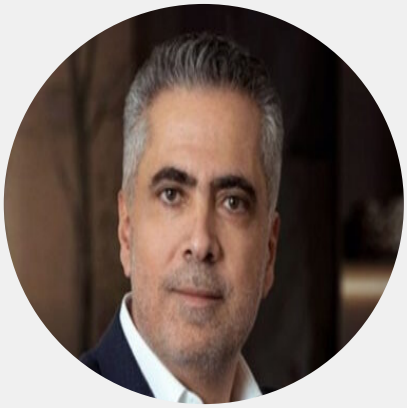
Khaled Harb – CEO, Dar Al Dawa



Competition [between pharma companies in MENA] is only getting more intense due to the increasing demand and decreasing cost of manufacturing

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Less than two years into position as CEO of MENA-wide pharma and consumer health player Dar Al Dawa, Khaled Harb looks back on what has already been achieved and the ambitious strategy he has put in place for the short-, medium-, and long-term. Harb also outlines some of the key trends at play in the region's generics market and how he aims to stay ahead of the competition.



Could you introduce the company to our international audience?

Dar Al Dawa [DAD] was founded in 1975 and grew rapidly in the following decades, currently, it is a leading MENA-wide pharmaceutical and consumer health company headquartered in Amman,

Jordan. The company has expanded its product portfolio and geographic reach to have a strong presence in over 40 countries across the MENA region and employs over 1,000 people. With a history of over 47 years, we are a trusted leader and competence centre with a reputation for exceptional quality and we are committed to developing and delivering high-quality branded generic and accessible healthcare solutions that meet the needs of our patients and customers.

Our products are available in a growing number of markets and used by millions of people around the world, the portfolio includes a wide range of pharmaceutical therapeutic areas and consumer health products, including generics, over-the-counter medications, and wellness products. We are committed to research and development and are constantly working to develop new products that meet patients' needs.

Dar Al Dawa is a responsible corporate citizen and is committed to sustainability. The company has set ambitious targets to reduce its environmental impact and to improve the lives of the communities where it operates.

Dar Al Dawa shares are traded on the Amman Stock Exchange (ASE) under the ticker symbol [DADI]

You joined the company 18 months ago after a long period at your former employer. What was the reason behind the shift in your career?

In my previous company I was leading diversified teams who are engaged in the sales, marketing and distribution of products; we have achieved many milestones in terms of growth potential and market shares. During this period I worked closely with our principal partners to mobilize huge resources in order to introduce innovative products and improve patient access across the continuum of care. In the age of a devastating pandemic we confronted seemingly insurmountable business challenges, on top of them was the drug supply but with huge efforts we navigated the challenges and delivered substantial values to some extent but it left me with a continuous appeal to drug manufacturing which for me is relevant and timely.

I always say that taking on new challenges is part of our DNA, working in the manufacturing arm after working in the marketing and distribution arms will complete the scope of the whole pharma cycle and this was the enticing change that drew me to take the decision to switch building on the fact that multiple exposures add value to new challenges. Being back in my home country of Jordan and closer to my family was another added motive to my decision.

What was at the top of your agenda upon taking up the role?

The top priority for me was to put the company back on an upwards trajectory and achieve long-term prospects, moreover optimizing resources, fulfilling the patients' needs by making quality branded generics, implementing diverse short, medium, long- term strategies to deliver the vision of the board as well as building trust and confidence with the shareholders.

We were able to generate positive earnings and new revenues; our financial position is becoming stronger; we are aiming for additional access to more capital and to attract more investors. Currently, our team is more adaptable to market dynamics, our business model is more sustainable and we have a clear plan for growth; in 2022 we closed with good financial numbers. Better levels of growth are projected for 2023.

As a company, DAD has a strong legacy in production. What is your footprint in the region?

DAD has a long and distinguished legacy in drug production built on a foundation of quality and patient care; the company has a long history of improving the manufacturing process and a track record of commitment to environmental sustainability as well as developing new high-quality branded generics that are more accessible to the patients aiming to reduce the cost of treatment.

We have 6 facilities committed to the highest quality manufacturing with GMP accreditation by different health authorities in the MENA region and Europe that manufacture multiple solutions and formulas, encompassing more than 260 products with over 340 SKUs, in different therapeutic classes.

Our legacy will continue to shape the future of drug production for years to come as we will continue to produce high-quality branded generics that can improve health, reduce healthcare financial burden, and make a real difference in the lives of individuals around the region.

