change we implemented during this period was our go-to-market strategy, aiming to differentiate our products and ensure their availability across all sectors. As mentioned earlier, we have a portfolio of over 250 brands in the Saudi Arabian (KSA) market and operate in the UAE with a quarter of this portfolio. To meet market demands, one of my objectives was to assess and optimize the portfolio, aligning it with the needs and trends of the healthcare market. We are conducting a comprehensive evaluation of our existing portfolio and pipeline to ensure they remain relevant and effective.

Furthermore, enhancing and sharpening the capabilities of our team has been a top priority. A well-trained and efficient workforce is crucial for any business to effectively serve the market and its requirements.

The market in the UAE strongly supports localization, and recognizing this, I took the initiative to establish strategic partnerships with local companies. The UAE market has witnessed significant growth over the past decade, transitioning from reliance on imported medications to increased prominence of local manufacturers. In fact, some of these local manufacturers now rank among the top 10 pharmaceutical companies in the UAE. As a result, Tabuk Pharmaceuticals is actively exploring opportunities for strategic partnerships with these local manufacturers, leveraging regulations that support localization.

In line with future developments, there are foundations being laid for biological manufacturing in the KSA. Tabuk Pharmaceuticals aims to venture into the production of biological medicines, starting with biosimilars.

Our vision is to become the leading company in every disease area in which we operate. We believe that by pursuing the objectives I have outlined, we will be able to achieve this goal and make a significant impact in improving healthcare outcomes for patients.

Did you have to enlarge your team or change the way they work to support this expansion?

In the current digital age, our company recognizes the need for transformation and has embarked on a journey of optimization and digitalization. In the past, our primary mode of engagement with healthcare providers was through in-person visits. However, with the advent of multi-channel engagement and our enhanced go-to-market strategy, we have embraced new approaches to segment our products and directly reach consumers. Simultaneously, we have strengthened our partnerships with stakeholders in the healthcare industry, enabling a more customized and tailored approach.

Through both local and international collaborations, supported by a robust business development team, we are actively engaged in intensive development programs to introduce sophisticated and differentiated products to the region. One noteworthy example is our partnership with an American company, which has allowed us to expand into a new domain by offering a comprehensive range of over-the-counter products. This includes multivitamins for adults and children, pain management solutions, and antacids, thereby broadening our reach to a larger patient population.

The growth Tabuk Pharmaceuticals has experienced in the last quarter is a testament to our progress towards achieving our goals within the region. With regulations favouring localization and a growing emphasis on providing high-quality and cost-effective treatments across all sectors, our role in this evolving landscape has become increasingly significant. Our mission is ongoing, and we recognize the importance of fostering agility within our company to adapt to the changing dynamics of the GCC region.

Is it part of your job as General Manager of Tabuk GCC to look for acquisition targets around products not already in the portfolio?

Certainly! We do plan with the Business Development department to strategically evaluate our portfolio. Tabuk Pharmaceuticals has a clear vision of becoming the top company in every disease area it operates in while providing value to our customers and patients. The decision to pursue acquisitions is based on several factors, including market dynamics, competitive landscape, financial feasibility, and alignment with Tabuk’s overall strategic objectives.

To support this vision, we actively monitor pharmaceutical and disease trends, constantly identifying new products and assessing their potential impact on the market. As a recognized

global player, Tabuk Pharmaceuticals has established a strong and expanding network of business partners. This network enables us to enhance our access to newly patented products, and novel treatments, and establish a presence in the development of challenging pharmaceutical products.

By closely monitoring market trends and maintaining strong partnerships, we aim to bring innovative and effective treatments to our customers and patients, aligning with Tabuk Pharmaceuticals' commitment to delivering quality healthcare solutions.

What are some of the most significant market trends to look out for in the UAE?

The UAE boasts a resilient and mature pharmaceutical market that embraces new innovations and ensures their availability in a relatively short timeframe. The country has established a clear regulatory framework and registration pathway for pharmaceutical products. Furthermore, the healthcare facilities in the UAE provide patients with the highest standards of medical treatment, covering a wide range of diseases. This commitment to excellence in healthcare has made the UAE an attractive destination for medical tourism.

