



Maher Milad Iskander & Co.
LAWYERS & COUNSELORS

EGYPT

LAND OF OPPORTUNITIES

Invest in Health Care

An Economical Guide

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Additional detailed information on Egypt, and advice on how to access our market intelligence and services, can be obtained from Maher Milad Iskander & Co. Trade and Investment Team in Egypt. Full contact details are available at the end of this guide.

Whilst we make every effort to ensure that the information is accurate, we can accept no responsibility for any errors, omissions or misleading statements.

Maher Milad Iskander
Managing Partner

Background of Health Care in Egypt

This guide is designed to inform potential investors about the current and upcoming health care market within Egypt. We hope that after you have completed looking through it you will have an understanding of the different types of available health care within the country, where the core areas of investment lie, the advantages of investing here, and the legal processes which must be incurred to successfully carry out a project within this sector. We have also included a section outlining relevant success stories within this field. At the end you can find a brief over-view of our firm and the services we provide should you decide to launch a project in Egypt.

Egyptian Health Care

Egyptians have had an influential place in medicine since the dawn of their ancient ancestors, making the country rich with medical experiences and practices. Over the years, the medical system has consistently improved, attracting people from neighbouring countries due to its comparatively cheaper price and good quality service.

The health care system in Egypt is comprised of a hybrid of public and private sectors and the government, as well as public and private sectors of the health insurance market. The three sectors work harmoniously with one another although the government is considered the primary health care

provider in terms of expenditure and service provision.

Recently, the government has been focused on building a good reputation for Egyptian health care with the long term aim of making Egypt a medical hub within the MENA region for both medical tourism and investments. Their strategy involves optimising private funding which will in turn place Egypt in a strong position for development and expansion. In order to attain their goals they have focused on the issue of under-investment in infrastructure, allocating EGP 27.41bn (\$4.08bn) to healthcare in the 2012-13 budget, up 18% on the previous fiscal year. Furthermore, in

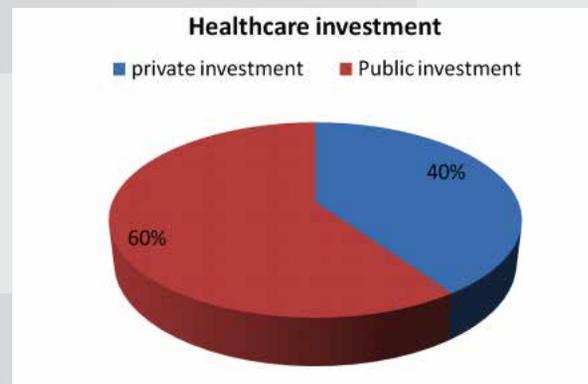
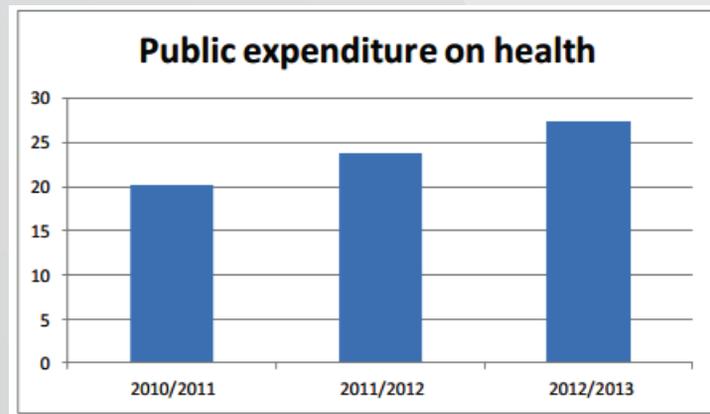
2013/2014, the government allocated 4.8% of the general government expenditure on health care sector. Despite these recent attempts to inject more money into the sector, there is still a focus on boosting private investment in health care as national finances are currently under intense pressure. This upsurge in public healthcare expenditure has also increased total health-care expenditure in Egypt. Broad opportunities also exist in the promotion of health tourism, as highlighted by the proliferation of small cosmetic surgeryboutiques throughout the nation's capital. Opportunities also exist for providers of medical and diagnostic equipment

and insurance products as there is constant demand for these within the country's medical establishments.

Egypt already has a sizeable private health sector with key international players such as Saudi-Egyptian firm Andalusia Group (supported by the World Bank) and UK based Capital Trust Group becoming more active in the Egyptian healthcare market. However, at present, private health-

care in Egypt is largely reserved for those in higher income brackets, as treatment is costly with only 9% of hospital beds being located in private institutions. As a result, Public-private partnerships (PPPs) are widely viewed as a sound way forward for the sector as they will enable Egypt to harness private capital and expertise in the construction of its hospitals without overburdening the state.

