

Interview: Helmy Abouleish CEO, Sekem Group; Ashraf Mamdouh CEO, ATOS Pharmaceuticals, Egypt



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Phyto-Pharmaceuticals often offer better, more sustainable treatment solutions than synthetic pharmaceuticals, explains the Sekem group's CEO Helmy Abouleish. Atos Pharma's CEO Ashraf Mamdouh expands on the companies current plans for expansion in Egypt and internationally, as their manufacturing facility is currently awaiting EMA and FDA certification.

ATOS Pharma is a part of the SEKEM Group, which has its roots in biodynamic agriculture. How did the company come to work in the pharmaceutical industry?

From its foundation in 1977, a central goal of the SEKEM Group was to support and encourage the health of the Egyptian people. On one hand, this meant providing healthy, organic and biodynamically grown foods to facilitate healthy and nutritionally balanced diets. At the same time, we wanted to provide a wider range of products that could promote or sustain people's health. As soon as our agricultural operations reached a point where we successfully produced some herbs, we launched our first health products; a range of medicinal teas.

Over the years we built up our capacities in this area and established GMP facilities for the production of tablets and drops. We developed a wide range of phyto-pharmaceutical products based on extracts from biodynamically grown plants in Egypt and a range of dietary supplements. In

later years, we developed a series of prescription phyto-pharmaceutical products. Our R&D department, often in collaboration with other companies or universities, developed all of our products, and all are produced in Egypt except one oncology product, which is imported from Germany.



What are some of the advantages of Phyto-pharmaceuticals that you would highlight?

In Germany, the list of plant-derived products, phyto-pharmaceuticals, is as long as the list of chemically derived products. Phyto-pharmaceuticals are gaining market share worldwide for a variety of reasons. These reasons include different and often less severe side effect profiles and the social preferences to use natural instead of synthetic and chemical products. One of the most severe concerns relates to the issue of antibiotic resistance, which is in part caused by the use of antibiotics in situations where they are not medically necessary.

For many illnesses, phyto-pharmaceuticals offer better treatment and are more sustainable from both environmental and medical perspectives. In other situations, non-plant derived pharmaceuticals are absolutely needed to save lives. However, as a treatment for the common cold, the flu, or a headache, phyto-pharmaceutical products can offer an effective treatment. Moreover, many phyto-pharmaceuticals have relatively few side effects and risks when compared to traditional pharmaceuticals like antibiotics, which can weaken the patient's immune system and microbiota, and of course breed antibiotic-resistant strains of bacteria. In many situations, phyto-pharmaceutical products are clearly the better treatment solution.

As such, ATOS Pharma has a vision for Egypt and the world. It is our goal to drive social change such that phyto-pharmaceuticals become mainstream products instead of niche, and to reduce the misuse of synthetic pharmaceutical products such that they are only used for significant medical reasons. To do this SEKEM Group will work with others on all levels to build awareness, increase overall capacities, support new market entrants, and will seek to play a part in this growing alternative global social enterprise market.

How active and competitive is ATOS Pharma and SEKEM Group outside of Egypt, within the international phyto-pharmaceutical industry?

When we started 40 years ago as the pioneers in biodynamic and organic agriculture in Egypt, we were the natural match for many of the big players in the European phyto-pharmaceutical and homeopathic industry. We fill a niche within a niche; we supply phyto-pharmaceutical raw materials, our products are organic, and our products are among the subset of organic products that are biodynamic. Within this narrow niche we are the absolute leaders globally for many of our products; there are a few players in India, South Africa and Brazil who work in the same niche, but mostly grow different plants than we do, and some phyto-pharmaceutical and alternative medicine companies in Europe grow their own supply of raw material.

As such, we have supplied many of the players in this niche with raw materials of the highest quality for many years. Over the years we have been able to add more and more value, and today we export a range of extracts, essential oils, and packed products like tea bags for example. The export of these products has accounted for between 25 and 30 percent of our revenues thus far, although we have plans to substantially increase that proportion in the coming years. In recent years, we have also started selling more and more raw materials to Egyptian pharmaceutical companies that are using extracts and launching phyto-pharmaceutical products. Competition aside, this is a positive development from our perspective as it is encouraging the growth of the market overall, and our objective is for more people to use healthy products, not to build a monopoly.

