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SOMARC EGYPT PROJECT

FINAL REPORT

January 1993 - June 30, 1996

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The Futures Group, Inc.

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CONTENTS

BACKGROUND	1
1993	2
1994	12
1995	22
1996	32

Attachments

- A. Request for Proposal for Contraceptive Commodity Distribution
- B. MEC/MEDTEC Proposal for Contraceptive Commodity Distribution
- C. Budget Summary
- D. MEC/MEDTEC Sales, December 1993-June 1996
- E. Memorandum of Agreement
- F. Total Sales by MEC/MEDTEC CSMP Consortium

BACKGROUND

The period covered in this document begins in January 1993 and ends on June 30, 1996, the date marking the termination of SOMARC activity in Egypt. For a detailed review of the 1985-1992 time span, the reader is referred to "Project Assistance Completion Report — Family of the Future: 1979-1992" (PACR) prepared in February 1995 by SOMARC-Porter/Novelli for the Office of Population, USAID Mission to Egypt.

1993

In January 1993 the Office of Population was faced with a daunting program challenge which, if not resolved, would have a profound impact on the national family planning program. On December 31, 1992, USAID, in coordination with the Ministry of Social Affairs, terminated all support to the Family of the Future (FOF). This move resulted from a court decision, which, after a year and a half of litigation that centered on a hostile takeover attempt by elements unacceptable to the Ministry and USAID, had ruled in favor of those elements.

FOF had been the principal source of supply to the Egyptian private sector (physicians and pharmacists) and had accounted for 40 percent of the national annual total of Couple Years of Protection (CYP). The shutdown of FOF left the increasingly important private sector without what had been a steady supply of affordable, high-quality contraceptives donated by USAID. USAID was left with a stock of 732,000 Copper T 380-A IUDs, 3.6 million cycles of Norminest oral contraceptives, and 28 million Golden Tops condoms, or more than a two-year supply based on prior FOF sales levels. These contraceptives were the property of the Ministry of International Cooperation of the Government of Egypt and had been assigned to USAID for sale to the Egyptian private sector at subsidized prices. The contraceptives were located in the FOF warehouse in Giza, Cairo.

To help meet the challenge of a private sector now without contraceptives crucial to the national family planning program, USAID tasked SOMARC and its Resident Advisor (RA), who had served as technical consultant to FOF since February 1990, to place the donated contraceptives back into circulation in the private sector by finding an alternative distribution and marketing outlet.

The first priority for USAID was to safely secure the contraceptives and the USAID funds, which had been held in the FOF/USAID bank account. Both the funds, which were the property of USAID, and the contraceptives were in imminent danger of illegal seizure by the unacceptable elements or group previously described. The leader of this group had a reputation for criminal activity. USAID requested that immediate steps be taken to remove the contraceptives from the

FOF warehouse and that funds be transferred from the FOF/USAID bank to an account in another bank to be held by the Ministry of Social Affairs for eventual release to USAID.

Consequently, the RA and former FOF senior management arranged for the immediate transfer of the contraceptives from the FOF warehouse in south Cairo to a temporary storage facility in Nasr City in a round-the-clock 24-hour operation. They withdrew the funds (LE 4.5 million or US\$1.3 million) from the FOF/USAID bank account and placed them in a MOSA/USAID account in another bank for transfer to USAID. The temporary facility was placed under armed guard.

Since the contraceptives, valued at \$2.885 million, were still vulnerable to the group that had taken control of FOF and were improperly stored in a makeshift warehouse, the RA urged USAID to transfer them immediately to a suitable, bonded warehouse where they would be safely stored under USAID control. In coordination with USAID, the RA arranged for this transfer which was accomplished over a two-day period. The concern over vulnerability was well-founded: two days after the transfer the new FOF group, accompanied by the Cairo police, attempted to seize the contraceptives and was confronted with an empty warehouse.

All the above was accomplished through January and into February. By early February, it was time to confront the basic challenge of resupplying the private sector with contraceptives. In response to a USAID request, the RA prepared a plan, in coordination with two TDY technical assistance consultants, Santiago Plata, Director, SOMARC, The Futures Group International, and Anton Schneider, Vice President, Porter/Novelli.

The objectives of this plan were to:

- Effectively and efficiently distribute the USAID contraceptive commodities currently in Egypt.
- Support and expand the Egyptian commercial contraceptive market.

- Support and ensure a viable, self-sufficient commercial entity capable of supplying contraceptive products for the foreseeable future.
- Phase out within 2-3 years all USAID-funded technical assistance (TA) for current contraceptive products.

