Interview with Riyad Abu Al Haj, General Manager, Pharma International Co. (PIC)

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Tags: Pharma International Co. (PIC)

You took over from your father in 2006. What have been the key milestones & achievements in the company’s development since then and how does your approach differentiate from your father’s?

I joined Pharma International in 2006. We had already started our production in 2000. Previously we had a British general manager who left the company in 2006. Back then, I was working as a sub-dealer for Mercedes Benz trucks in Dubai. At that time, I left the company to join Pharma International. Initially I started as an assistant to the general manager. After 3 years, I was appointed as the general manager. We were only selling in Jordan in the beginning and then we started to expand to other markets. Currently we are selling to 24 countries worldwide.

What were the targets you set for yourself and for the company? How do the achievements today compare to these targets?

We are satisfied with our achievements. We have had 20-25% growth every year. Now the growth starts to slow down due to the challenging environment of the Arab spring. Some of the countries that had very strict registration rules. However, despite the fact that Pharma International has been established only for 10 years, we are the number five company within the whole pharmaceutical market in Jordan. Pharma international has a key competitive edge in its unique products. In many occasions, we were the first generic to be introduced even in the presence of giants operating in this area. We have more than 200 formulations. Some of them are ranking first in the market. We

are right behind the top two generic companies and among the top 5 or 6 among the whole pharmaceutical market.

In my vision, the company still has much bigger potential to grow since our products outside of Jordan represent less than 1/3 of what we have. Still 2/3 of our products are not present in other countries due to the pace of the registration. If the registration had been as fast as it was 5 years ago, we would have had tremendous growth.

You mentioned 200 generic formulations. What are your main therapeutic areas?

We have almost all categories of medicine whether chronic diseases, cardiovascular, diabetes, central nervous system, GI, antihistaminic, multivitamins, analgesics, obesity, erectile dysfunction, topicals and dermatology, except for oncology and some very specialized injectable forms. We finalized a new plant for cephalosporin injectables.

How do you make sure that you have the highest quality standards?

When we want to register a product or a factory in any country, there will be regular inspections. We have as well internal and external quality audits.

What are your key export markets?

Our key market is MENA region. GCC countriesare the no1 for us. Second would be North Africa; Algeria, Morocco and Egypt. In very special situations, these countries have their own local manufacturing and plus they have strict penetration rules. However, we have already started to penetrate. We also have two huge markets, Iraq and Ukraine. By the way we came to the next topic, our penetration strategy. Although we have achieved a good ranking just in ten years, we have not reached our puberty yet. Now of course, we are exploring opportunities in new countries. As usual, we have to look for a good agent. Once we have a good agent, we send our most appealing products for those countries and then will think about starting our own operations if we find that the market is responsive.

Many of the local pharma companies here find it profitable to do contract manufacturing. How do you look at contract manufacturing opportunities?

We already manufacture for others. We have been doing contract manufacturing since we started the company. Sometimes other companies are manufacturing for us when it is not feasible to open a production line. Contract manufacturing is less profitable. However, from marketing point of view, you cannot wait until new units are opened. We need to penetrate into the category of the therapy.

That’s how we started with cephalosporin injection. Our unit has finished this year, but we are already in the market.

What makes Pharma International the partner of choice?

We are very well prepared and organized. We have all the GMP certificates. We make sure to comply with the highest standards even for the strictest countries. We can also produce very fast.

If we look at the R&D activities, it is important to attract the best talents around. Could you outline how you retain the best talents?

R&D is one of the strengths of our company. Although we have started only 15 years ago, we are far ahead. We place special emphasis on R&D, we are fully dedicated. If R&D department needs people, budget or investment, we will provide all the resources. In generics business, the key limiting factor for a company to survive and grow is introduction and production. In generics, thefaster the R&D, the faster the registration is; within a year, you will have 5 other generic competitors, and then you will be restricted.

How does your pipeline look today?

We have a rich pipeline. Now we have at least 7-8 injectable cephalosporins; since we now want to make best use of our cepha injection factory. We are also focusing more and more on chronic medications because it has been very successful so far and we have rich pipeline for those drugs. For injectables, we have a huge capacity. That’s why it would be a good target for contract manufacturing. Our targets and sales are far less than our capacity.

How do you differentiate yourself among your competitors?

First of all, through our quality. There is no question of our quality. This is how Pharma International was able to grow. Second, there are some molecules consumed in terms of market saturation and prices. That’s why our products and unique pipeline have much less generics if not at all. where competition is very low. We have other pipelines whose work is more difficult but profitable.

How do you rate the environment for manufacturing in Jordan? Are you planning to open plants in other regions or are you going to stay in Jordan?

We do not plan to build our manufacturing elsewhere in the medium term but we should do so strategically in the long term due to regulatory issues. If you originate in Jordan, you need a few years before you can start to export. Delays in the market access could be a good reason to find a local site just to develop products and penetrate the market more quickly. .This would be to save a

few years. It is better not to start from the scratch; therefore acquisitions would be a good idea. We already received many offers. People contact us to get our know-how. Some people contact us to get the products we developed. We are not very enthusiastic to give our know-how even though we are paid well for it. To have the brands under our name is a strategic point for us.

The company has developed very fast over the last 10 years. If you look at the future, where would you like to take operations of Pharma International in the coming 3-5 years?

We want to expand to new markets where there are less Arabic manufacturers such as Russia and former Soviet Union countries. However, we have a long way to go. First, we need to maximize our capacity. 2/3 of our line is not yet exported. For 2/3 of our products, we still depend on Jordan only. It is our first priority to export these products to GCC countries or the countries that we are in such as Iraq, Lebanon, and Sudan. If I want to get the benefits faster, we need to start.

At the same time, we are exploring countries that we have no presence at all, former Soviet countries, such as Azerbaijan and Tajikistan. We reach agreements with agents and start registration process. East and West Africa are the same. Still we are exploring West Africa. This is at least in the medium term. We need to have a strategic revision of all our structure for US and Europe. Partnerships would be a good option for us to penetrate into these regions. With the crisis going on in Europe, there will be more inclination towards generics. Our region is much less expensive for generics manufacturing than Europe. Economy will not be very healthy before ten years. Therefore companies should find partners here and use their manufacturing. We might do joint ventures to solve the problem of penetration. We also need to prepare ourselves for EU standards.

What is your final message to the readers of Pharmaceutical Executive about Pharma International as the partner of choice among Jordan’s manufacturers?

We have unique products,with certified quality . We have a lot to come in the pipeline. We are still new. It is a very competitive environment. Within just 10 years, we are the only generics company which has grown and ranking among top 5. This is what is unique about Pharma international. We are not very big but we are very competitive. We penetrated into 24 countries thanks to a very good management and team.

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