Egyptian doctors provide a further advantage for our health care system as they are internationally accredited for their skills with the majority of them being trained in reputable schools within the country and abroad. These doctors are also able to speak English at a high level, facilitating their interaction with international patients as well as attracting international students for Egyptian medical schools.



Key Players in the Healthcare System

The public institutional sector is made up of quasi-governmental organisations in which the state maintains control over the decision making process. These institutions include:

Ministry of Health and Population (MOHP)

The MOHP is by far the most important player in Egypt's healthcare system as it is a major provider of health care services as well as being the main regulatory body for the industry. The ministry is also responsible for the increased participation of the private sector and non-government institutions in the implementation of programmes, as well as creating up to date policies for effective delivery of curative services, disease prevention, health promotion activities and establishment of a primary health care system.

Curative Care Organisation (CCO)

The CCO was created following the nationalization of several private hospitals in 1964 and provides health care services to the public for a nominal charge.

Health Insurance Organisation (HIO)

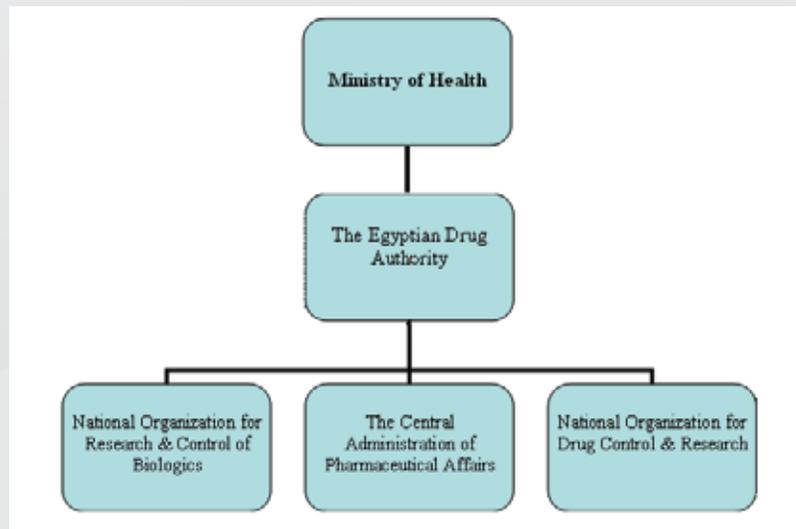
HIO was also created in 1964 and manages health care services for a constituency of government employees covered by the mandatory government health insurance scheme. The organisation was initially launched with the intention of covering the whole population within 10 years of its inception however, currently only 40 million beneficiaries enjoy its benefits (approximately 50% of the overall population).

General Organisation for Teaching Hospitals and Institutes

Founded in 1975, this organisation currently regulates the nine teaching hospitals and nine medical institutes all around Egypt.

Egyptian Drug Authority (EDA)

EDA is the pharmaceutical regulatory body of the Egyptian Ministry of Health and it is committed to supporting initiatives which help promote its goals of protecting people's health by regulating the safety and quality of pharmaceutical products, regulation & legislation of pharmacy practice, availability of high quality medicines at affordable prices, strategic planning & policy making for the sector, setting standards of pharmaceutical services for both hospital & community, cooperation with relevant international organizations (such as the World Health Organization WHO) in order to improve standards of pharmaceutical products and practices.



Areas for Investment

1. Medical/health tourism

A rapidly increasing sector within Egypt is that of medical tourism. There are many reasons as to why this field is growing with such success, the most recurrent of which is Egypt's competitive geographical location between the Middle East, Europe and Africa which provides ease of access to travellers from across the globe. Aside from this however, those travelling to Egypt for medical treatment can enjoy high quality service for a price which is significantly lower than that in their country of origin (it is estimated that US patients can save up to 60% on medical treatments including travel and accommodation). More importantly however, there are no waiting lines for procedures, allowing for those who need immediate care to be seen too quickly. Patients

from everywhere come to Egypt seeking the convenient combination of the finest personalized medical care with the unforgettable touristic experience at an affordable and reasonable overall cost.

Egypt currently attracts an estimated 50,000 medical tourism clients, almost exclusively from nearby Arab and African countries which have strong cultural and geographic ties. It also has a long and respected tradition of medicine, and a strong asset in respected Egyptian doctors at home and abroad. Egypt currently is witnessing investment in the development of medical centres at tourist resorts such as Porto Ghalib in Marsa Alam and the Marassi project in the North West Coast. There are also a growing number of healthcare investments more

likely to appeal to international medical tourism markets such as EL-Gouna hospital in Hurghada, the Tajmeel clinics in Cairo, Sharm EL-Sheikh and Hurghada, Andalusia hospitals in Alexandria.

Finally, Costs of living are relatively reasonable in Egypt compared to other medical destinations such as Dubai, which in turn attracts more specific segments of the Arab

and African markets.

For investors, a specific goal will need to be established to allow for a successful business. This means that investors will have to assess whether or not their focus will be more on the medical treatment (such as surgery and other palliative/curative care) or whether they wish to focus more on wellness tourism.