The guidelines for achieving these objectives included the following:

- Establish (or support an existing) distribution and support system to continue supplying former FOF/Contraceptive Social Marketing Project (CSMP) retail pharmacists and physicians. USAID was to supply product free of charge until current in-country stocks are exhausted.
- Distribution and warehousing costs were to be covered 100 percent by the sale of donated products.
- Advertising, market research, and related efforts (e.g., public relations) TA was to be supported by USAID funds through a 1993-1994 buy-in to SOMARC. A portion of these funds may originate in the current USAID/CSMP revenue fund in local currency. Additional funding would be available through AID/Washington.
- Identify a private sector management organization that would be responsible for all marketing activities, such as packaging labor, distribution and sales to retailers, either directly or through distribution subcontracts. Initial funding of packaging, advertising, promotion, and market research costs was to be provided directly through SOMARC to suppliers, with an anticipated (and planned) gradual absorption of these activities by the selected management group as sales expand.
- This management organization was expected to (1) warehouse, (2) provide packaging labor, (3) detail and distribute, and (4) account for proceeds from sales through required sales and

financial reports which were to include an annual business plan and an annual communications plan.

- Project revenues were to be deposited in a separate, interest-bearing account and could be used only in supporting project activities such as product procurement, advertising and promotion, public relations, market research, packaging, etc. A sales bonus plan to encourage active sales efforts would be considered. Use of these funds would require approval by SOMARC.
- The management organization was to be responsible for ensuring the widest possible distribution of all products, either through direct distribution and detailing, or by subcontracting with one or more distribution firms.
- SOMARC was to provide technical assistance through a resident advisor, in addition to TDY and Washington DC support. SOMARC would also provide initial funding as needed for packaging design and production, advertising, and market research through direct contracts with local suppliers. It was anticipated that the resident advisor would stay in Egypt through June 1994.

USAID accepted the plan, presented by the RA along with Mr. Plata and Mr. Schneider, with minimal changes.

What turned out to be an ambitious schedule for implementing the plan was agreed on, including completion of the selection process for implementing organization/distributors by April 15, a completed memorandum of understanding by April 30, the transfer of commodities by May 15, package development and printing by May 30, and commencement of product sales by June 15.

During their visit, the two TA consultants and the RA made initial visits to several potential distributors. These visits were made after the RA performed a preliminary assessment of the leading pharmaceutical distributors by contacting major multinational pharmaceutical

companies (e.g., Organon, Pfizer) to determine what distributors they were using and the degree of satisfaction with each.

After the departure of the consultants, the RA made additional contacts and called on a number of distributors. Following these assessment visits, the RA evaluated his impressions and compiled a "short list" of eight companies that he determined would be capable of carrying out the tasks of marketing and distributing the contraceptives to the 13,000 pharmacies in Egypt and/or detailing the approximately 7,000 physicians (ob/gyns and GPs) who had been consistently called on by FOF and known to have family planning practices.

During this process, the RA retained the services of a leading attorney, Medhat Hassan Hassenein, who was specialized in commercial and pharmaceutical law and who would prove invaluable in reviewing the RFP that would be issued to capable and interested distributors, contract preparation, contract negotiations, and problem resolution throughout the course of the contract between SOMARC-Porter/Novelli and the selected distributor.

With considerable support from SOMARC/The Futures Group International (TFGI), USAID and the attorney, the RA developed an RFP during what proved to be an arduous, time-consuming process that involved extensive exchanges among all four parties. A final RFP was approved by USAID on June 28 and is included as Attachment A to this report.

The RFP was issued to the short list of eight pharmaceutical distribution companies on July 11 with a deadline for response set at August 11. Chaired by the RA with the assistance of the attorney, a bidders' conference was held at a Cairo hotel on July 19 to answer questions and to clarify elements of the RFP.

The companies receiving the RFP were:

- BM-Egypt
- Chemipharm
- Intermed

- International Medical Technology Co., Ltd. (MEDTEC)
- Middle East Chemicals Co., Ltd. (MEC)
- Pyramid/Manapharm
- SODECO
- Zyma

By August 11, all eight companies submitted proposals to SOMARC-Porter/Novelli, with four companies proposing two-company consortiums that would enable them to distribute to pharmacies and to detail physicians. These proposed consortiums were formed by MEC/MEDTEC and BM-Egypt/Intermed.

