Interview: Mohamed El Ganayni – Managing Director, UniPharma, Egypt

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Dr. Mohamed El Ganayni, Managing Director at UniPharma discusses the challenges in standing out among a crowd of Egyptian pharmaceutical manufacturers, elaborates on his ambitions to become a Top 30 local pharma player and gives an insight into his strategy to enter the European market by 2020.

To begin, can you please introduce UniPharma and yourself to our readers around the world?

Unipharma is an Egyptian pharmaceutical company and stands for Universal Industries Pharmaceutical Company. We are a family-run business, my father is the CEO and I am the Managing Director. Both of us are pharmacists by training. Our 10,000 square meter manufacturing site is located in Al-Obour city, and is equipped to produce a variety of human and veterinary pharmaceutical products, as well as vitamin supplements. In addition, I own a small chain of pharmacies wher e I gain fundamental insights into the pharmaceutical market dynamics in the country. Based on those insights, I develop my vision for Unipharma. Furthermore, our sister company Agripharma is responsible for the distribution of our products. We currently have a range of 60 products in the market and an additional 30 in the pipeline. Thus, we have a bright and exciting future ahead of us.

How would you describe the current Egyptian market?

The pharmaceutical industry in Egypt is very fragmented. However, for as long as I can remember, the industry here has been growing. Even in 2011 during the revolution, the market kept growing unaffectedly. We can observe this trend in our pharmacies as well – where the market was multiplied several times in sales and number of pharmacies. Overall, the industry grows between 8 percent and 12 percent, sometimes even 16 percent every year, according to IMS.

How is Unipharma growing its market share to stand out among the competition?

The healthcare and life science sector in Egypt is very competitive. However, I believe Unipharma does have an important advantage; we pride ourselves with good manufacturing quality of selected products at a reasonable price. MNC's usually have a very good manufacturing quality but they are also very expensive. We are able to produce good products at a very reasonable price for the local market.

How do you differentiate Unipharma from other local pharmaceutical manufacturers?

While it is easy to compete with MNC's, it is a lot harder to stand out among local pharmaceutical manufacturers. However, I have two options to achieve this. On the one side, I have to attract the best workforce that is able to work efficiently as a team. Here at Unipharma we have a great sales and marketing department, a very skilled medical advisor, and adept management team. Nevertheless, if a competitor is able to build up as great of a team as Unipharma, we distinguish ourselves by concentration and focus; we have purposely limited the number of products that we manufacture, and each one is very well selected. With only 60 products on the market, we have been able to maintain our focus on driving sales of these products, and create a niche for our brand in the market.

What products is Unipharma best known for?

We have two very unique products in the market right now. The first one is Iverzine, which is used for the treatment of scabies and lice infection. Unipharma was the first company to introduce a generic brand of this molecule to the market, and as such it has become a substantial source of income for our company. The second product is Unifructose, a natural fruit sugar suitable for diabetic patients as well as it finds application in weight control programs. For Unifructose, we are the market leader in Egypt. Naturally, we have other products on the market but those face a lot more competition.

In addition to our human pharmaceutical products, we also manufacture veterinary applications and vitamin supplements. However, our portfolio roughly consists of 75 percent human pharmaceutical products, 15 percent veterinary applications and 5 percent vitamin supplements.

What is your current market share and what are your growth ambitions?

Quite frankly, our overall market share in Egypt is still very small. According to IMS statistics, Unipharma currently ranks among the top 80 pharma companies in the country. However, our growth over the last few years has been tremendous, growing substantially faster than the market. For example, in 2013 we experienced 19 percent growth in revenue, and in 2014 this number more than doubled to 40 percent, which is huge. As such, my goal is for Unipharma to become a top 30 pharmaceutical company within the next five years, and as such we are currently working with a consultant to prepare a five-year business plan to achieve this goal.

In addition to our business in the local market, we also engage in exports. In the past we found it quite easy to develop moderate export sales, however it has become much more challenging in recent years, due to political developments in some of our target markets like Yemen and Libya; our sales to these markets have decreased substantially, and now our focus is in French speaking west Africa. We are also currently constrained by quality and GMP requirements that vary from country to country, however we are currently looking to enter the European market in the medium term and have already assessed what upgrades will be required to receive European cGMP certification. While this will be a very expensive process, as we must replace a significant portion of our equipment and our ventilation and air-conditioning system, it will be necessary if we are to achieve our goals. Moreover, export sales are a very valuable source of foreign currency and are very profitable as we have no marketing overhead when competing for foreign tenders, and thus the investments will be well worth it. However, we must look further abroad in the future where we want to increase our export value to CIS countries like Tajikistan, Kyrgyzstan and Uzbekistan, as well as French speaking West Africa.

Looking at our portfolio, our export activities make up between 15 and 20 percent of our portfolio. After that, in order of importance ranks our business in human pharmaceutical applications, our export business, our veterinary manufacturing and our toll manufacturing with revenues of approximately EGP 51 million, EGP 17 million, EGP 8 million and EGP 2 million, respectively.

What are your Top 3 priorities for the next 3 years?

Firstly, I want to finalize our five-year business plan, upgrade our facilities and get a European cGMP certification in order to be exporting to Europe. Secondly, my goal is to choose three products from our pipeline and launch them this year. Finally, I want to grow Unipharma to be one of the Top 30 pharmaceutical companies in Egypt.

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