

# Interview: Yasser Hefny - Founder & CEO, Hefny Pharma Group, Egypt

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*Starting as a pharmacy chain, Hefny Pharma Group has developed into a group focused on manufacturing, importing and distributing pharmaceutical products to the Egyptian market, with an eye on the specific needs of patients. The founder and CEO discusses the vision behind the creation of the group, the market opportunities the Egyptian market offers as well as the priorities ahead.*

## **Hefny Pharma Group was founded back in 2005. What was your initial vision for the company?**

We started as a pharmacy chain specialized in supplying hospitals with life-saving products and supplies for Intensive Care Units (ICU). Unfortunately Egypt experiences a shortage of these essential pharmaceutical products: local drug authorities have even decided to add a department dedicated to drug shortage to get a better overview of hospital usage of drugs and what kind of life-saving products are missing. Given the shortage, we decided to start importing and registering additional pharmaceutical products which have high demand to be manufactured locally; expanding the business of Hefny Pharma Group, .

A decade later Hefny Pharma Group is a fast growing, innovative and pioneering pharmaceutical organization, which comprises five companies (Biocapital, Egypharma, Mira International,

Rotabiogen and Pharma 3) encompassing a pharmacy chain, a research facility, two drug stores, and a manufacturing site currently under construction and due to open in June 2016.

**Since the creation of the company what have been some of the most difficult decisions you have had to take?**

First of all, the decision to move from being a pharmacy chain to start manufacturing and distributing pharmaceutical products, as it took a lot of time and market access is very challenging. Secondly, the decision to start the construction of a manufacturing plant due to the high investment it implies and the requirements it must comply with.

**Hefny Pharma Group consists of several companies. What is each company's unique role or purpose within the group?**

In Egypt a pharmaceutical company can register a maximum of 20 products; that's why we created five different companies. Today we have 38 marketed products, 42 registered products to be launched in 2016 and 70 in the pipeline for 2017-18. In 2016 we estimate our business to grow 2.5 times thanks to the launch of these new products.

**Your portfolio covers a wide range of therapeutic areas. Which segment or product line has driven the growth of your company most strongly so far?**

Our most famous and sold product is Levophrine (norepinephrine bitartrate) ampoules, used for acute hypotension and in case of cardiac arrest. Many of our products are relatively sophisticated injectable drugs requiring sterile facilities and much more sophisticated than most solid dosage forms. As a result, compared to many other Egyptian manufacturing facilities, our manufacturing capabilities are more technologically advanced. We invest strongly in R&D and have external academic and industry experts advising us on best practices.

**What new therapeutic areas are you interested in exploring? Besides Egypt, are there any further markets you are looking at?**

We are successfully acting as the sole agent and partner of a very famous German company for importing oncology products and technology transfer for biological products. The manufacturing site currently under construction complies with the WHO and ICH guidelines and in the future we'd also like to export. We currently do export six special products to Saudi Arabia, but only upon special request by hospitals. We are interested in expanding across Africa because of its enormous potential.

**As the owner of a pharmaceutical group encompassing a pharmacy chain and manufacturing, how do you build the reputation of a company?**

In the pharmacy chain by offering good service to customers and continuous supply to patient's needs. On the side of manufacturing, by offering the highest standards of quality and affordable price, as the Egyptian market is very price sensitive.

**What is the risk a local company takes when launching a new product?**

We have to ensure the quality of our product during each step, from manufacturing to distribution. To do so we carry out trials and quality controls at our research center and we develop specification for each product, which is very expensive as we are targeting very niche markets. Our advantage is we are the exclusive producer in Egypt of eight life-saving products, so it's the physician who searches for our product, not the other way around. Some of these products are marketed at or even below cost price because we want to support Egyptian patients who cannot afford imported products but still need high-quality treatment. We have decided not to get a profit from these products as a form of social responsibility: we received a lot from the country, including free education, and it's our way to give back.

**What are your main priorities over the next five years?**

We want to finalize the partnerships with the European partners to start technology transfer instead of importing biological products, as such products are not available in Egypt yet. The idea is to source biosimilars and distributed locally as we think there is high demand for it and that is complete our idea to be the main supplier for the Egyptian market. Biological products represent the future of the pharmaceutical industry, so are our utmost priority over the next five years, along with the construction of our new manufacturing facility, which should be operational by June 2016. My dream is to build a second manufacturing site for raw materials because at the moment we are importing them, as the whole Egyptian industry does, and we would like to be the pioneers in this area.

**Any success stories of the company you are particularly proud of and would like to share with our readers?**

First of all the efforts we have put into R&D business development. Second, the decision to supply some of our products at or even below cost price as a form of social responsibility. Last but not least, our team. Today the group employs more than 750 people among the different companies, which will be 1,000 by end of January 2016 and —hopefully— more than 1,500 by the end of the

year.

### **What makes Hefny Pharma Group the partner of choice?**

Egypt is a land of opportunities. We offer an open mind for business and solid partnerships, as we believe in win-win situations. We are active throughout within segments of the pharmaceutical market, hence know it very well; we have the people, the capital, the investors, the products and the capacities. Despite being a young company we are taking the different steps to become a global company and the risks of opening a manufacturing facility, something not everybody is ready to do here in Egypt. We are currently actively looking for international partners interested in technology transfer for raw materials production, as we have done with biological products with our German partner. Our final message to investors is: “Come and invest in Egypt! Together, let’s reach new heights!”

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