2. Therapeutic tours

The therapeutic qualities of Egypt have been recognized since ancient Greek times. Rich with a wide range of natural resources, such as hot springs and sea minerals it is easy to see why this area of healthcare is picking up quickly.

According to scientific research, the clay found within the springs has therapeutic properties that can cure numerous bone, skin, kidney, respiratory diseases. The Red Sea water with its chemical composition and abundance of coral reefs has also been found to help cure various forms of psoriasis.

Aswan's dry weather is ideal for enjoying sand bathing during the period from May to September which is useful for curing various diseases such as rheumatism and rheumatoid arthritis. In Aswan, many hotels have physiotherapy centers manned by efficient and highly trained staff experienced in various types of massage therapy. Moreover, rheumatoid patients can be treated in hot sands surrounded by a calm and beautiful landscape and pollution free environment which also contributes to speedy

recovery. Aswan's year round clear sunshine teamed with its dry weather provides an ideal atmosphere for curing rheumatism and bronchial asthma. Further south, Abu Simbel, with its high rate of ultraviolet rays and a low humidity rate during the period from December to March, also provide a congenial environment for treatment of these diseases.

The Nubians in this region still practice traditional medicine, particularly herbal treatments. They use a plant called "Halefal'Bar", in treating common colds, "Damsisa" in treating urinary tracts diseases and ground pomegranate peels in treating dysentery.

Healing springs can be found across the country from Sinai to Helwan providing countless potential locations for interested investors. Since the focus of therapeutic holidays is to improve the clients well-being, the shift can be moved away from luxury (as tends to be the case with hotels in the country) therefore allowing a new business to be less costly in comparison to its counterparts.

3. PPP Opportunities

The government of Egypt are currently pushing for more private public partnerships within the health care sector, with many projects already being initiated, such as the medical city project in Alexandria. This project was launched in April 2012 as the first of its kind in Egypt and was sponsored by the Alexandria Governorate and Ministry of Health, costing approximately 800 million. The development consists of an integrated medical city established over an area of 840000m² in Western Alexandria, behind Carrefour Hypermarket, containing hospitals and clinics, recovery centers, five star hotels, R&D centers and laboratories, and a

center for medical education, according to the PPP project, a 200-bed Gynaecology and Obstetrics University Hospital will be constructed, along with the development of a 223-bed facility near Mowassat Hospital. The project will also enable Smouha Hospital to include a blood bank as well as a paediatric and emergency facility.

Since such partnerships are welcomed by the government and the people of Egypt as a whole, and so bureaucratic hurdles have been lessened to encourage investors to assist in the promotion of this segment of healthcare.

4. Health Insurance

The Egyptian population does not yet enjoy universal social healthcare insurance coverage as the publically managed health insurance scheme is neither comprehensive nor mandatory. Insurance covers only 55.1% of total population, with most insurance covered by public-sector companies, the largest of which is the HIO. The private sector has the option of public health insurance under the administrative umbrella of the HIO for an annual fee or

privately managed health insurance. There are a scarce number of private health insurance providers, many of which are multinationals such as Allianz and BUPA which are considered highly priced for the majority of the population. There is therefore room for more private insurance providers to infiltrate the market who can in turn benefit from the low penetration rates (in comparison to Brazil and Turkey).

5. Pharmaceuticals

The Egyptian pharmaceutical industry has enjoyed a period of considerable development in recent years. There is a strong domestic production sector and an equally successful export sector to Arab, Asian and Eastern European Markets. Today, Egypt has the largest drug-manufacturing base in the Middle East and North Africa (MENA), accounting for 30% of the regional market. With a 75% market share, the private sector dominates pharmaceutical production. Pharmaceutical companies operating in Egypt fall into three categories: public sector companies (12 companies are affiliates of Holdipharma previously known as Drug Holding Company D.H.C), private sector Egyptian companies and multinational companies. Before the 1990s, the sector was dominated by state-owned companies but this has changed with the introduction of privatization program that has allowed the private sector to take the highest share of production in the domestic market.

Public production represented by the state-owned holding company Holdipharma accounts for around one-tenth of sales by value and nearly two-tenths by volume. There are also a number of leading local private producers, some of whom are broadening their capabilities through their involvement with biotechnology. An example of such a firm is Minapharm Pharmaceuticals who recently acquired 95% of the share capital of the German ProBioGen in June 2010. Some leading multinational producers also manufacture in Egypt, including AstraZen.

