Ahmed Aljedai – Chairman, SPIMACO



We're not just looking to expand for the sake of it, but because we're confident in our ability to deliver value

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SPIMACO is well-known within the Middle East and North Africa, but less so internationally. Chairman Ahmed Aljedai explains how the company is changing that by actively expanding its international presence, including via acquisitions in Europe. He also traces SPIMACO's journey towards becoming a full-spectrum pharma company covering the entire value chain, and how it is investing in cutting-edge technology in line with Saudi Arabia's Vision 2030 national transformation plan.

Could you provide some insight into the company’s global market strategy and its relevance in the pharmaceutical landscape of Saudi Arabia?

While SPIMACO enjoys recognition within the MENA region, our presence beyond these territories is not as pronounced. However, we’re actively working to change that. Our strategy involves expanding into global markets and enhancing our international visibility. To give you an overview of SPIMACO, we are the largest pharmaceutical manufacturer in the GCC, boasting the highest market share among national companies. With over 1200 SKUs and 400 different products, we operate advanced facilities encompassing injectable, oral medications, semi-solid, liquids, and recently, a state-of-the-art high-potent facility— the first of its kind in the region. Additionally, our supply chain and warehousing operations are fully automated.

Looking ahead, we plan to register approximately 35 new products in Saudi Arabia this year, diversifying our portfolio. Our new strategy involves expanding into global markets such as Europe. As part of this initiative, we recently acquired a Swiss company, known for its products approved by the European Medicines Agency and unique technologies that complement our manufacturing capabilities.

Do you perceive SPIMACO as a fully-fledged commercial pharmaceutical company or primarily a manufacturing entity?

We consider SPIMACO to be a comprehensive pharmaceutical company encompassing the entire value chain. This includes regulatory affairs, government relations, marketing, sales, research and development, manufacturing, facilities, warehousing, and scientific and medical expertise. While manufacturing is a significant aspect of our operations, we are not solely a commercial entity. We manufacture, package, and distribute medications under our own capabilities and brand. Regarding your point about being overlooked in global markets, it’s true that we face challenges in establishing ourselves internationally.

However, the reputation of Saudi manufacturing quality is strong, built over 45 years of experience. While we may be relatively new to the global market, we are committed to offering unique products that few can match. Additionally, we provide contract manufacturing services to various multinational pharmaceutical companies, including Roche, GSK, and AstraZeneca, among others.

Given the challenges of competing in the highly sophisticated international generic pharmaceutical market, why is SPIMACO pursuing international expansion now rather than focusing on scaling up its capabilities first?

While the international generic pharmaceutical market is indeed competitive and demanding, we see significant opportunities for growth and believe we can offer something unique. We’re not just looking to expand for the sake of it, but because we’re confident in our ability to deliver value. Additionally, we are actively upscaling our capabilities to meet the demands of these markets. For instance, we’re investing in high-potent manufacturing, venturing into biosimilar manufacturing, and developing a biological manufacturing facility. This facility will not only produce biosimilars but also serve as a contract manufacturing organization (CMO) for multinational companies. Furthermore, we have plans to enhance our capabilities in contract development and

manufacturing organization (CDMO) and explore opportunities in cell and gene therapy. Our goal is to become a leader in these cutting-edge pharmaceutical sectors, and we're committed to making the necessary investments to achieve that.

Expanding into highly specialized areas like biotechnology requires not just technology transfer but also significant talent acquisition. How does SPIMACO plan to address this challenge?

Talent acquisition is a crucial component of our long-term strategy. We're fortunate to have a pool of talented young Saudis who have received education and training from top universities worldwide. We aim to harness their skills and expertise, along with attracting talent from expatriates who bring valuable experience from leading pharmaceutical companies. Collaboration with industry experts is essential for knowledge exchange and skill development. Take South Korea, for instance, which transformed into a renowned biotechnology manufacturing hub by learning from others and investing in talent. Similarly, in alignment with Saudi Arabia's Vision 2030 and biotechnology strategy, we're committed to investing in talent development and acquiring the necessary expertise to excel in biotechnology. While it will require significant investment in terms of finances, time, and effort, we're confident in our ability to achieve our vision, considering the remarkable strides Saudi Arabia has made in other industries like electric vehicle manufacturing and aerospace engineering.

Considering Saudi Arabia's new biotech strategy, how crucial is it for the Saudi FDA to attain international recognition? And how do you perceive their current standing?

The Saudi FDA has made significant strides in recent years, achieving recognition comparable to major regulators like the US FDA and Australian TGA. This level of recognition enables the Saudi FDA to independently evaluate and approve new molecules, demonstrating their commitment to stringent regulatory standards. We have full confidence in their ability to provide robust regulatory guidance, ensuring compliance across all aspects of drug manufacturing. Collaboration with the Saudi FDA is essential for us to meet regulatory requirements and achieve our strategic objectives. Ultimately, strong regulatory oversight is crucial for the growth and success of the pharmaceutical industry, and we are aligned with the Saudi FDA in this endeavor.

Regarding SPIMACO’s recent financial performance, could you shed some light on the company’s strategy moving forward and its implications for investors?

SPIMACO is currently undergoing a phase of rebranding and strategic investment, aimed at diversifying our product portfolio and expanding our market reach. This includes significant investments in drug development, the establishment of new manufacturing facilities, and strategic acquisitions such as the Swiss company. While our recent financial numbers may reflect the impact of these investments, we are confident that they will yield positive results in the long term. Despite the competitive landscape of the pharmaceutical industry, we stand out among national and local competitors, achieving remarkable results last year with the highest market share and sales figures in the industry. Competition in the pharmaceutical industry is healthy and drives innovation, which ultimately benefits both the company and consumers. We believe that SPIMACO’s commitment to innovation and quality positions us as a strong partner for investors seeking opportunities in the pharmaceutical sector, particularly in the MENA region.

As we conclude, is there a specific message you would like to convey to potential partners and investors outside the region who may be considering collaboration with SPIMACO?

I would like to assure potential partners and investors that SPIMACO is an ideal partner for collaboration, offering not only contract manufacturing but also expertise in product development and technology. With a reputation for quality and reliability, SPIMACO stands as one of the best partners in the region. Whether you’re seeking to expand into new markets or develop innovative products, you can trust SPIMACO to be your dependable partner for success in the pharmaceutical industry.

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