You mentioned the push to bring production to Saudi Arabia. How important is this market for you?

Saudi Arabian pharmaceutical market is a +10Billion USD market which is the largest market in the MENA and is expected to grow at a compound annual growth rate (CAGR) of 7.3% from 2023 to 2028 which is considered one of the highest growth rates in the region. The country has a high purchasing power due to a number of factors, including the country's oil and gas industry, its young population, and its low tax burden.

The Saudi government provides support for the pharmaceutical industry; a number of programs are in place to support the industry, including tax breaks and grants; the country also has a skilled workforce that is trained in pharmaceutical production, besides the business environment which is great in terms of stability, strong regulatory system and accessibility to other GCC countries.

We have registered our legal entity in Saudi Arabia and obtained the license for our Regional HQ offices there and shortly we will have our own manufacturing facility.

Agility is a key trait of success for leading generics companies. Can you give any examples of how you have brought agility to DAD's operations?

The generics industry is constantly evolving, with new drugs being developed and approved all the time. In order to stay ahead of the competition agility and adaptability are key for success which comes down to speed and getting products on the market as soon as possible following the expiry of an innovator product's patent through a quick development and launch of a generic version of the drug. This requires a high level of agility, to move quickly from development to manufacturing to registration and be the first to launch.

New opportunities require adaptability, proactive and quick moves equipped with the right tools by having a strong product pipeline, wider reach, and strong sales and marketing teams. The same approach applies to new regulations which require agility, adaptability as well the right approach, for instance, the Saudi Arabian government is mandating that – if companies wish to access their domestic market – by 2024 they must situate their regional headquarters within the country. Given the importance of the Saudi Arabian market to DAD, we made the quick move, and licensed our RHQ office to prevent any future hiccups.

What is the breakdown of your portfolio by therapeutic area?

As mentioned earlier, we cover a large range of therapeutic areas with our branded generics portfolio including anti-infectives, cardiovascular and diabetes, urology, respiratory, gastrointestinal, Analgesic & musculoskeletal nervous system, gynaecology, dermatology and ophthalmology. Antibiotics and cardiovascular makeup around 30 percent of our sales revenue.

You mentioned earlier the growing competition in the region. How do you stay ahead of it?

There are a large number of companies in the MENA competing in the industry, and the competition is only getting more intense due to the increasing demand and decreasing cost of manufacturing. To stay ahead of this competition we strengthen our position through different strategies including localization, in-licensing, out-licensing, expanding into new product categories, partnering with multinational companies, focusing on high-growth markets, and registering products in new geographic markets.

What advantages do you have as a local manufacturer when partnering with multinational pharma companies?

Partnering between pharmaceutical local manufacturers and multinational companies can be a mutually beneficial arrangement. Both DAD and multinational pharma companies are putting patients first; we partner together to develop new products that fulfil the patients' needs, increase the quality of patients' care and improve the quality of patients' lives. Having quick market access for new products is another advantage of partnering with multinational companies so that patients and healthcare providers don't wait a long time to gain better health outcomes.

In your expert opinion, what do you see as the key trends for generics in the region?

In my opinion, some key trends will shape the generics industry in the region for the coming years; although there is still a big room for volume penetration in many markets but the cost of treatment is the main burden therefore commoditization, combined with extensive reforms in both regulated and unregulated markets will continue to increase the pressure on generics prices.

Choosing the right product portfolios that are correlated to the right markets will become increasingly important while providing high-quality generics in addition to functional excellence will

be a precondition for success.

How important is the UAE for DAD?

UAE is a key pillar of our footprint in the region, the country is an attractive market for generic drugs. The government is supportive of the industry, there is a large and growing population, and there is a favourable business environment. It is a good place to manufacture, distribute, and export generic drugs with growth drivers of a large and growing population, a strong focus on quality, and a strategic location.

We have large offices here and we have built strong partnerships in the UAE to undertake local manufacturing of our broad portfolio of products which are then exported and sold across the GCC. It is an attractive market to operate in as there are few obstacles to overcome when it comes to logistics and hiring of qualified and experienced employees.

What are your goals in the future?

We aim to stay ahead of the competition and among the top players in the region by providing new high-quality generic, best product portfolios and optimum functional excellence. We will strive to have a solid footprint to ensure an efficient and streamlined approach, create a competitive advantage, take steps to identify and seize opportunities, create collaborations and have a winning formula of investment.

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