Egypt's exports of pharmaceuticals have grown steadily in recent years reaching USD 506 million in 2013 compared to USD 238 million in FY 2006/2007, which represents 2% of total exports of the Arab Republic of Egypt. Local production covers around 93% of the market with 7% made up of highly specialized pharmaceuticals not produced locally. Multinational corporations account for about 30% of local sales through domestic manufacturing, and approximately 35% through licensing agreements, while the remaining ratio represents generic medicines produced by local companies. Renowned companies such as GlaxoSmith-Kline (GSK), Sanofi-Aventis and Novartis are also among the top multinational manufacturers in the market. Furthermore, multinationals like Pfizer, Servier, and Bristol-Myers are active players in the pharmaceutical industry in Egypt. Holdipharma, the state owned producer, contributes with 1700 types of medicine, 42.1% of them are sold in cheap prices, with LE 1.3 billion as new investments every three years, bearing LE 0.5 bn. annual losses because of its low prices. The total capital of Holdipharma and its affiliates is about LE 2 billion, with a cumulative growth rate of 50% over the last five years.

According to GAFI's database in October 2014, investment in the pharmaceutical industry reached 4.5 billion dollars coming from 1216 companies, 3 billion of which came from Egyptian investment, 250.4 million from Arab investment and 1.29 billion from foreign investors.

Pharmaceutical prices in Egypt are based

on a cost-plus formula, allowing for a profit margin of 15% on essential drugs, 25% on non-essential drugs and 40% or more on over-the-counter products. The formula, managed by the Ministry of Health and Population, guarantees positive returns for all companies operating in Egypt. Furthermore, the new pricing system will link medicine prices in Egypt to those in 36 other countries, including Canada, European states and countries in the Persian Gulf. It is therefore predicted that the Pharmaceutical industry in Egypt will continue to rise, stimulated by many factors like the increas-

ing size of the market and the entrance of new investors to the market. The government seeks more liberalization for the industry with less control over prices and more privatization for the sector. Investment in the industry is expected to reach 8 billion USD by 2015 with an average compound annual growth rate of 14.3%, whilst maintaining a consistent percentage of the GDP ranging from 1.9 - 2.0 %. This increase is accompanied by the upsurge in health expenditure which is estimated to equate to 32.3% of the market value in 2015.

Projected Pharmaceutical Market, 2011-2015

	2011	2012	2013	2014	2015
Value USD billion	4.7	5.4	6.2	7	8
% GDP	2	2	1.9	2	2
% Health Expenditure	31	31	30.8	31.6	32.3
Per capita (USD)	54	61	69	77	86

Source: ESPICOM

6. Medical Equipment

The medical equipment and supplies market in Egypt is estimated at roughly \$330 million, with an expected annual growth rate of 10% for the next five years. With little local production, the market relies heavily on imports and is steadily receptive to American products. Despite the solid reputation, U.S. market share is estimated at only 13%. The on-going healthcare reform project and the increasing population of more than 80million are generating major demand for high-tech medical and healthcare items. With the government health reform target of

achieving universal access to healthcare, the public sector is expected to account for the majority of expenditure growth the next few years.

The Health Ministry is currently undertaking an ambitious plan of building new hospitals and investing in renovating and refurbishing existing medical facilities with new technologies and up-to-date equipment, especially in the rural, under-served areas. The private sector's demand for sophisticated medical equipment is therefore growing as a result.

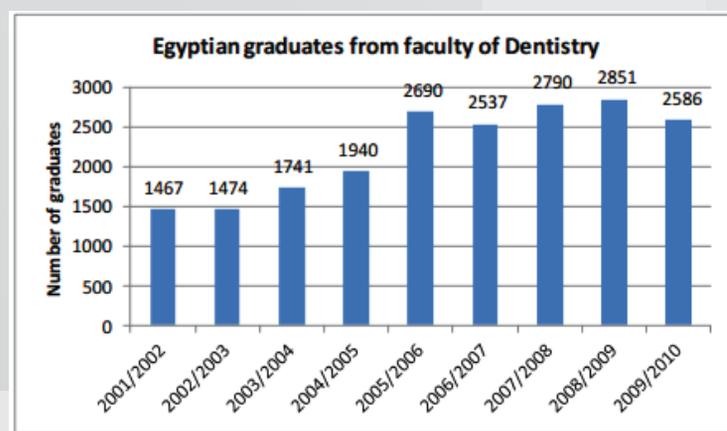
The subsectors best prospects can be found in the following equipment:

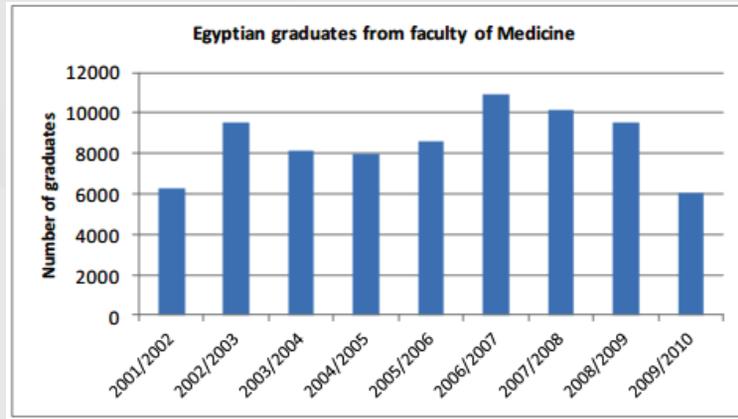
- Oncology and radiological equipment.
- Laboratory and testing equipment.
- Surgical and medical devices and supplies.
- Software for hospital management/network.
- Intensive care equipment.

