Interview: Ahmed Zaghloul – President, Egypt Otsuka



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Japanese company Otsuka envisioned Egypt as a hub for its Middle East and African operations as early as 1995. The president of the local subsidiary discusses the current activities of the company as well as its plans to leverage Egypt to penetrate further into the region.

Last year, Otsuka chose to significantly increase its investment in Egypt, just before Valeant and Hikma. Why is now a good time to invest in Egypt and where would you like to see Otsuka in five years from now?

Egypt still has room to grow in hospitals and we expect business from tenders to expand by four-to-five percent over the next five years. Egypt Otsuka started renovation during the revolution and were profoundly inspired by it. We want to see the complete Otsuka portfolio in Egypt and the goal is to leverage the country as a hub to export Otsuka's products to the Middle East and Africa.

What are your expectations for 2016?

We expect the Egyptian economy to expand 8 percent this year, and our business as well. We are responsible for exporting products to Africa and the Middle East and expect this business to increase also. In a huge investment Otsuka acquired Claris India, so Otsuka is now ranked number one in intravenous solutions, is the ninth fastest growing pharmaceutical company worldwide, and the nineteenth biggest pharmaceutical company in the world.

What have been the major milestones for Egypt Otsuka over the last few years?

Arab Otsuka was started in the late 70s in Nasr City, a district of Cairo. The operation was later moved to Egypt Otsuka with a new plant starting operations in 1995. Today the company is the market leader in Egypt for intravenous parenteral solutions from 2 mL to 1L. Our second activity is the production of three ethical drugs —Pletaal, Mucosta and Abilify – an antipsychotic. Last but not least, we ventured into a project for the distribution of high purity water as a solvent for multinational companies.

Our intravenous solutions business is mainly destined to health institutions of the public and private sectors, hence depends on wholesalers and tenders. Ten percent of our total revenue comes from the retail market, in particular from street pharmacy, but the main segment for intravenous solutions remain hospitals.

After the Revolution we suffered an economic slowdown but the Japanese headquarters were of great support so we decided to increase our investment in the country, as we foresaw a fast recuperation. We completed two landmark projects: the expansion of our ampoule product portfolio with two new lines, and the acquisition of Ateco, a local Egyptian intravenous infusion manufacturing and distribution company.

This acquisition enabled Egypt Otsuka to expand its annual production capacity of intravenous infusions by approximately 50 percent in volume and meet the increasing demand of the market. We are currently renovating our factory according to a three-phase process. The first phase has already been completed and saw the attendance of the Minister of Health at the celebration on October 28th, 2014.

What is Otsuka’s vision for Egypt?

Otsuka creates better products for better health. Hence, our highest priority is quality, not quantity. The company aims to reach as many patients as possible; hence Egypt Otsuka is committed to providing parenteral, ethical drugs and enteral nutrition to offer more options in the market. In the past we were well known for producing glucose, while today we are focusing on clinical nutrition.

Japanese companies are known for paying particular attention to detail, precision, and compliance. How did you uphold Japanese manufacturing standards in Egypt?

Although Egypt Otsuka started in 1995, the company had been operating in Egypt since 1979. Since then all our production equipment has been imported from Japan and Europe according to Otsuka’s international standards to ensure the whole production process complies with the GMP Requirements. People in Egypt are glad to work for a Japanese company and take it as a challenge.

We provide them with training, the opportunity to go to Japan and see the production process, so they become very proud to work according to Japanese standards.

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