

Pharmacare

An Expression of Trust



By Subhi Khoury

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armacare is a public limited liability company established on the belief that profitable Palestinian industrial production can thrive and that the Palestinian people deserve access to high-quality affordable

medication. For the last 36 years, Pharmacare has succeeded in making this belief a reality. Pharmacare Palestine provides high-quality conventional products to Palestinians in the West Bank and Gaza, while our subsidiary in Malta, Pharmacare Premium, develops and supplies high-potency anti-cancer medication. Financially, Pharmacare has also been successful, not once failing



to generate a profit or distribute dividends. Proving to be a sound investment for its shareholders, Pharmacare attracted direct forging investment in 1999 from the major European Pharma player Grünenthal. Pharmacare's future plans are also committed to reinforcing and supporting this belief. To grow sales, Pharmacare will continue to invest in new product lines and new products, particularly those on the World Health Organization's list of essential medicines.

Pharmacare Palestine was and continues to be on the forefront of pharmaceutical excellence in Palestine. This investment in quality and technology made it the only Palestinian company to export products to Europe, from the same facility that used to supply the local market, after it obtained the European good manufacturing practice (GMP) certificate in 2008. Achieving this level of quality has meant adhering to quality standards in all stages of production and being subject to multiple inspections on a routine basis. Pharmacare Palestine

also supplies a large number of other international markets. The most recent success enjoyed by Pharmacare Palestine is the launching of soft gelatin capsule products, the first to be completely manufactured in Palestine. This success is reflected in the numbers. At inception Pharmacare had 10 employees, and now there are 340 employees in the West Bank and Gaza. Women make up 43 percent of Pharmacare's workforce, and the number is growing, and 64 percent have higher degrees. The starting capital was 160,000 Jordanian dinars, while now the market capitation has reached around US\$30 million. Whereas Pharmacare started with a handful of distinct pharmaceutical products, it currently manufactures hundreds to meet the market's variable needs.

These successes have been achieved in spite of the unique challenges that face Palestinian companies that operate under occupation. Chief among them are the uncertain political environment and the separation from the global



■ Pharmacare PLC, Palestine.

marketplace. The uncertain political environment makes it difficult to run a business in the short term. Freedom of movement, for example, is severely curtailed, and the public sector wages, which acutely affect Palestinian purchasing power, rely on VAT funds transferred from Israel. In the long term, it makes large investments inherently riskier and less palatable. Being cut off from the global marketplace makes it more difficult to trade in both goods and ideas. Despite the COVID-19 pandemic, the global market, especially in Pharma, remains highly interconnected. When access is not easy, one risks falling behind when it comes to technology, process, and innovation. This is disastrous for any company and signals the start of a steady decline.

To mitigate the risks of being located solely in the somewhat turbulent context of Palestine, Pharmacare Premium Malta, a subsidiary, was

founded in 2011. At first glance this might seem like a bizarre move for a Palestine-centered company such as Pharmacare. Due to the challenges discussed above, however, and the relatively small size of the Pharma market in Palestine, internal growth is capped. One does not find sharks in ponds. Pharmacare Premium

Malta increases Pharmacare Palestine's global reach, supplying to the European Union, Turkey, MENA, and Central Asia regions and creating a channel for technology and innovation to flow into Pharmacare Palestine. It focuses on the production of high-potency oral medication such as anti-cancer and immunosuppressant medication, thus further diversifying Pharmacare's product portfolio. Finally, a unique advantage of the Malta location is the patent situation, which allows Pharmacare Premium to manufacture products that are still under patent in the rest of the EU. These products can be sold to other non-patented markets or stockpiled for EU launch as soon as the patent expires.

It has been a very exciting time at Pharmacare Premium with the successful development of the oncology product Pazopanib. Two successful bioequivalence trials, for both the 200 mg and 400 mg strengths of the product, prove that our product matches the originator. With these findings, Pharmacare Premium Malta is leading the way in developing a generic Pazopanib

Pharmacare's winning formula of investing in quality and niche products has allowed it to penetrate EU and other international markets. Unrivaled customer confidence in its products has allowed it to be profitable and to distribute dividends every year since the start of operations.

rival to Novartis' Votrient cancer treatment, at a much reduced price. According to Novartis, global Votrient sales were US\$635 million in 2020. This achievement is notable as it is a very complicated product to formulate, with other European and global companies having very limited success. In fact, Pharmacare Premium Malta is the first company to reach this point in the development of the product, and the commercialization will follow swiftly.

Another development is the collaboration with a Swedish company to manufacture raw materials needed to produce medicines, the highly potent active pharmaceutical ingredients, at Pharmacare Premium Malta. These will then be exported around the world, including the United States. This collaboration typifies Pharmacare Premium Malta. It allows access to other companies





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with great synergies that together use advanced technology to target and reach new markets and niches.

Looking forward, Pharmacare as a group will continue to implement its winning formula: investing in quality and technology. Pharmacare Palestine will invest in new production lines and products to meet Palestinians' diverse needs. It will also partner with the Palestinian Ministry of Health to develop and produce orphan medications: products that do not have a large market or financial incentive to produce but a reliable supply of which is crucial for ensuring medicine security in a country. Pharmacare Premium Malta will carry out further expansion of its facility, product development, and business collaborations. With its robust pipeline of promising products in various stages of development, Pharmacare Premium Malta products are poised to be launched on the global market, yet another significant leap forward.

Everyone knows that being Palestinian is not easy. The historical and ongoing injustices scar every Palestinian. Oftentimes this makes us bolder, stronger, and hungrier. When your mere existence is routinely questioned and your basic rights systemically denied, being average does not suffice. All this is true on an individual and institutional level. This is true for Pharmacare.

Subhi Khoury (MPharm) is a third-generation pharmacist working to continue Pharmacare's success.



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