IFC International Finance Corporation WORLD BANK GROUP

Case Study

Hikma: Meeting Regional Needs

Hikma is a global pharmaceuticals company founded in Jordan. It operates in over 50 countries and runs 30 manufacturing facilities in 11 countries across the Middle East and North Africa (MENA), North America, and Europe. Hikma and IFC have been partners for nearly 40 years.

The regional challenge

People in many countries across the MENA region rely on imported medications because local pharmaceutical manufacturing is undeveloped. Imported medications are often too costly for the people who need them the most. Those drugs and treatments may also become inaccessible when the nations that produce those drugs halt exports, as during the pandemic. Multinational companies with local operations may exit the country during political strife or currency fluctuations, weakening already-vulnerable healthcare systems.

Hikma offers solutions

Timely delivery of relevant medicines. Hikma's expansion across the MENA region enhances local options for the timely delivery of high-quality medicines--especially treatments for diabetes, rates of which are expected to rise 20 percent by 2030. Eight of Hikma's 20 manufacturing facilities in the region produce and market diabetes treatments, and the shorter distribution routes make it possible to

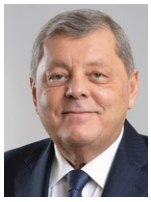
deliver medicines faster and more cheaply than if drugs had to be transported across continents, with a diminished risk of supply chain disruptions.

Making medicine less costly. Hikma produces a broad range of generic medicines priced at 15 to 45 percent less than equivalent originator brands. It was the first company to launch locally manufactured generic oncology products in the MENA region, and in response, originator brands lowered their prices, demonstrating the role generic medicines play in stimulating industry-wide price competition.

High-value jobs and women's employment. Hikma provides jobs for 5,800 people across the region (over 9,500 people globally), including medical and laboratory professionals, skilled factory workers, and others who may otherwise emigrate in search of professional opportunities. Hikma was one of the first pharmaceutical companies in the region to employ women. Today, women make up nearly 37 percent of the company's employees in the MENA region.

Regional expertise in regulatory policy. Hikma's vast experience navigating the regulatory policies of the region increases access to high-quality medicines in markets with country-specific regulations. In Algeria, for example, Hikma's knowledge of national regulatory requirements facilitated its successful launch of the first oral therapy for multiple sclerosis, an extended-release tablet that was never before available to patients in the country.

Responding to customers' needs. Hikma is ramping up production of active pharmaceutical ingredients (APIs) in its Jordan facility. This allows it to respond to the needs of a rapidly growing population experiencing rising rates of cancer and chronic diseases, which are expected to increase by over 20 percent by 2030. Hikma is enhancing its focus on research and development and investing in higher-value medicines to treat chronic illnesses.



Behind the Scenes of a 40-Year Partnership

Q&A with Mazen Darwazah, Executive Vice Chairman & President of the MENA region, Hikma Pharmaceuticals

hikma.

How does Hikma work with IFC?

When we enter a market, it's not about making a one-time transaction. We are there to stay, to help build a sustainable pharmaceutical ecosystem. That includes human capital, infrastructure, regulatory policy, and many other aspects in addition to financial. When we partner with IFC, we build this ecosystem together, from the ground up. We both recognize this is a long-term process, and that's what makes the partnership successful.

What's a recent example of how IFC helped Hikma?

Recently, IFC, Hikma, and Jordan's Food and Drug Administration (JFDA) worked together to establish drug standards. IFC supported Hikma throughout this process.

What does IFC's partnership mean to Hikma?

When you're an IFC partner, you have a seal of approval on a global scale. As a company, you get the benefits of IFC's global expertise not just in the basics, such as financials, quality control, R&D, and securing your supply chain, but also in safety engineering, environmental, social, and governance (ESG), hazardous materials, carbon emissions, many other things. You have workshops and trainings that not many small companies have access to. That's why many customers will respect you more if you're affiliated with IFC.

Why do you recommend working with IFC to other companies?

IFC's global expertise saved us time, effort, and money. They are bringing the entire institution's lessons to you, so you can learn from the experience of others. I always tell small companies they should look to IFC.