The proposals were evaluated by SOMARC senior management in Washington, DC (Santiago Plata, Director, SOMARC, TFGI, and Anton Schneider, Vice President, Porter/Novelli), and by the RA. The evaluation process resulted in the selection of a consortium consisting of the Middle East Chemicals Company, Ltd. (MEC), and the International Medical Technology Company, Ltd. (MEDTEC). The proposal submitted by the MEC/MEDTEC consortium was rated significantly superior in every category over the competing bidders. (The MEC/MEDTEC proposal is included as Attachment B to this report.)

With 30 percent of the pharmaceutical distribution market, MEC is the largest pharmaceutical distributor in Egypt, supplying 10,000 pharmacies nationwide with both pharmaceuticals and OTC products. MEDTEC was founded in 1992 by senior FOF management and marketing personnel who, weary of the turmoil that had plagued FOF for years, saw an opportunity to apply their solid experience to a private sector effort free from the caprice of the Egyptian bureaucracy. While MEC would focus on pharmacies, MEDTEC would concentrate on detailing and marketing the IUD to physicians, as well as promoting the oral contraceptive and condom to this target audience. After extensive background checks of both companies that ranged from checking references to inspecting warehouse facilities, on September 29 SOMARC formally notified the MEC/MEDTEC consortium, through a letter of intent to move to the contract stage, of its selection as the distributor and marketer of the USAID-donated contraceptives.

During the RFP period, a subcontract was being developed, a process that required input from the same groups involved in the development of the RFP. Agreement by all parties and USAID approval were achieved in early October.

On October 21, SOMARC-Porter/Novelli and the newly named MEC/MEDTEC Contraceptive Social Marketing consortium signed a subcontract for the distribution and marketing of the donated contraceptives. A bank letter of guarantee and an insurance policy were obtained shortly thereafter.

In November, the contraceptives were transferred from the USAID-controlled warehouse to MEC, new packaging was printed, and products were repackaged. The beginning inventory of the products consisted of 731,791 CuT 380-A IUDS; 28,048,794 New Golden Tops condoms; and 3,658,107 cycles of Norminest oral contraceptive.

After an 11-month hiatus, the contraceptives were re-introduced to the Egyptian private sector by the consortium on December 11. As expected, initial sales for all three products were high in a market that had been without product for almost a year.

December and first quarter levels were as follows:

Sales by Unit

December 1993

CuT 380-A IUDs	57,789
Norminest Oral Contraceptives	492,471
New Golden Tops Condoms (six packs)	181,471

January 1994 - March 1994

CuT 380-A IUDs	145,754
Norminest Oral Contraceptives	482,585
New Golden Tops Condoms (six packs)	421,700

1993 SOMARC Technical Assistance — Preparations for the “Relaunch”

To provide a solid base for what was effectively a new program effort, it was essential that the consortium begin its marketing operation with the establishment of a financial management and reporting system, a marketing plan, and ongoing advertising and promotion support.

Consequently, during the months preceding the relaunch SOMARC provided TA in the above-cited areas.

Financial Management and Reporting

Financial management expertise was provided by SOMARC consultant Ronald F. Geary who arrived in early November with the objective of establishing a financial reporting system for MEC/MEDTEC to utilize in reporting to SOMARC. Their system would include monthly and quarterly reports on sales and promotion activities, clients called on, units sold, and quarterly summaries of results, and control systems on reporting.

Mr. Geary developed a series of monthly and quarterly reporting formats that met the contractual reporting requirements between SOMARC-Porter/Novelli and MEC/MEDTEC.

For monthly reporting, the system included:

- Detailed listing of sales by invoice sorted by customer
- Report of physical stock movements
- Detailed sales (distribution) per governorate by “brick” or sub-area
- Distribution summary by product
- Statistical report and narrative

Quarterly reporting features included:

- Summary of quarterly sales per customer for each product
- Quarterly summary by governorate
- Summary comparison of actual to budget by product
- Quarterly certification of insurance policy
- Quarterly certification of bank letter of credit guarantee
- Narrative of significant achievements and problems encountered

MEC/MEDTEC incorporated the reporting format into its computer system and adhered to the requirements through the course of the contract.

Marketing Plan and Advertising and Promotion

Selection of a qualified advertising agency to implement support for the effort was a key first step. In September, the RA called on a number of Cairo agencies for an initial assessment. These agencies included Americana, Intermarkets, AMA-Leo Burnett, IMPACT/BBDO, and Publi-Graphics. The RA then contacted the latter three agencies, determined their interest in participation, and distributed RFPs and questionnaires prior to a credentials presentation that would lead to the selection of one of them to conduct a comprehensive campaign.