Advantages of Investing in Health Care

- **Largest Trained Workforce in the Region:** With an annual average of 10,000 graduates from medical schools, Egypt produces more doctors and pharmacists than any other country in the Middle East. At 26.839 million (as of 2012) Egypt's workforce is the largest in the Arab world and the second largest in the MENA region, after Iran.
- **Labour Costs:** Wages in Egypt are considered amongst the lowest in the MENA region. The average wage in the health sector is comparatively low at US\$ 15.4 per week. In contrast, the reputation of Egypt's healthcare workforce is excellent. This provides a unique opportunity for investors to minimize costs while offering high-quality services.
- **On-going Training and Networking:** Egypt's healthcare workforce has an excellent reputation in the region for high quality standards and experience. Medical personnel have access to state-of-the-art training programs from such companies as Intel and Microsoft, while networking and chat sites allow knowledge sharing. Additionally, Egypt's doctors have access to online medical journals, allowing them to keep up-to-date on the latest medical innovations.
- **High Doctor to Patient Ratio:** In 2014, Egypt recorded 8.3 physicians and 14.85 nursing staff, in addition to 1.68 dentists, and 2.44 pharmacists per ten thousand citizens.
- **Increase in Investment Appeal:** Private investments in health care amounted to EGP 3.16 Billion in 2013/2014
- **Upgrade of the National Healthcare System:** The government's plan to overhaul the national universal healthcare system will drive new traffic to more than 1607 hospitals and will create additional opportunities for investment, particularly through the PPP program.

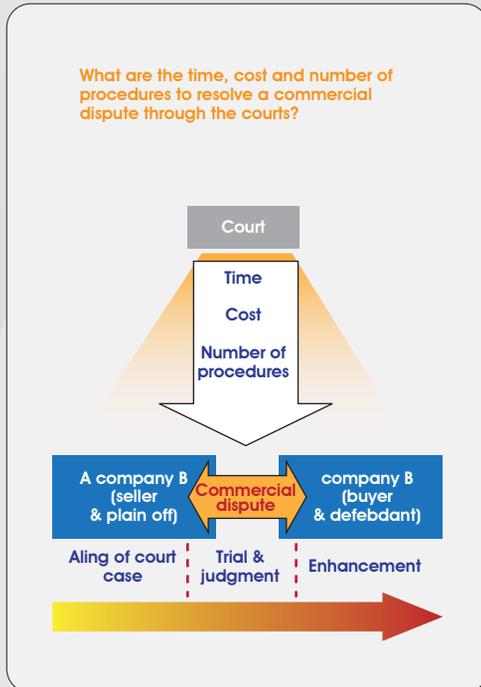
- **Geographic Location:** Egypt's geographic location at the centre of the world has placed it within reach of patients from Europe, the Middle East, Africa and south Asia. This ideal positioning allows the country to be a successful medical tourism destination.
- **Diversity of Opportunities:** Egypt offers significant opportunities for investment in primary, secondary and tertiary care centres, clinics catering to the growing global medical tourism sector, medical equipment and supplies distribution, and pharmaceuticals distribution. This diverse range of opportunities provides a wide range of options for players looking to enter the market.
- **High Healthcare Expenditures:** An average of 5.1% of personal income is directed to healthcare services yearly. Moreover, the government spending on healthcare in 2013/2014 amounted to over EGP 944 Million EGP. There are therefore many market opportunities for investment at all levels of the value chain.
- **Low Insurance Penetration Rates:** There are few providers of health insurance in Egypt, and penetration rates remain very low in comparison to Brazil and Turkey. Insurance covers only 55.1% of total population, with most insurance covered by public-sector companies and few private firms.





The Egyptian Legal System:

Egypt's system of civil law is based on a legal code derived largely from the Napoleonic Code. Jurisdiction is determined on the basis of the claim value. Cases up to and including EGP 40,000 (US\$5,700) are heard by the lower division of the courts of first instance, and those above EGP 40,000 are heard by the upper division.



The Civil and Commercial Procedural Code regulates the procedures before all sorts of courts as laws, regulations and procedures are the same across cities. However, the court jurisdiction varies from one local court to another according to the nature of the dispute.