Moreover, the UAE is moving towards maturity in its pharmaceutical market by placing emphasis on the use of high-quality generics whenever they are available. This approach allows for cost-effective treatment options without compromising on quality. The UAE's healthcare system strives to provide patients with access to the best possible care, making it an appealing environment for both residents and visitors seeking medical services.

Overall, the UAE's combination of a mature pharmaceutical market, robust regulatory framework, and commitment to high-quality healthcare services positions it as an ideal destination for medical tourism and ensures that patients receive top-notch medical treatment for a wide range of diseases.

Do you think generic participation in the market will increase?

Absolutely. Healthcare authorities worldwide, including those in the UAE, are actively promoting the use of generic medications as a means to effectively manage healthcare costs. Generic drugs offer a more affordable option without compromising on effectiveness or safety.

This shift towards generics is evident in the reports from the pharmaceutical industry, where the generic market experienced double-digit growth in the past year. Projections indicate that the

generic market will continue to grow at a rate of at least 8-10% over the next five years. In fact, local manufacturers have been performing exceptionally well in terms of sales in the UAE, occupying top-ranking positions in the market.

Tabuk Pharmaceuticals takes great pride in its four internationally and locally accredited factories situated across the region. These facilities adhere to stringent quality assurance and quality control measures, ensuring that each package of our products meets the highest international standards of quality. We are committed to maintaining the utmost quality in all our medications to provide patients with safe and effective treatment options.

Do you find there is greater competition for you as a Saudi Arabian brand in the UAE?

Indeed, the UAE authorities have fostered an environment that promotes fair competition and encourages companies from all around the world to invest and expand their operations in the region. The UAE is known for its business-friendly policies, attractive investment incentives, and strong commitment to creating a conducive environment for companies to thrive.

The government of the UAE has implemented various measures to attract foreign investment and facilitate the establishment of businesses. These include streamlined administrative processes, reduced bureaucratic barriers, and favourable regulations that support the growth of industries across different sectors.

The UAE’s commitment to fair competition allows companies, regardless of their origin, to compete on a level playing field. This encourages innovation, drives economic growth, and enhances the overall business climate in the country. The government’s open and welcoming approach has attracted companies from various industries to invest and expand their presence in the UAE.

As a result, the UAE has become a hub for businesses and has witnessed significant economic growth over the years. The country’s strategic location, state-of-the-art infrastructure, and supportive business environment have positioned it as an attractive destination for companies looking to establish a foothold in the Middle East and expand their global reach.

Overall, the UAE’s welcoming stance towards companies, coupled with its commitment to fair competition and favourable business policies, makes it an ideal destination for investment and expansion, attracting companies from around the world to seize the opportunities available in the region.

Are tenders an important aspect of your business?

Tenders play a crucial role in the pharmaceutical industry, and at Tabuk Pharmaceuticals, we recognize their significance. We are dedicated to ensuring that our products are accessible to patients through various channels, including both the private sector and tender sector.

In the UAE, the private sector accounts for 68% of the pharmaceutical market, while tenders make up the remaining 32%. We understand the importance of catering to both sectors to reach a wide range of patients and healthcare providers.

For the private sector, we strive to establish strong partnerships with healthcare providers and make our products readily available through pharmacies, clinics, and hospitals. We work closely with these stakeholders to understand their needs and preferences, ensuring that our products meet their expectations in terms of quality, affordability, and effectiveness.

Simultaneously, we actively participate in tenders to supply our products to governmental and institutional healthcare facilities. We understand the specific requirements and regulations associated with tenders, and we tailor our approach to meet the needs of these procurement processes. We ensure that our products are competitive in terms of pricing, quality, and compliance, in order to secure tenders and serve patients in this sector effectively.

By actively engaging with both the private sector and tenders, we aim to provide patients in the UAE with accessibility and availability to our high-quality medications. Our goal is to be a trusted partner for healthcare providers and contribute to the improvement of patient outcomes across the country.

How are tenders awarded?