In October, three SOMARC consultants — Betty Ravenholt, a marketing and management specialist; Anton Schneider, whose expertise includes marketing and market research; and Sys T. Morch, a communications specialist — arrived in Cairo to work with the RA in an integrated

effort to develop a marketing plan, select an advertising agency, and assist in the development of an advertising and promotion social marketing campaign supported by market research.

Operating within documented time and budget constraints (e.g., USAID procurement requirements, the one-year buy-in commitment through June 1994), Ms. Ravenholt developed a detailed outline for the proposed marketing plan for December 1993 through March 1995. In active collaboration with the other members of the social marketing team, she established the overall project target market, product-specific target markets, product position statements, sales goals, and a proposed plan for product sales. Ms. Ravenholt also developed a "mini-launch" advertising and promotion campaign for December 1993 and January 1994 to provide critically needed, immediate support for the product reintroduction that would precede the development of a major campaign.

Concurrently, the RA, Mr. Schneider, and Ms. Morch evaluated the agency RFPs and were given credentials presentations by each agency. As a result, the team selected Publi-Graphics. All members of the team and MED/MEDTEC staff members then briefed the agency. Work on the mini-launch began immediately.

Operational by early January 1994, the mini-campaign included a once-daily, 30-second television spot featuring all three products, and point-of-purchase (POP) materials such as posters and hangers. The campaign ran through March 1994 and was credited for reviving consumer interest in the three products, an effective stopgap until the onset of the planned major campaign.

(For a review of 1993-1995 advertising and promotion costs, see the budget summary, Attachment C.)

1994

Ongoing Distribution and Marketing — First and Second Quarters, 1994

After the anticipated high sales in December 1993 to a product-starved market, sales of IUDs and condoms leveled off, though continuing to be brisk. In comparison with December, the first quarter average monthly movement of IUDs was 48,600 (down from 57,789), while condoms (sold in six-unit packs) averaged 140,500 (down from 181,879). Orals dropped sharply to a monthly average of 116,742 cycles (down from 492,741), a probable reflection of both pharmacy overstocking and Norminest's 22 percent market share since its introduction in 1984. (For a complete review of December 1993-June 30, 1996, MEC/MEDTEC sales, see Attachment D.)

Norminest market share was in sharp contrast to the IUD and the condom, which enjoyed 90 percent and 98 percent market share, respectively. Both were the lowest-priced, high-quality products in their categories, while Norminest had been a latecomer to an Egyptian market dominated by Schering's Microvlar and Wyeth's Nordette, low-dose OCs sold, like Norminest, at subsidized low prices.

During the second quarter, condoms retained their first-quarter levels, while IUDs dropped to a monthly average of 36,792 units and Norminest continued its decline, averaging monthly sales of 116,742 cycles. This picture would change dramatically in the third quarter.

Preparing the Market for Privatization

Background

In 1992, USAID had decided to terminate the provision of donated contraceptives to FOF after the last of scheduled 1992 shipments had been delivered. This decision stemmed from the USAID-mandated objective for FOF to attain self-sustainability by mid-1995; the 1992 shipments were approximately a three-year supply. With this objective in view, USAID had earlier in 1991 made a parallel decision to terminate its program grant to FOF, since the

combination of incoming sales revenue and donated contraceptives would both support and spur the organization to move toward becoming a self-sustaining, non-profit entity.

In effect, the USAID decision brought product donations to an end. This meant that after the MEC/MEDTEC stocks were depleted, the contraceptive marketing private sector would be a free and open market (with the exception of the orals provided by the Egyptian Government at subsidized prices), as USAID had been the principal source for IUDs and condoms.

This shift would also bring an inevitable increase in price levels, particularly for the IUD, which had become the contraceptive of choice in Egypt, and condoms, accounting for a low 5-6 percent of annual CYP.

To help prepare the market for the projected price upswing, in May 1994 SOMARC Egypt applied to The Ministry of Health for a modest price increase for the three products, as follows:

- Copper T 380-A IUD — from LE 2.00 to LE 3.00 per unit
- Norminest Oral Contraceptive — from LE 0.35 to LE 0.50 per cycle
- New Golden Tops Condoms — from LE 0.75 to LE 0.95 per package of six

IUD and Norminest prices had remained at the same respective levels since their introduction in the 1980s while Tops had increased only once, from LE 0.50 to LE 0.75 in 1990, since 1983. Although the proposed increases would leave the products still extremely low-priced and well within the range of the majority of Egyptians, they were submitted to a government whose leadership at mid- and senior levels was steeped in the socialism of the Nasser era and inherently opposed to, at the very least distrustful of, the private sector. Price increases in an area of national importance were politically sensitive and it was highly questionable whether the MOH would grant its approval.

