

Mohamed Khattab – Chairman and Managing Director, Sedico, Egypt



Moving further towards biotechnology and oncology will be a major turning point in Sedico's history

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Dr Mohamed Khattab, the

newly appointed chairman and managing director of Sedico, lifts the lid on his vision for the company being a leader in biotechnology and oncology in Egypt. He reveals his plan for raising the company's profile through branding and highlights Sedico's ambition to export to markets in Europe, Africa and the Gulf region.

Dr Khattab, can you give us an overview of Sedico's footprint in the market?

Sedico is a company with strong historical fundamentals and great opportunities ahead. We have a diversified product portfolio and, as one of the few companies in Egypt, we are also working in the biotechnology field. We are offering solutions in areas such as antibiotics, general medicine and multivitamins, based on 170 pharmaceutical molecules, while also having a veterinary portfolio with more than 55 products. Our manufacturing complex covers 70,000 square meters comprising manufacturing lines for semi-solid forms, liquid fills, sterile products and solid forms. One of our priorities is to finalize our oncology production facility and we are aiming to start manufacturing products by the end of this year. We have recently finished our machinery selection to be producing 20 injectable and solid anti-cancer products, which have been submitted for registration right now. Moreover, we have 17 additional products which we will be registering in the upcoming months.

You have been appointed as the Chairman of Sedico in December 2018. What have you determined as your strategic priorities and objectives?

Moving further towards biotechnology and oncology will be a major turning point in Sedico's history, as these areas are of high importance both for the company and the country. So far there is only one site producing chemotherapeutic products in Egypt, so my task at Sedico is to establish a second manufacturing plant for oncology products, which is also a matter of national interest. Overall, our main future focus is to have a diversified portfolio based on biotechnology.

Egypt has a high and fast-growing prevalence of diabetes. What does it mean to produce insulin locally for Egyptian patients, practitioners and the government?

Egypt has a high number of Diabetes patients – amongst adults we have a prevalence of more than 15 percent. In the interest of national security, it is, therefore, crucial to have a local supply of insulin and anti-diabetics in general. Sedico has entered this market very early and today the company is one of the very few producing Insulin in Egypt. We have recently upgraded our facility to produce a larger badge size to cover the local needs and also started exporting. Looking back a few years ago, this has been a tremendous achievement, as there were Insulin shortages in Egypt and the government banned exports. Today, we are able to supply countries like Yemen and Vietnam, while still playing an integral part of ensuring the supply on the domestic level as well.

Due to the high diabetes prevalence many companies, both MNCs and locals, are competing in this field. How is Sedico differentiating itself from other players?

From a manufacturing standpoint, we are looking to upgrade our portfolio moving from vials towards cartridges, which will reduce overall costs. On the commercial side, Sedico organizes awareness campaigns and patient education programs, to ensure Egyptians know about the consequences the disease can have if not treated properly. Many Egyptians lack awareness of how to deal with their sugar levels, so it is crucial to ensure that the public receives more information on the disease. This also has a commercial reflection in the form of patient compliance, which is a win-win situation as it provides an opportunity for us, while also giving additional benefit to the patient. Sedico is also focused on educating medical professionals such as GPs and junior doctors, as they are responsible to treat the disease. We are working closely with the authorities, having different shared activities organized with the Ministry of Health for diagnosing and treating Egyptian patients in a better way.

Sedico is the first company in Egypt building a laboratory for using tissue culture technique. Can you tell us more about this project?

At the end of 2019, we have finished our tissue culture lab, which is essential to detect the efficacy of biosimilars and biological products in general. It is the only accredited laboratory of its kind in Egypt and it gives us the edge for researching this complicated sector of medicine. We see many competitors are now pushing into the biotechnology area, but as we are one of the first movers and have laid the structural groundwork early, Sedico is in a great position.

What are some of the assets of the Egyptian ecosystem that will help develop the biotech and biosimilar sector here?

From a regulatory standpoint, there is a lot of development, as the authorities have a strong team in place to approve biological products. They have a good knowledge of global trends and support the local industry in its efforts of moving into this direction. Egypt has a market gap for biotechnological products, as most of the current products are imported and come with a high price tag. Hence, there is a need for the local players to step up and enter this area to bring affordable, high-quality products to the patient. We have many internal capabilities and the opportunities for technology transfer, so the potential of biotechnology in Egypt is huge.

Currently, MNCs are dominating the biotechnology sector in Egypt. Considering the importance of branding in the country, what is Sedico's marketing strategy to be able to compete?

Especially in the generic business, the corporate name is more important than the brand name. Multinationals already have a strong corporate name, so we need to catch up with our competition in this area. Our goal is to establish a campaign to raise the profile of Sedico as a company, highlighting our technological capabilities and position Sedico as the pioneer in biotechnology in Egypt. As an example, the Ministry of Health has recently prioritized to tackle the issue of growth failures amongst children, so we are a strong partner of this campaign. Our target is to position Sedico and our product Somatropin, which includes the recombinant human growth hormone, as the best choice in this treatment field.

Considering the growth of the market and Sedico's manufacturing capacities, do you see any opportunities for in-licensing products or other similar partnerships?

In-licensing forms a huge part of our new strategic direction, so while continuing ongoing partnerships with the likes of MSD, Merck and Bayer, we have recently expanded our horizon and signed agreements with Mylan for early-stage manufacturing and secondary packaging and potential technology transfer in the future. Sedico is the partner of choice as, we have the technical know-how, the manufacturing capacities as well as a strong position in the Egyptian market, with almost two percent market share. Sedico has been the fifth fastest growing company in Egypt in the last year and is already being ranked in the Top 20.

Increasing exports is one of the main priorities for Sedico, and the company has reached its first goal of 20 percent of all sales coming from abroad in 2018. What are the next steps in internationalizing?

We will continue to strengthen our export business, through both vertical and horizontal growth. On the one hand, we will expand our operations in countries, which we are already present in, by upgrading our product mix. This goes especially for CIS and North African countries as well as the Gulf area. On the other hand, we will achieve horizontal growth by opening new markets, such as Romania and Italy. In these countries, we will focus on promoting our nutraceutical portfolio. Additionally, we are seeking to achieve the EMEA approval, as it will significantly facilitate our export business to Europe. Our goals are very ambitious, as we are aiming to triple our export revenue from last year.

Where do you want to take Sedico in the next five years?

Our goal is to become one of the four biggest local pharmaceutical companies in Egypt and move into the Top 10 in the overall ranking. We are targeting double-digit growth above 25 percent this year.

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