In the UAE, there are three major tenders that cater to different clusters of emirates, ensuring a fair and efficient procurement process. These tenders are responsible for the acquisition of healthcare products and services for their respective regions.

In Dubai, the Dubai Health Authority (DHA) tender serves the residents of the city. It plays a significant role in procuring medications and other healthcare products to meet the needs of the population in Dubai.

For the Northern Emirates, the Ministry of Health and Prevention tender is responsible for the procurement of healthcare products and services in that region. It serves areas such as Sharjah, Ajman, Fujairah, Umm Al Quwain, and Ras Al Khaimah.

In Abu Dhabi and Al Ain, the Department of Health, operated by RAFED, oversees the tendering process. It plays a vital role in ensuring the availability of healthcare products and services for the residents of these areas.

These tenders operate in a fair and transparent manner, adhering to established procurement guidelines and regulations. The UAE government has taken steps to make the tendering process more agile, ensuring the efficient and timely acquisition of products to avoid any supply chain constraints. This agility enables healthcare facilities to have a steady supply of medications and other essential healthcare products.

Furthermore, the tendering process encourages competitive bidding, allowing multiple suppliers to participate and submit their proposals. This fosters healthy market competition and helps to secure the best prices for the procured products.

Overall, the UAE's approach to tendering ensures fair competition, availability of healthcare products, and efficient procurement processes, contributing to the delivery of quality healthcare services to citizens and residents across different regions of the country.

How is the company's supply chain managed?

Having a strong and streamlined supply chain management department is indeed an advantage for Tabuk Pharmaceuticals. With the company serving the MENA region as a whole, it is crucial to have an efficient supply chain that can meet the demands of each region effectively.

Tabuk Pharmaceuticals has strategically segmented its supply chain management department to cater to the specific needs of different regions, including the GCC region. This segmentation ensures that the right products are available in the right quantities and at the right time for each market.

In terms of manufacturing, Tabuk operates two state-of-the-art manufacturing sites located in Dammam and Tabuk in Saudi Arabia. These facilities enable the company to produce its comprehensive portfolio of over 250 brands for the GCC region, including the UAE. The proximity of these manufacturing sites to the UAE allows for efficient transportation of goods.

The shipping process from Saudi Arabia to the UAE is well-organized, and the transportation primarily takes place by road. The geographical proximity and streamlined logistics enable Tabuk Pharmaceuticals to ship products to the UAE within a short timeframe, typically not exceeding two weeks. This ensures that the products reach the market promptly, contributing to the availability and accessibility of Tabuk's portfolio in the UAE.

Additionally, the cost of shipping is relatively low, further enhancing the competitiveness of Tabuk's pricing in the UAE market. The combination of efficient logistics, cost-effective shipping, and readily available products strengthens Tabuk Pharmaceuticals' position in the market and enables the company to offer competitive pricing to its customers.

Overall, the strong and streamlined supply chain management at Tabuk Pharmaceuticals, along with the proximity of manufacturing sites and efficient shipping processes, contributes to the company's ability to effectively serve the UAE market and provide accessible and competitively priced healthcare products to patients in the region.

Do you think insurance companies will just go with branded products, because of profit and loss?

Indeed, insurance companies in the UAE, like their counterparts around the world, prioritize providing patients with necessary medications at the best possible cost. In the UAE, there is a growing emphasis on ensuring that all individuals have access to healthcare coverage, whether through private or public insurance.

Insurance companies play a significant role in the healthcare system by working closely with healthcare providers and pharmaceutical companies to ensure that essential medications are accessible to insured individuals. They negotiate pricing agreements with healthcare facilities and encourage the use of cost-effective treatment options, including generic medications, to optimize healthcare costs without compromising patient care.

In line with this focus on cost-effective healthcare, insurance companies in the UAE often have formularies or lists of approved medications. These formularies typically include both brand-name and generic drugs, with a preference for cost-effective options. By promoting the use of generic medications, insurance companies can achieve substantial cost savings while ensuring patients receive quality treatment.