To support the application, the RA used market research results from a SOMARC quantitative attitudinal survey made on behalf of FOF in 1992 that had included key questions on affordability. These were presented by the market research firm and the RA to large groups of

influentials within the MOH and the National Population Council and on a one-on-one level to senior leadership of both groups.

Without informing SOMARC or USAID, the MOH reacted with uncharacteristic swiftness and issued a decree circulated to all pharmacies on August 1 approving the increase. The timing had a profound impact on the market and secondarily on the SOMARC effort itself. Earlier, it had been decided, with the approval of USAID, that the excess revenues generated by the price increases would be used to provide additional support for advertising and promotion. Since it was not until mid-August when USAID decided that a revenue agreement between USAID and MEC/MEDTEC was required, USAID froze the wholesale price increases at pre-August levels pending completion of the agreement.

The decision meant that pharmacists for a brief period could purchase contraceptives at the old wholesale price levels and sell at the newly established retail price. As a result, pharmacists stockpiled, purchasing product at unprecedented levels in a buying frenzy that continued through early September when USAID and MEC/MEDTEC signed a revenue agreement.

Not surprisingly, the sales totals for the third quarter of 1994 were extremely high, declining markedly in the fourth quarter and through 1995 as pharmacies sold off their stocks.

Norminest Labeling Problem

Norminest was confronted with a special problem. In November 1994, a newly appointed Minister of Supply decreed that all ingestibles, from cheese to aspirin, must bear an expiration date. While the decree was rightfully issued to protect Egyptian consumers faced with out-of-date canned goods and rotten beef, the ruling had an immediate impact on Norminest, as the package bore only the manufacturing date. Despite the fact that the OC had been certified nine years before as having a five-year shelf life, the MOH responded by ordering all Norminest returned to the distributor.

SOMARC reacted immediately and contacted marketing and scientific staff at Syntex, the U.S. manufacturer, obtained the appropriate USFDA and company certification confirming the five-year shelf life and an earlier MOH approval which the Ministry had lost in its files, and submitted the material to the MOH. The submission marked only the beginning of an interminable bureaucratic process, which included testing of the hormones by the government laboratories.

Finally, after a 10-month absence from the market, the MOH approved the product, and Norminest returned to pharmacy shelves in August 1995. The setback was costly for all as it meant that much of the product would soon be outdated and unmarketable, and lengthened the schedule for completing the overall task of marketing all three products by late 1995-early 1996.

Advertising and Promotion

SOMARC marketing consultant Sys T. Morch returned to Egypt in January 1994 and again in May and June to work with the Publi-Graphics Agency to assist in developing an integrated communications campaign that would include television, radio, outdoor, print, POP material, as well as promotional literature and conference/seminar and direct sales support materials. Her efforts were complemented in late April and mid-May by SOMARC consultant Anton Schneider, who focused on the market research aspects.

Because of the lengthy contract approval process in USAID/Washington, Publi-Graphics did not receive a signed subcontract until May 15 and was under tremendous pressure to implement a range of deliverables, from television spots to billboards, by a June 30 deadline. Working long schedules, P-G met the deadline.

Two :30 television and radio spots featuring the CuT 380-A IUD and New Golden Tops Condoms, respectively, were the most prominent results of this effort. Since Norminest at that point in time was not planned to be continued and the budget was limited, SOMARC decided to support the oral through a :30 radio ad, detailing brochures, POP material, and print ads in women's magazines and medical journals.

The IUD and condom spots went on the television and radio, respectively, in mid-July, after extensive pretesting through focus groups. The IUD spot ran through 1995 when the IUD stocks were virtually depleted. The condom TV spot met an unfortunate demise, running for just under a month when the Ministry of Information ordered it off the air. The condom ad cancellation was due not to a public outcry, but simply the personal reaction of a senior MOF official when a young nephew, after seeing the ad with him on television, asked his uncle what Tops were.

As with all broadcast material, the condom TV ad had been passed by the MOF censor and had moved through all the necessary bureaucratic procedures. Numerous attempts by SOMARC through contacts with the MOF, the MOH, and the Ministry of Population and Family Planning to put the ad back on the air, with what the MOF stated would be an acceptable edited version, were unsuccessful. It is interesting to note that the radio version of the condom ad was allowed to continue and the IUD TV ad received a positive reception and faced no problems during the course of its run.