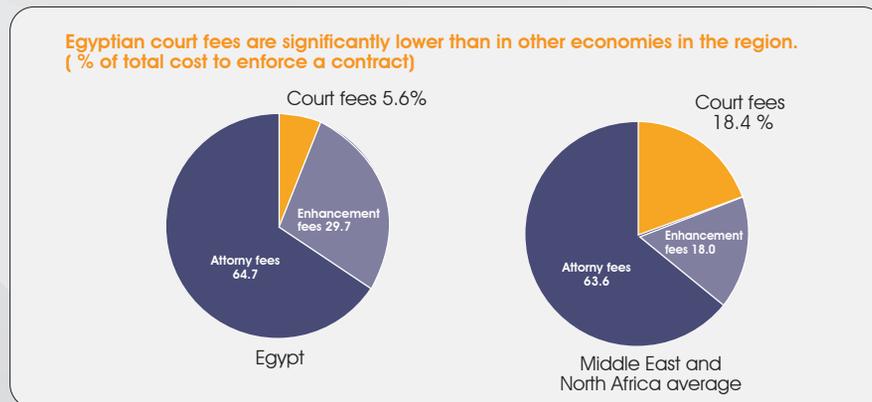
One way to reduce caseload is alternative dispute resolution (ADR). Since 2009, the International Finance Corporation (IFC) has supported an ADR project by providing professional training and certification for mediators, conducting awareness raising workshops, and assisting with the drafting of Egypt's first mediation law, which will regulate both private and judicial mediation. These efforts have already started to produce positive results. There is a now steady referral of cases to mediation at the three IFC-supported institutions the Economic Courts, the General Authority for Investment and Free Zones, and the Cairo Regional Centre for

International Commercial Arbitration—and the average number of days required for case resolution through mediation is 28.6 days.

The average cost of litigation in the Egyptian cities measured is 23.6% of the claim value, is significantly lower than the global average of 35.1% and below the regional average of 24.6%. Court and enforcement fees are regulated nationally by the Ministry of Justice as set by the Law on Court Fees and therefore are identical across cities. Egypt's court fees, at 1.3% of the claim value, are among the lowest in the world. Together, the court and enforcement fees constitute 35.3% of the total cost, with court fees accounting for only 5.6%, compared with 18.4% of the total cost in the Middle East and North Africa. Court fees such as the fee to file a case are fixed, while the enforcement fees are largely based on a percentage of the claim value.

Egypt is one of the countries which take less time to issue a judgment. As the number of days it takes to consider a lawsuit is 1010 days. This is relatively good in comparison with Italy that takes 1185 days to consider a lawsuit.

Such period could be reduced in many governorates where an efficient computerized system allows judges and court registers to access case information including trial dates, adjournment and final judgment.



Relevant Laws

1. Investment Law No.8 of 1997

This law offers incentives for Egyptians and foreigners for investment in certain fields which include the provision of medical facilities. The law provides the following incentives for investors:

- Companies may not be confiscated or nationalized.
- Companies and their assets cannot be sequestered, seized or expropriated by administrative order.
- No administrative body can interfere in setting prices or profit margins.
- Projects are allowed to repatriate their capital and profits.
- Projects may be entirely owned by foreigners. Furthermore, their boards of directors may be wholly composed of foreigners.
- Companies have the right to own building lands and develop real estate as needed for implementing and expanding their activities, regardless of the nationality or place

of residence of partners and shareholders or the percentage of their participation. (Except for Sinai, as Foreign ownership is only allowed in the case of partnership with an Egyptian partner who has to own 51 per cent of the land).

- Projects are exempted from certain labor requirements of the Egyptian Companies' Law and the Labor Law.
- Foreign experts' salaries are exempted from income tax if their stay in Egypt is shorter than one year.
- Projects are free to maintain foreign currency bank accounts. Projects are subject to a flat rate of 5 % in customs duties on imported equipment and machinery.
- Projects are exempted from stamp duties and notarization fees for 3 years from the date of registration in the commercial register.
- Projects are exempted from all registration and notarization charges normally levied on contracts.

2. Intellectual Property Law

Egypt is a member of the World Trade Organization and legal provisions granting patents to manufacturers exist which include pharmaceuticals. Intellectual Property Rights are managed and enforced by the Egyptian Patent Office. National Legislation has also been modified to implement the TRIPS Agreement and contains TRIPS-specific flexibilities and safeguards.

3. Law 127 of 1995

Art. 59 of Law 127/1955 states that it is forbidden to trade in pharmaceutical products, whether prepared locally or imported, until they are registered with the Ministry of Health and such products may not be registered unless the registration request is submitted by a pharmacist, physician, veterinarian or dentist, licensed to practice their profession in Egypt, or else by the owner of a local pharmaceuticals factory or the owner of a foreign factory based abroad, or their agents.

Ministerial Decree 174/1974 on the re-registration of pharmaceutical products makes it compulsory to re-register products every ten years and if the concerned party fails to submit a re-registration request, the permit is cancelled and remanufacture or importation is no longer permitted.