Insurance companies also collaborate with healthcare providers, pharmacies, and pharmaceutical manufacturers to streamline the medication reimbursement process. They work to establish transparent and efficient systems that facilitate claims processing and ensure prompt reimbursement for patients and healthcare providers.

The UAE's healthcare system recognizes the importance of cost-effective medications in providing accessible healthcare to all individuals. Insurance companies play a vital role in driving cost containment efforts while striving to maintain high standards of care. By working collaboratively with stakeholders across the healthcare ecosystem, insurance companies in the UAE contribute to the goal of making needed medications affordable and accessible to patients in the country.

What would you like to achieve going forward?

During your tenure at Tabuk Pharmaceuticals in the UAE market, you have observed the company's ranking and set ambitious goals for its future growth. Currently ranked 15th, my aim is to break into the top 10 pharmaceutical companies in the country within the next year. To achieve this, we do recognize the need to revamp the company's portfolio and establish strategic alliances that will enhance its commercial presence and equity visibility within the local market.

Revamping the portfolio involves assessing and optimizing the range of products offered by Tabuk Pharmaceuticals. This process may involve identifying gaps in the market, evaluating the demand for certain disease areas, and introducing innovative and differentiated medications to address those needs effectively. By aligning the portfolio with market trends and demands, Tabuk can position itself as a leader in various therapeutic areas.

In addition to portfolio revamping, forming strategic alliances will be crucial for Tabuk's growth and market positioning. These alliances can be established with local companies, international partners, or other stakeholders in the healthcare industry. Collaborating with strategic partners allows Tabuk to leverage their expertise, resources, and market presence to expand its reach and enhance its commercial success. Such alliances can also contribute to building equity and brand visibility within the UAE market.

By focusing on portfolio optimization and forming strategic alliances, Tabuk Pharmaceuticals aims to strengthen its position in the UAE pharmaceutical market. The company's overarching goal is to become a leader in all disease areas it operates in, reflecting its commitment to improving patient outcomes and contributing to the advancement of healthcare in the region.

What sort of management style would you like to present here in the organization?

At Tabuk Pharmaceuticals, there is a strong emphasis on performance management and a collaborative leadership approach. The company values the input and decision-making abilities of leaders at all levels, including those on the frontline. Leaders are empowered to make informed decisions while also providing support and guidance to their teams.

Respect is a cornerstone of the company culture, where every individual is treated with dignity and fairness. This fosters a positive and inclusive work environment that encourages open communication, teamwork, and mutual support.

As the market dynamics continue to evolve, agility is recognized as a critical factor for success. Tabuk Pharmaceuticals embraces the philosophy of agility, adapting swiftly to changes and challenges that arise in the dynamic pharmaceutical landscape. The company ensures that the team is equipped with the necessary skills, knowledge, and resources to address local and regional challenges effectively.

By promoting a performance-driven culture, maintaining a respectful work environment, and fostering agility, Tabuk Pharmaceuticals empowers its employees to thrive in an ever-changing market. This approach enables the team to navigate challenges, drive innovation, and deliver value to patients and customers while maintaining a strong focus on personal and professional development.

Do you have anything else you would like to share with our international audience?

The UAE’s supportive environment and government initiatives make it an attractive market for pharmaceutical businesses. The government’s focus on ensuring quality and affordable healthcare for patients is evident, providing a strong foundation for the industry. In particular, the incentives and initiatives aimed at promoting the generic market create favourable conditions for companies like Tabuk Pharmaceuticals.

The projected growth in the pharmaceutical sector in the UAE is promising, and the recent policy changes have further fueled this positive outlook. There has been a shift in mindset regarding local manufacturing, with increased recognition of its importance. Tabuk Pharmaceuticals aims to be a key participant in this environment of growth and development.

As a member of the Tabuk Pharmaceuticals team, you have experienced success in the UAE market, selling a significant number of units in a single quarter. This achievement reflects the company’s positive outlook and determination to make a meaningful impact in the region. With the UAE’s ongoing support and the company’s commitment to providing high-quality healthcare products, the future looks promising for Tabuk Pharmaceuticals in the UAE market.

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