The media plan for all three products was as follows:

Product	Medium	Duration
CuT 380-A	Television :30	7/17/94 -12/31/94
	Radio :30	7/17/94 -12/31/94
	Quarterly Flyer	7/10/94 - 4/95
	Disposable Gloves	10/94 & 4/95
Norminest OC	Radio :30	7/17/94 - 10/31/94
	Train Station Panels	8/1/94 -5/31/94
	Quarterly Flyer	7/10/94 - 4/95
	Prescription Pads	7/94 & 1/95
	Matchbook Covers	7/94 - 8/94
New Golden Tops	Television :30	7/17/94 - 1/15/95
	Radio :30	7/17/94 - 1/31/95
	Magazines	7/94 - 1/95
	Cinema :30*	8/1/94 - 12/31/94
	Train Station Panels	8/1/94 - 5/31/94
	Cairo Bus Panels	8/1/94 - 5/31/95
	Matchbook Covers	7/94 & 8/94
Seminars for Doctors	Monthly	7/94 - 4/95

*On account of the experience with the television ad, this was not implemented.

The relatively short time span for several elements in the media plan reflected USAID budget constraints that also precluded research on media tracking. Nevertheless, the short life of the condom :30 television spot and the start-up of the revenue agreement in September provided a significant funding source for extended (e.g., television) and additional support for advertising and promotion. The application of return-to-project funds through the revenue agreement are covered later in this report.

Addition to Product Line — DMPA (Depo-Provera)

Recognizing that the injectable contraceptive is an effective method category with promising potential in the private sector, SOMARC initiated a series of meetings early in 1994 with the Upjohn Company, the manufacturers of Depo-Provera, the leader in its field. These sessions

were held to determine Upjohn's interest in private sector marketing of the product and were encouraged by SOMARC/TFGI which had worldwide experience in partnering with Upjohn to provide marketing support.

Depo-Provera had been available in the public sector for several years through UNFPA-donated product, though usage was low. In the private sector, FOF had marketed Depo with success, but only on an occasional basis as supplies from the parastatal Egyptian Pharmaceutical Trading Company (EPTC) were sporadic.

Upjohns' reaction was positive and contact continued through the year, as Upjohn began the registration and price approval process with the MOH. SOMARC held additional sessions with the MOH and the National Population Council to support the product introduction and found a receptive audience.

These joint efforts culminated in June 1995 and are covered in the 1995 section of this report.

SOMARC Contract Extension — 1994-1995

On July 1, USAID renewed both the buy-in and the core subcontracts supporting SOMARC activity in Egypt through June 30, 1995. In addition to the continuing task of marketing the donated contraceptives, the scope of work for the new agreement contained two additional elements:

- To facilitate the transition of distribution and marketing of high-quality, affordable contraceptives to the private sector, i.e., to an open and free market. As a result, SOMARC took on the responsibility of helping to effect a transition to the private sector. SOMARC began this facet of its dual task by bringing together leading international contraceptive manufacturers with Egyptian private sector interests, starting with the IUD, the method category most important to the national family planning program. This activity started in 1994 and continued through 1995, and is described in the 1995 section of the report.

- To provide advertising, promotion, and public relations support for the introduction of Depo-Provera to the private sector. As noted, the product was launched in 1995 after a lengthy registration and pricing process.

Transition to the Private Sector

IUDs

With counsel from SOMARC Washington, the RA contacted several leading CuT 380-A manufacturers and IPPF in London, which deals worldwide with contraceptive manufacturers in every method category. As a result, telephone contacts were made with Finishing Enterprises, the supplier of the CuT 380-A to USAID and thus the product that SOMARC was currently marketing, and Ortho Canada, a division of Johnson & Johnson, which also makes the CuT 380-A.

The reaction from both companies was positive. Finishing had been visiting Egypt since 1989 to explore possibilities to market and/or manufacture the IUD in Egypt. While its experience with the GOE bureaucracy had been frustrating, Finishing was very interested in pursuing possibilities, and plans were made for its marketing and sales director to visit the country.

Ortho Canada also expressed interest and said it would contact Celag, the Ortho/J&J division responsible for its European and Middle East marketing operations.

Concurrently, SOMARC consulted with MEDTEC which had strong interest in pursuing an initial importing effort that would evolve over several years into an in-country assembly operation, then move to complete manufacturing of the IUD in Egypt. The economics of eventual manufacturing versus continued importing clearly pointed to the latter as the most cost effective direction, but MEDTEC remained resolute about establishing in-country manufacture, a position that perhaps reflected a need for independence, with perhaps a little nationalism added.

