Interview: Dr. Mowfak Sakr – Chairman, Organopharma, Egypt

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OrganoPharma's founder and chairman Dr. Mowfak Sakr explains how he founded his company to try and provide the 40 million people in Egypt who lack healthcare insurance of any kind with safe, effective, and affordable medicines, and shares his vision for expanding the company internationally.

Dr. Sakr, what is OrganoPharma best known for in the Egyptian pharmaceutical marketplace?

We have been very selective while building our portfolio, and thus while we only have 40 products in the market at present, we have managed to become the market leader in a few years, in terms of volume. The first is our azithromycin suspension, it is identical to the originator's product, using the same materials, having the same taste, consistency, and formulation, but sells for 1/10 of the price. Our second market leader is ColdFree (paracetamol, chlorpheniraminemaleate, pseudoephedrine), which took the top spot just this year, and is on track to sell about EGP 6 million this year. Our 500mg ciprofloxacinhas also rose to second place this year.

In terms of our branding, OrganoPharma is "the power of resistance when times are tough"; we seek to position ourselves as the brand people will turn to when they are sick and need help to resist an illness, but are experiencing tough times financially. Since there is a population of 40

million people in Egypt who can be considered to live in poverty and lack healthcare insurance, providing primary care medications at affordable prices is important. However, it should be noted that we are not free to set our own prices; Egyptian regulations prevent more than ten products with the same formulation being registered on the market, and the later the product is registered, the lower the price. With such low prices our operating profit is very small, limiting our ability to finance investments and expansion. Furthermore, since there is a limit to the number of generic products that can be registered, there are also limited opportunities where we can enter the market.

What are your current plans for expansion?

Currently, we have roughly 40 products on the market, have 110 under registration, and our revenue is about EGP 100 million (USD 12.5 million). Over the next few years we will be launching more products to expand our footprint, the most significant product being our sofosbuvir/ledipasvir product to treat hepatitis C virus (HCV), which we have already completed trials for and have submitted for registration.

Now, we are far from the only company to be launching products in this area; HCV currently has the largest portion of the government's healthcare budget, and is a national epidemic with between six and ten million people infected with the virus. With so many people in need, and a variety of treatment options, many companies must work together to meet the demand for treatment. OrganoPharma wants to play its part in combating this major health issue, and as such we have developed a sofosbuvir/ledipasvir product; this combination having been shown to be most effective in treating HCV genotype 4, which affects the vast majority of patients in Egypt. Our goal is to support our communities and the Egyptian people as a whole, and it is towards this goal that I plan to develop and fund my own treatment center for HCV in the village that I was born in.

Aside from HCV, my other main vision for expansion is to begin working internationally. We have the know-how and the experience to market products effectively in Europe. We have already incorporated an OrganoPharma affiliate in Germany, and plan to launch a few products in European markets through an EMA approved toll manufacturer in the next few years. One such product would be esomeprazole, which can be sold over the counter in Europe and is widely used as an anti-ulcer and anti-heartburn product; The thing is, pharmaceutical prices are so much higher in Europe that even a relatively modest profit in Europe would be quite valuable to our business, and we there are a few niches where we see significant potential for us to compete as a low cost generic. Our goal is to launch a product or two in Europe with as little overhead and investment as possible, and see what small piece of the market we can capture.

OrganoPharma isn’t working alone to bring healthcare to the 40 million people who currently lack healthcare insurance; what do you expect to change in the coming few years, and how will OrganoPharma help create that change?

Egypt today has changed dramatically from the country it was just three years ago. Today, our president Abdel Fattah al-Sisi is clearly committed to supporting the country’s advancement, and improving the lives of all the Egyptian people; as such, he and his government have made significant commitments to increasing the government’s provision of healthcare to all of the Egyptian people, particularly the 40 million individuals who are not currently covered by any health insurance, and have limited access to healthcare. Already, the government has provided treatment for HCV to many millions of people, and those who cannot afford to pay the cost of treatment themselves can get treatment at one of the many HCV national treatment centers at no cost, and the Ministry of Health is now providing oncology treatment to the general public free of charge. Moreover, the new Minister of Health Dr. El-Din Rady is a very intelligent man, who is working very hard to draft a new social insurance law to extend healthcare coverage to more Egyptians, and eventually all Egyptians, in the coming years.

In the President’s words, this is a new Egypt. Looking at the way companies are working together to support one national strategy, to contribute to society, increase the income of the Egyptian people, and advance our nation’s economy as a whole, this is something we haven’t seen before. The government and president have shared their vision for all Egyptian people to have access to healthcare and medicines, asked the business community for their support, and in return is supporting our efforts. Despite the limited supply of hard currency in Egypt, whenever we need foreign currency to purchase raw materials we receive the funds promptly from the central bank. As such, our priority as OrganoPharma is to do our utmost to support the Egyptian government’s efforts to bring healthcare to all Egyptian people, by producing medicines, investing in our own capabilities, and striving to provide as many patients as possible with good quality, effective, and safe medications at affordable prices. Egypt is already one of the biggest economies in the region, and if the business community and government can continue to work together improve the lives of all Egyptians and advance the country’s economy, I am confident that we will soon have the largest market in the region, and take a leading role in the middle east within the next two or three years.

How did you come to start OrganoPharma?

I come from a small village. As a young man, I had the opportunity to work in the Arabian Gulf, primarily in Kuwait, for 16 years. There I gained a lot of experience while working for the Sultan Company in a wide variety of sectors, including pharmaceuticals. During these years I had a

chance to travel to Europe and see how business and healthcare work in different countries, and I also made it a priority to learn more about the pharmaceutical industry by travelling to various industry events such as CPHI, which I still attend regularly. In fact, this year is the first time in five years that I did not attend CPHI India.

When I returned to Egypt, I wanted to do something with my experience to help nearly 40 million people here who are not covered by any healthcare insurance, are relatively poor, and have very limited access to healthcare services in general. Thus I started OrganoPharma, with the primary goal of serving this large population with safe, effective, affordable medications. I have financed the company completely on my own without any other investors or loans from the bank, so the pace of our growth has been limited, but OrganoPharma is still a young company which will continue to grow steadily in the coming years.

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