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Today, international companies can see the value and the benefit of collaborating with Saudi businesses due to societal changes and government support

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Waleed Mohammed Al-Shaqha PharD PhD outlines the important role that API manufacturer CAD plays within Saudi Arabia, the importance of local manufacturing within the supply chain more broadly, and how Vision 2030 is reshaping the country's industry paradigm.

Could you begin by outlining your career trajectory up to joining CAD?

After finishing a bachelor's degree in pharmacy at King Saud University in 1992, I joined the Military Force Hospital as a pharmacist governed by the Saudi Ministry of Interior. Saudi Arabia's efforts at that time were focused on sending professionals to train abroad, so I was sent to the United Kingdom to finish my master's degree in clinical pharmacology and my PhD in clinical pharmacy at the University of Bradford.

In the year 2000, I moved to the United States to continue my academic career as a visiting scholar, completed the Doctor of Pharmacy (PharmD) from the school of Pharmacy at the University of North Carolina at Chapel Hill and began working on drug development. Pfizer sponsored my fellowship for a year and a half, which was my first exposure to working with a big pharmaceutical company.

Consequently, I returned to Saudi Arabia and was assigned as an assistant director for clinical pharmacy services at the security forces' hospitals. I implemented pharmaceutical care services at this location that enhanced the role of pharmacists to improve patient outcomes. Additionally, I and some of my colleagues started the first clinic managed by pharmacists in Security Forces Hospital, Saudi Arabia.

Later on, I was named as the first pharmaceutical services director at King Fahad Medical City and thus began a series of roles with different organizations, universities and hospitals, as well as a dean of Batterjee Medical College's School of Pharmacy.

During this period, I maintained a focus on academia and received many opportunities to develop and utilize my learnings. In 2010, I joined Al-Imam Muhammad Ibn Saud Islamic University to help them to establish their college of medicine and research centre & appointed as vice dean of college medicine for postgraduate research & head of the research centre. This role allowed me to collaborate more closely with the pharmaceutical industry and learn the importance of domestic active pharmaceutical ingredient (API) production and the difficulties associated with it entails for a country in the Middle East.

My current role in CAD is as chairman of the company's board of directors. In addition, during the pandemic period, I was appointed CEO. CAD is owned by four big shareholders, with SPIMACO holding the major share.

Why was CAD founded and what needs does it aim to fulfil?

The company's owners established CAD due to concerns about drug security in Saudi Arabia in addition to profitability for long term investment. This concern has been validated during the current pandemic with pharmaceutical production being disrupted by supply chain issues.

CAD predominantly works with APIs for small molecules, offering a wide range of products for various therapeutic categories, mainly generic medicines.

What are your thoughts on pharmaceutical manufacturing in Saudi Arabia and why are you optimistic for CAD?

The Saudi government is well aware of the importance of API manufacturing in the country and hopes to support it to attract further foreign investment. The business model for APIs in Saudi

Arabia must shift to compete with China and India without copying the strategy of those two countries. Moreover, CAD believes that Saudi Arabia has many strengths that can attract partnerships with Chinese and Indian businesses and improve their products.

Saudi Arabia sits in a geographically strategic position with good proximity to both Europe and North America. Furthermore, the government can provide facilities to foreign multinational companies to attract further investment.

This is a long-term investment project that requires good relationships with multinational companies from countries like China and India which can improve Saudi Arabia's facilities and the skills of its workers. Currently, CAD is investing in R&D and forming agreements with universities and organizations to improve the company's portfolio and its products.

CAD is optimistic for the future of pharmaceutical manufacturing in Saudi Arabia due to the support that we receive from the government and the importance it places on APIs. CAD must begin exporting to Europe and North America to take advantage of these target markets due to the company's focus on high-quality high-margin products that are produced in low volumes while improving its relationship with other nations.

Is sufficient talent available in Saudi Arabia for API manufacturing?

This is one of the main challenges facing Saudi Arabia. API manufacturing is a new industry in this region and Saudi Arabia has less than 10 years of experience in the production of APIs. However, CAD is the only API facility that has been approved by the WHO in the entire Middle East. The government's investments through the Saudi Investment Bank have been used for top-of-the-line API facilities. Currently, CAD is pressuring the government to increase the level of manufacturing in these facilities to reach their operational capacity. These elements create an opportunity to collaborate further with universities, professors, graduate pharmacists and chemists to increase the access of talent in this space.

Additionally, CAD requires facilities to produce intermediates and basic chemicals to increase the competitiveness of the business. In Saudi Arabia, SABIC is the largest manufacturer of basic chemicals. However, the country is missing a producer of intermediates between the basic chemicals and CAD's finished APIs. Pharmaceutical intermediates are predominantly manufactured in China.

Therefore, Saudi Arabia could support competitive Indian companies and attract them to the country by providing them with the facilities to produce intermediates here. These businesses need government support to manage the cost of building these facilities. This union that could be created between Saudi Arabia and Indian multinationals would integrate the entire supply chain for APIs locally while drawing additional global talent to the sector.

What is the importance of having an intermediary producer in Saudi Arabia?

The pandemic has highlighted the need to consider new business models to secure the API supply chain. If CAD does not have access to intermediates, then it is not possible to run its facilities. Consequently, CAD has been calling all government ministries to highlight the need for further support for API to avoid potential disruptions to the supply chain. The government provided positive responses and communicated with CAD that it plans to build future facilities to secure intermediates to produce APIs.

How significant do you feel the impact of the Saudi government's Vision 2030 economic transformation plan will be on your industry?

The dream for Vision 2030 has become a reality that can be witnessed in the new Saudi Arabia. For CAD, Vision 2030 has led to increased support for pharmaceutical companies and APIs. The acceleration towards the Vision has occurred faster than expected. The open-minded approach to investments and society has positive implications for the businesses and individuals in the country. Therefore, it is possible to begin considering additional visions for Saudi Arabia into the future.

How do potential international partners perceive collaboration with local players like CAD today?

This was one of the challenges facing multinational companies coming to Saudi Arabia that was solved by Vision 2030. Today, international companies can see the value and the benefit of collaborating with Saudi businesses due to societal changes and government support.

CAD receives constant communications from different international businesses to discuss the opportunities of collaborating in Saudi Arabia. Therefore, there are several opportunities available for CAD and we are in the process of reviewing these proposals to determine the support these

companies can provide the region and the facilities that are needed.

Do you have a final message to our international audience on behalf of Saudi Arabia?

It is important to realize that this moment for Saudi Arabia signifies an openness to partnerships and integrations. Therefore, it is a great opportunity for all business seekers to bring their ideas and plant them in the fertile Saudi marketplace, where huge governmental support and fruitful collaboration ensure that they can flourish.

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