Consequently, MEDTEC developed a business plan in partnership with AMECO, a leading Egyptian syringe manufacturer with a state-of-the-art plant north of Cairo that used German equipment and sterilization facilities that could easily be adapted for the assembly and eventual production of IUDs.

To assess the soundness of the MEDTEC/AMECO plan, SOMARC, through USAID called on PROFIT (Promoting Financial Investments and Transfers), a project by USAID to provide funding and management support for start-up or fledgling private sector operations in developing countries.

In December 1994, PROFIT consultants Michael Van Vleck and Ravi Ravael arrived in Egypt to conduct a feasibility study of the plan. They were joined by David Stinson, Director, Sales & Marketing, of Finishing Enterprises. The PROFIT and Finishing representatives held extensive meetings with MEDTEC/AMECO.

At the end of its visit, PROFIT presented a draft of its findings which indicated that over a five-year period, the MEDTEC/AMECO plan would work, though it remained clear that direct importation of the IUD was more cost effective. However, an obstacle that proved to be insurmountable arose as Finishing concluded that the financial aspects of the MEDTEC/AMECO proposal were not acceptable and negotiations came to a halt.

The outcome of Finishing's interest in marketing the CuT 380-A IUD are covered under the 1995 section of this report.

During this period, SOMARC also met with the Egyptian country manager for Celag, the division of Johnson & Johnson cited earlier in this report, and found that Celag was planning to introduce its CuT 380-A IUD at a retail price of LE 35.00, or about three times what SOMARC and others considered an acceptable social marketing price. In addition, it was evident that Celag was not interested in developing a relationship with SOMARC or the MEC/MEDTEC consortium. These combined factors led to the termination of contact with Celag/J&J.

Condoms

Acting on recommendations from IPPF and its own contacts with the South Korean Trade Office in Cairo, SOMARC contacted various condom manufacturers in South Korea, Thailand, Malaysia, and Japan. Several of these companies responded to MEDTEC, which had expressed interest in continuing marketing condoms, and contacts were sustained over the next year (1995) as the stock of New Golden Tops condoms was being depleted.

Norminest

Because of the removal of Norminest from the market in November 1994 due to labeling problems, it became increasingly apparent that current stocks would last well beyond the projected depletion date in late 1995. SOMARC concentrated its efforts on putting the OC back on pharmacy shelves through continuing contact with the MOH bureaucracy.

Contraceptive Sales — Third and Fourth Quarters, 1994

As noted, sales for the third quarter for all three method categories were abnormally high due to the time lag between the MOH approval and the signing of the USAID-MEC/MEDTEC Revenue Agreement. Sales by unit were as follows:

	Third Quarter	Fourth Quarter
IUDs	195,564	87,910
Tops (6-packs)	1,311,924	188,231
Norminest cycles	906,897	72,912

While all sales declined in the fourth quarter after overstocking, the Norminest drop was particularly precipitous due to the recall in November described earlier.

1995

Continued Transition to the Private Sector

To follow up on contacts made in December 1994, David Stinson of Finishing Enterprises returned to Egypt in January and signed a representation agreement for marketing and distributing the CuT 380-A IUD with the LOGIX Company, a firm that had approached Stinson in December. LOGIX is headed by Marwan Hammad, an Egyptian/American businessman who had spent many years in production and marketing with Miles Laboratories in the U.S. LOGIX would eventually appoint MEDTEC as the detailing company for the IUD in what proved to be a short-lived relationship. An initial retail price range of LE 8.00-10.00 was agreed upon. At the very least, a starting point had been established for the continuance of an affordable, high-quality IUD, the contraceptive of choice in Egypt.

Contraceptive Sales — First and Second Quarters, 1995

During this period, IUD sales continued to decline as the IUD stocks were nearing depletion and, in addition, faced increasing competition in fresher product, the identical IUD produced by Finishing Enterprises that was reportedly making an illicit path to the pharmacies from USAID-donated stock consigned to the MOH in large amounts. The MOH/EPTC had long had a notorious leakage problem; estimates of either MOH clinic physicians taking the IUD to their private clinics or supplies moving to pharmacies ran as high as 40 percent of the 500,000 IUDs then donated annually.

New Golden Tops condoms rebounded well after an expectedly low fourth quarter, while Norminest remained off the market as product was returned to MEC/MEDTEC in large quantities.

