

Interview: Khaled El Mounayri Country President, AstraZeneca Egypt



04.03.2016

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After choosing Egypt as the first country to host a production plant in the Middle East, AstraZeneca is interested in strengthening its foothold in the market. The country president discusses the challenges the company is facing as well as the initiatives in place to increase market access and affordability.

Could you please give us an overview on the key factors that led AstraZeneca Egypt to win the top emerging market award for 2014?

Over the past two years we have been the fastest growing multinational organization in Egypt, growing at 26 percent this year in value terms, more than double the market growth rate. Having managed an emerging markets region in the past which encompassed Iran, Iraq, Libya, Sudan, Yemen and parts of West Africa, I have learned that the Egyptian pharmaceutical industry is particularly resilient, remaining stable despite going through tough times. In Egypt it has been growing steadily at a double-digit growth rate, so the company decided to invest in the country. As a result, we increased our share of voice and our staff, from 320 to 690 people.

We also decided to take an aggressive stance in this market. One of AstraZeneca's objectives is to become a scientific leader and we have been very successful at building up the reputation of a true, long-term scientific partner to the Egyptian patient and being recognized as a trustworthy

company. We also work hard on affordability, as this is a key success factor for the Egyptian market, and recently started some new projects looking at how we can improve the affordability of some of the products in our portfolio.

What are you doing to improve market access?

Over the past few years the Ministry of Health has improved dramatically in terms of access and we have been successful in bringing some of our oncology products to the public sector. Today we support eight university clinics specialized in hypertension in Egypt, and we aim to increase this number to 15 in the next few years to further support the public healthcare system. We are approaching the universal health insurance and have partnered with most medical societies in Egypt, supporting them to launch guidelines and develop education programs for physicians.

Moreover, we are the first company in the country to launch a private sector affordability project, which provides the patient with a card granting him/her discounts on the purchase of our products. We are pioneering these kinds of initiatives in Egypt because we are offering the program not only for prescription but also for primary care products.

What kind of initiatives do you currently have in place?

We are already offering an affordability program for Faslodex® and Iressa®: for Faslodex® we provide patients with a very good 2+1 approach, while for Iressa® we sponsor the tests. Both measures answer the problem of market access. As for our oncology products we are working on the fast track to get them approved by the authorities and expect to get important results by next year.

How do you see oncology ranking in terms of priorities for the Ministry of Health?

Oncology is definitely a priority. The government supports the import, grants them a fast track and reimburses them, which confirms it's high on the agenda. The main challenge is the capacity of clinics and patients to fund the products. Many public oncology treatment centers operate on charitable donations and contributions from NGOs, so it's difficult. The government is supporting the process but is not really able to grant the use of all innovative drugs because of pricing. Nonetheless, Egypt is one of the largest markets across the Middle East for oncology.

Back in 2006 Egypt was the first country to host an AstraZeneca manufacturing plant in the Middle East. What is the positioning of the country today within the region and globally?

Egypt is one of the key drivers of AstraZeneca's international business. We contribute to the incremental sales emerging markets are achieving worldwide and, hence, to the global performance. In Egypt we have around 7 million diabetics, 14 million patients suffering from hypertension and one in 100,000 is a cancer patient, so investing in oncology, hypertension, diabetes and chronic disease is important because the potential is very high. There are a lot of unmet needs, and the challenges to overcome are pricing and developing market access strategies to reach at least certain tiers of the society.

How open is the Ministry of Health to discuss pricing?

Unfortunately we do not see much action, especially because the Ministry is not looking at real prices. With the US dollar devaluating more than 15 percent, we may have some opportunities to re-discuss the issue. But I'm realistic: Egypt is mainly a private, out-of-pocket market. What we ask is just to price new products fairly.

The perception is that brands seem to be extremely important in Egypt. What is your strategy to leverage branding in this sort of market?

Egyptians trust brands that are related to MNCs, they see them as effective and high-quality. But targeting the right tiers of the population is key to selling your products. We are selling them to 10-15 percent of the population, some of them only to the top 5 percent, mainly high socio-economic segments. However, Egypt is a huge market for generics. The perception helps, but today we have generic companies building a high-quality image in their segment. And this is a threat.

Today we are facing a larger number of players, which act, pack and sell as multinationals and target the same customers. Hence we need to review our strategy to redefine where and how we should compete. Seroquel® was a USD 6 billion AstraZeneca brand but today is competing with a product by a local generic manufacturer that is good quality and well presented.

The market is heading towards being segmented into three levels: drugs manufactured by MNCs, high-end generics and generics. We are seeing new players launching new products and gaining market share very quickly, so positioning ourselves as science leaders and reach out to our patients is key to keep our positioning and market share.

What will be your top three priorities in the coming years to ensure that AstraZeneca captures as much of this growth as possible?

First of all, ensuring to launch new products efficiently and quickly. Second, we want to develop more robust market access and affordability on top of the changes happening in Egypt. Third, we want to be very competitive in the private market by being a scientific leader. Last but not least, we want to have the right talent.

Looking forward, where would you like to see AstraZeneca Egypt in 2020?

I think by 2020 the company will double its business and definitely be in the top 10. It has been able to do so over the past three years, so for sure it will happen. My objective is to leave one of the strongest companies in this market.

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