Opening a Scientific Office in Egypt

Foreign pharmaceutical companies may apply to the Ministry of Health to open scientific offices in Egypt and if the Ministry of Health approves their request, they may register their scientific offices at the Imports and Exports Control Authority (under the Ministry of Foreign Trade). This kind of registration allows scientific offices of pharmaceutical companies to make promotions in Egypt for their pharmaceutical products. Such scientific offices may also receive on behalf of their companies the royalty on the foreign pharmaceutical products, which are manufactured by Egyptian pharmaceutical companies by license from the foreign companies. Scientific offices may also receive a promotion allowance from the Egyptian pharmaceutical companies if they make the necessary promotions for the locally

manufactured products by themselves.

There is no minimum capital for a representative, liaison, or scientific office, but the funds required to establish any such office and to run it should be transferred from abroad in foreign convertible currency and deposited at one of the accredited banks in Egypt. However, scientific offices of pharmaceutical companies are allowed to use the royalties and promotion allowances accruing thereto as indicated above in meeting their expenses or part thereof.

Since representative, liaison, and scientific offices cannot exercise any commercial activity that could generate income, they are not subject to the corporate tax and their employees do not enjoy any profit-sharing rights.

To register a scientific office, the concerned foreign company should submit an application to the Imports and Exports Control Authority with the following documents:

- a. A legalized copy of the memorandum and articles of association of the foreign company with a recognized translation thereof.
- b. A legalized copy of the company's board of directors' resolution to establish a representative office in Egypt to study the Egyptian market and explore production possibilities without being engaged in any trading or profit-oriented activities.
- c. Appoint a manager for the representative office.
- d. A certificate from one of the accredited banks in Egypt stating that the foreign company has a convertible foreign currency balance (no minimum amount is required) and that the currency has been transferred from abroad.
- e. A certified cheque for L.E. 1 000 as registration fees in the name of the Ministry of Foreign Trade.
- f. A copy of the rental contract of the representative office in Egypt.

Registration of a representative office usually takes about one month to complete.

International Success Stories

1. Siemens Medical Solutions Group

This company supplies the Egyptian market with the most advanced medical devices and systems. Since expanding its business in 1999, Siemens has built alliances with both public and private health providers, who benefit from Siemens' integrated solutions for diagnosis and therapy.

Siemens has provided healthcare equipment to public hospitals such as the Egyptian Universities' hospitals of Cairo and Mansoura in addition to private hospitals, such as Al Salaam hospital and Cairo Scan.

2. GE Healthcare

GE Healthcare is a subsidiary of General Electric (GE), headquartered in the United Kingdom. GE Healthcare provides transformational medical technologies and services helping to deliver patient care to people around the world. The company provides medical imaging and information technologies, medical diagnostics, patient monitoring systems, drug discovery, biopharmaceutical manufacturing technologies and performance solutions services. Since 1974 GE Healthcare has partnered with Egyptian government entities and private businesses on healthcare projects across the country. GE's expertise in medical imaging and information technologies has facilitated earlier diagnosis and improved treatment of cancer and heart disease.

Recently, Egypt became one of the first countries in the region to successfully launch a breast-cancer screening program using GE's digital mammography mobile solution.

3. GlaxoSmithKline (GSK)

GSK operates in Egypt through its 91%-owned subsidiary GSK Egypt, which employs around 1,500 staff. The subsidiary, established in 1990, principally manufactures ethical drugs, but also markets and distributes other pharmaceuticals products and toiletries. GSK was listed in Egypt in 1985 and has a market capitalization of EGP 1.55 billion (USD 266.45 million). The company has more than USD 100 million of investments in Egypt. According to IMS Health data for September 2009 MAT, GSK ranked first in Egypt, with an 8.7% value share of the market. GSK's main activities in Egypt are manufacturing, packaging, marketing, selling and distributing GSK products. The company also imports and distributes a range of its parent company's products that are not manufactured in Egypt. In addition, it manufactures a range of products under license from other pharmaceuticals manufacturers. GSK's production capacity in Egypt equates to approximately 107 million medicine units per year. The factory, laboratories, warehouse and head office are in El-Salam City, Cairo.

GSKEgypt also has scientific and sales offices in Mohandessin, Nasr City, Alexandria, Tanta, Mansoura and Souhag. Company officials claim that about 90% of the subsidiary's production is sold in Egypt, with the remaining 10% being exported to other MENA markets. This indicates the retention of a significant share of the local Egyptian market, despite profit slides suffered by the firm, resulting from turbulent market conditions, relating to currency devaluation and tight price controls.

