

## Pharmaceutical Division Board of Directors

The chamber recently held a board of directors meeting for the pharmaceutical division, presided by Dr./ Adel Abdel Maksood, Head of the Division.

Attended by:

Dr. Ahmed Emam Ibrahim Eltelawy- Division's Deputy Head-

Dr. Waleed Shawky Kamal Mohamed- Division's Deputy Head-

- Dr. Fady Fouad Ibrahim. Secretary
- Dr. Gameel Adeeb Mena Boktor. Member
- Dr. Sara Saeed Ahmed. Member
- Dr. Saeed Kamal Sabry. Member
- Dr. Farouk Fouad Ibrahim. Member
- Dr. Wagdy Abo Elmaaty Edied. Member
- Dr. Yousry Abo Eleila Abdelzاهر. Member
- Dr. Ashraf Elsadawy. Pharmacy owner
- Dr. Hussien Sabbak Hussien. Pharmacy owner.

Attended the meeting representing the Chamber's Executive Agency:

Mr. Mostafa Hamed Mostafa. Director of the general administration for divisions and research studies

Mr. Zakaria Khalil .. Senior management divisions' specialist.

Mr. Hamdy Abdel Elmniem. Head of commercial division's administration

Mr. Ahmed Kamel Mohamed. Second researcher at the commercial division

Mr. Waleed Hosny Matook. Second researcher at the commercial division.

Dr. Adel Abdelmaksood, head of the division welcoming the attendants, opened the meeting. Then he mentioned that the meeting that day was dedicated to discuss the following acts:

- Endorsing the meeting minutes of the previous session.

- Viewing the Division's efforts towards Novartis Egypt resolution that reduces pharmacists' profit margin for a number of its products.
- Informing members with the results of meeting representatives from the Association of Scientific offices to face the phenomenon of selling medicine at clinics
- Discussing required measures to face the wrong practices of one of the drug companies against pharmacies
- Presenting the division's internal committees results.

First: Endorsing the meeting minutes of the previous session:

Dr. Adel Abdel Maksood the president of the division discussed with the attendants the meeting minutes of the previous session and since none of the attendants commented, the record had been certified, and it was distributed on the attendants.

At first, the head of the Division referred to his meeting, with Dr. / Mohamed Abdel Gawad, head of pharmacy syndicate, where they confirmed there is no competition between both entities. It was agreed to create communication between the division and the union and strengthen cooperation and exchange of ideas and the importance of unifying efforts to serve the pharmacists sector.

Then the division head moved to discuss rest of the agenda items.

Second: Viewing the Division's efforts towards Novartis Egypt resolution that reduces pharmacists' profit margin for a number of its products.

Dr. Adel Abdel Maksood mentioned that emerging from the responsibility entrusted to the Division in defending the rights of pharmacies owners and responding to the complaints received, the division's bureau conducted an urgent meeting on 6/3/2012 to protect pharmacist's rights. Novartis Egypt Pharmaceuticals decided to reduce the profit margin of pharmacists in four of its products from 20% to 12. He referred to the statement issued by the meeting that deplored this unprecedented practice and made it clear that all pharmaceutical companies operating in Egypt, including the company mentioned, approved the percentage granted to pharmacists since 1986, considering it part of the cost during drug pricing. The statement warned of prejudice against pharmacies and their profit margins who confront various operating elements, which have significantly increased. It was also made clear that such behavior calls for pharmacists to consider providing alternative and achieve the interests of the Egyptian patient. The head of

the division clarified they have contacted the central administration for pharmacist's affairs and Novartis Egypt and demanded officials to return to the old profit margin. These efforts reaped some results, as the head of the division clarified they received a memo from Novartis granting her authorized distributors a discount of 20%. This present agreement between Novartis and the Board of Directors of the Division signed that pharmacy owners can to return to the profit margins of 20% instead of 12%, which is retroactive step added to the division's achievements.

Third: Informing members with the results of meeting representatives from the Association of Scientific offices to face the phenomenon of selling medicine at clinics:-

Dr. Adel Abdelmaksoud (division head) mentioned to the attendants that results of meeting representatives of the Association of scientific offices which took place on 05.15.2012. The meeting was intended to discuss the spread of the phenomenon that some scientific offices sell drugs directly to doctors' offices, medical centers in violation of the pharmacists' law No. 127 for the year 1955. It was expanded to limit selling and marketing of specific medicines to some doctors and medical centers such as fertilization drugs, oncology medicines, and beauty and slimming drugs. These items are expensive and are being circulated far from censorship. The inspection director also participated in the discussions, he said, in addition to the legal representative of the Division pharmacies at Alexandria, and the Bureau of the Division of pharmacies in Sharqia. Abdel Maksoud pointed out that there focus was to deliver a message of preserving the rights of pharmacy owners.

Mr. Ahmed Eltalawy , deputy division head, mentioned that scientific offices representatives admitted that they are one of the reasons behind the spread of this phenomenon, as a result of poor supervision and lack of legislation. Doctors are also to be blamed, as they want to increase their profits through practicing an untaxed activity. He represented the recommendations of the meeting, which were the following:

- Hold a meeting of the Association of Scientific Offices and agree on a code of honor that limits selling drugs to pharmacies without clinics within a timetable.
- Inform doctors that pharmaceutical companies and scientific offices representatives through the advertising and marketing saying they are pressured by pharmacy owners threatening to sever contractual agreements if they continue to sell to clinics and medical centers affecting their business interests.

- Activate internal supervision of pharmaceutical companies and scientific offices on the marketing, distribution and sale of medicine
  - The division of pharmacies is to monitor the agreement, warning violators with cut off for durations ranging around 6 months, in addition to addressing global pharmaceutical companies against agents who insist to violate.
  - Seek to amend the Pharmacy Act to ensure controlling the drug market in terms of supervising the drug trade and requirements for dealing with drug stores, and grant pharmacies management the right of inspecting all places that deal in drugs, plus to toughening penalties on violators.

The division's deputy head agreed to hold another meeting to check the implementations of those recommendations.

Forth: - Discussing required measures to face the wrong practices of one of the drug companies against pharmacies:

Division Head, Dr/ Adel Abdel Maksoud, noted that while celebrating pharmacists days a number of pharmacy owners approached him complaining about one of the companies involved in the distribution of drugs and cosmetics. They mentioned some of the company's wrong practices that harm their commercial interests, such as:

- Not issuing sales invoices, only delivery permits.
- Direct sales to the customers in beauty centers
- Printing more than one expiration date on the package
- Sudden and repeated changes in sales and marketing policies
- Sales inside doctor clinics
- Inappropriate conduct of company representatives with pharmacy owners
- Soaring prices; prices are over 10% higher than neighboring countries, which violates drug pricing regulations.

Following a comprehensive the discussion, the attendants agreed to delegate Dr/ Yousry Abo Eliela, and Dr. Wagdy Abo Elaaty to meet with the company's owner to try and solve the problem.

Fifth: Presenting the results of the division's internal committees:-

- Dr / Walid Shawki, division deputy head, informed the audience with the agreement they reached with one

global pharmaceutical company in order to participate in developing the performance of pharmacies. This would take place through holding training courses for over 100 pharmacists about the foundation of pharmacy management (professionally and commercially), in order to develop Pharmacies without burdening the pharmacy's owner.

- Dr. Wajdi Abu Ati, division member present, noted the Dispute Settlement Committee in the division paid off the debts of 11 pharmacies to pharmaceutical companies, after examining the situation, and added that we are meeting with some pharmaceutical companies. At the end, Dr. / Adel Abdel-Maksoud, head of the division thanked the audience.