Could you share with us some of these plans to expand your export business?

Since there was no local market for organic products and phyto-pharmaceuticals when our business began, we very much focused on building up a local market; this fit with SEKEM Group's goal of encouraging healthy living as an aspect of social and cultural sustainable development. However, since 2011 the political instability in Egypt significantly disrupted the local market, and our export business was very helpful as it didn't break down. So we decided last year to revive the export business, and take some more active steps to go into new markets.

This means we are reinventing our ATOS Pharmaceutical business, and are currently seeking GCC so we will have the possibility to export our finished-dosage form products to more markets. Some upgrades to our manufacturing facility are needed so this will take some time, but we aim to have our facility fully ready for certification by the end of 2016.

We already have built some business in the Arab Gulf, but this is a tough area for our business. Health foods, organic products, and phyto-pharmaceuticals have not yet become a trend in this region. The biggest market, Saudi Arabia, is the most closed, and the market that is more open and has the most foreigners, the UAE, is one of the smallest. This is why we have decided to take a big step and target the US and EU markets.



What will be some of the specific targets and objectives that ATOS Pharma works to achieve in the coming five years?

Overall, our target is to at least double our turnover by 2020 both by increasing our export activity and through the launch of new products from our pipeline. Although this is requiring significant investment, we are confident that we can achieve this goal because we have good products and the market for phyto-pharmaceuticals is growing rapidly, both here in Egypt and around the world. So apart from getting our facility GCC certified, and then registering our finished dosage products in these markets, we will also be carrying out several product launches in the Egyptian market.

To give you an overview of some of these new products, one is treatment for prostatic disease, while another relieves menstrual systems. A third is an anti-inflammatory arthritis treatment that also has an anti-asthmatic effect, which is rather unique as many anti-inflammatory medications cause symptoms of asthma as a side effect. We also have some natural products derived from non-plant biological sources such as amino acids and proteins, one that helps to control diabetic complications and another that can increase the sensitivity of resistant bacteria to antibiotics. All of these products were developed in house by our R&D department, and there is ample research and documentation to support their safety and efficacy.

The SEKEM Group appears to have two key focuses: sustainable development, and health. What ties these two issues together within your organization?

My father, Dr. Ibrahim Abouleish, returned to Egypt in the 1970s after working for many years as the R&D manager for a large Austrian pharmaceutical company. In 1977 he founded SEKEM Initiative with the objective of practicing and encouraging sustainable development along four axes; economic, ecological, social and cultural. He believed that sustainable development efforts must maintain focus on all four of these axes to be successful, and thus the SEKEM Initiative plays an active role in each area.

This is SEKEM came to pioneer biodynamic agriculture in the Egyptian desert, an ecologically sustainable way of pursuing sustainable economic activity. We had a wider goal of encouraging

sustainable social and cultural development as well, meaning working to create a society where people regardless of their background have equal rights and opportunities, and to build capacities in education, healthcare, creativity, research and innovation. Of course, this is something a whole community or society must work together to achieve, and my father saw two prerequisites that must be provided for others to be likely to work to develop themselves and their communities; education, and health. If you are not healthy and don't have a good education, then you are not very likely to work to develop yourself and your community.

So, while we began our biodynamic agricultural activities in the desert, something no one thought was possible due to the challenging climate, we also sought to build a community around this operation, one which could act as a nucleus for change within wider Egyptian society. People from all over the world and several generations came together around the SEKEM farm; today my parents, myself, my kids and my grandkids all live there, with nearly 2000 people working in SEKEM businesses. As a part of this community we have built and funded schools and vocational training centers that serve roughly 1000 kids and students, and a medical center that serves the nearly 40000 person community living in the 13 villages around the farm with primary healthcare services, and health awareness and education programs.

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