4. Sanofi-Aventis

Sanofi S.A. is a multinational pharmaceutical company headquartered in Paris, France. As of 2014 the company was named the world's fifth-largest by prescription sales. It operates in Egypt through its affiliate, Sanofi-Aventis Egypt, which operates a plant and four offices in the country, employing more than 800 people. The company's manufacturing capacity is 50 million boxes and 20 million packs per annum. The company markets the following medicines in Egypt: Plavix, Aprovel (irbesartan), Tritace (ramipril), Actonel (risedronate), Depakine (sodium valproate), Amaryl (glimepiride), Lantus, Eloxatin (oxaliplatin), and Taxotere (docetaxel), among a number of other products. Sanofi-Aventis has also provided the vaccines used in mass polioimmunization programmes in the country.

5. Pfizer

Pfizer, the world's largest pharmaceuticals company, operates in Egypt through its 100% owned subsidiary Pfizer Egypt. The company was established in 1961 and was one of the first foreign-owned companies to commence operations in Egypt. It now employs around 800 people. The company specializes in manufacturing and distributing chemicals, pharmaceuticals and animal health products. Its main pharmaceutical product areas are antibiotics, cardiovascular preparations, anti-allergy treatments and anti-infectives. Pfizer recently acquired competitor Wyeth, which also has operations in Egypt. The company deals in prescription and consumer health products.

6. Novartis

This Swiss multinational company operates in Egypt through its subsidiary Novartis Pharma, established in 1962. It is based in Cairo and manufactures, markets and sells patented pharmaceuticals, OTCs, generics and animal healthcare products. Leading product areas are analgesics, cardiovascular treatments and ear, nose and throat preparations. Novartis employs approximately 1,120 individuals. In 2009, Novartis posted USD 44.3 billion in global net sales, up from USD 41.5 billion achieved in the previous year. Sales of Voltaren (excluding OTC sales) reached USD 797 million, driven by solid performance in emerging markets, including those in Africa.

National Success Stories

1. Misr Pharmaceuticals

Originally established in 1939 as the first pharmaceuticals company in Egypt, Misr Pharmaceutical Industries is one of the government-owned pharmaceutical firms in Egypt, and part of Holdipharma. Misr exports to a number of countries in the region, as well as in Africa and Romania in Europe. The company also employs around 1,750 individuals. Misr is engaged in production and wholesale trade in pharmaceuticals, as well as some research and development of new drugs. The company mostly produces medicines in a powder, syrup, ampoule and tablet forms, although some of its output is generated as creams and vials. Most sales are in the human medicines segment, with animal health representing the remainder.

2. Egyptian International Pharmaceutical Industries Co (EIPICO)

EIPICO started production in 1985 and now claims to be the largest domestic drug manufacturer in Egypt, with a 10-12% total drug market share by volume and nine manufacturing plants in the Country. It exports medicines around the world, accounting for 20% of Egypt's total pharmaceutical exports. The company also owns majority shares in Egyptian International Ampoules Company (EIACO), which produces some 800mn units annually. Additionally, EIPICO holds a 30% share in the Saudi Arabia-based 'Universal for Pharmaceutical Production', having invested EGP27.7 million. EIPICO has its own laboratories, which are included under its 'quality sector' category of activities. This category also includes its chemical control and Biotechnology Centre. The Biotechnology Centre was inaugurated in 2001 to produce raw materials, extract useful compounds from natural sources, and to conduct preclinical and clinical trials for drug efficacy and bioequivalence as well as other detailed research using pharmacology. This center is considered as separate to the operations of the main body of EIPICO, and has its own budget and staff. The drug production facilities are GMP certified, which adds respectability to the company's standing as an exporter to the EU.

3. Dar Al Fouad Hospital

Dar Al Fouad Hospital was founded in 1995 and specializes in a number of fields, including cardiothoracic surgery, oncology and organ transplants. The 42,000 square meter hospital in Sixth of October City was built in collaboration with Cleveland Clinic International and is renowned for providing high-quality care in state-of-the-art medical facilities.

4. Magrabi Hospitals and Centers Egypt

Founded in 1995 by Dr. Akef Magrabi as a private eye care center, Magrabi Hospital has since grown into a network of three eye hospitals, treating more than 500,000 patients and performing over 500,000 eye-related surgeries each year. Since 1999, the company has provided free community healthcare services to low-income, rural populations through the charitable Magrabi Al-Noor Foundation. Magrabi received USD 45 million in financing from the International Finance Corporation for the construction of three new low-cost eye hospitals and four eye referral centers in Egypt. The new hospitals are expected to provide an additional 500,000 examinations and 50,000 operations per year.

What Maher Milad Iskander (MMI) law firm Can Do For You

With over 25 years of experience Maher Milad Iskander & Co. can assist in the following areas:

- Professional licensing for pharmaceuticals, medical institutions and insurance providers.
- Reconciliation of any disputes including employment disputes and disputes with patients.
- Establishment of medical and pharmaceutical entities including property registration, contract formation and employment agreements.
- Handling complex mergers and acquisitions and joint ventures.
- Staying updated with any changes in the law (nationally and internationally) related to the health care sector and informing clients of any changes which may affect their business.



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