The sales totals by unit were as follows:

	First Quarter	Second Quarter
IUDs	50,332	33,619
Tops (6-packs)	469,266	418,747
Norminest cycles	(320,557)	(70,227)

New Product Introduction — Depo-Provera Injectable Contraceptive

SOMARC and Upjohn Egypt held numerous planning sessions early in 1995 as it became evident that MOH interest in the introduction of Depo-Provera to the private sector was strong and that approval would be forthcoming by midyear.

The focus of the sessions was a launch plan developed by SOMARC in March after consultation with Upjohn, and also the development and formalization of a SOMARC/Upjohn working relationship in which both groups would contribute to the launch and to a rollout of supportive advertising, promotion, and public relations activities. Accordingly, SOMARC and Upjohn signed a memorandum of agreement in mid-May outlining the responsibilities of each party. (The memorandum of agreement is included as Attachment E.)

The MOH granted approval of Depo-Provera at a per-vial retail price of LE 7.50 in May, and SOMARC/Upjohn were ready for a national launch in early June. The product was to be distributed by the EPTC (an MOH decision) and to be detailed by MEDTEC which had signed a contract with Upjohn.

Upjohn was unhappy both with the retail price (the company had sought LE 11.00) and with the mandated choice of distributor: EPTC runs a passive marketing operation, maintaining regional warehouses to which pharmacists have to come to purchase product. Nevertheless, Upjohn felt that it now had a foot in the door with the approval and that perhaps in one or two years it would seek a price increase and a change to a commercial distributor.

The objectives of the launch plan developed by SOMARC were to:

- Create widespread awareness of the availability of a high-quality, effective, and safe “new” contraceptive method, available through the private sector (physicians and pharmacists) for the first time in Egypt.
- Emphasize to dispensers the importance of quality assurance, i.e., proper application, management of possible side effects, contraindications, patient counseling.
- Assure the patient/user that proper steps are being taken to assure all aspects of the previous objective.

Audience: Physicians, Pharmacists, Consumers

The key tactical elements in achieving these objectives included:

- Five physicians’ launch seminars to be held in five major cities selected to provide nationwide coverage for transmitting technical information to leading Egyptian physicians.
- Group presentations in 150 hospitals to provide technical information to those hospital-based physicians not attending the launch seminars.
- Fifteen contraceptive technology update seminars for pharmacists at sites throughout Egypt.
- Support materials for physicians’ launch seminars.
- Support materials for medical representatives/detail men, including technical brochures, pamphlets, consumer brochures, and videotapes.

- Advertising and promotion — Adapting SOMARC Pan-Arab campaign television commercials for use in Egypt, including redubbing in Egyptian Arabic and adding an Upjohn Depo-Provera package tag at the end of each commercial.
- Public relations — The campaign included electronic and print coverage of the physicians' seminars, as well as placement on radio and television talk shows, and major newspapers and magazines.
- Participation at the two major Egyptian Medical Association Ob/Gyn annual conferences in Cairo and Alexandria, respectively.

Depo-Provera was officially launched in early June at a major Cairo hotel with a physicians' seminar that attracted more than 150 leading Cairo ob/gyns. The session was chaired by the then-Minister of Population and Family Planning, H.E. Professor Dr. Maher Mahran, a prominent ob/gyn in his own right. Professor Mahran was supported by a lecture panel of distinguished professors from several Cairo University medical faculties, a format that would be used for the four other seminars.

After the seminar, Professor Mahran held a two-hour press conference for the many television, radio, and newspaper reporters in attendance. The resultant media coverage was excellent.

Over the four weeks following the Cairo session, physicians' seminars were held in the major regional cities of Alexandria, Mansoura, Tanta, and Assiut, providing national exposure of Depo-Provera to leading ob/gyns and GPs in each region. Attendance at each session averaged 100 physicians and received local media attention.

On the day after the Cairo seminar, the two adapted SOMARC Pan-Arab ads began running during prime time on Egypt's two major television channels. These ads were continued for a year, running until the end of the SOMARC Egypt contract on June 30, 1996.

Print ads appeared in the weekly "population page" of *Al Ahram*, Egypt's largest circulation daily. Public relations activities commenced with placement of articles in leading dailies and inclusion in television and radio health feature programs. Five brochures and pamphlets were printed in sufficient quantity to last one year and distribution began.

After the conclusion of the physicians' seminars, MEDTEC sales representatives began the first of 150 hospital seminars, typically attracting 20-25 physicians per session, with the support of a videotape and print material. A total of 3,150 physicians attended these seminars.

The launch had an immediate impact. In July, 11,400 vials of Depo-Provera were sold to the private sector. By September and October, monthly sales were averaging 13,500 vials, a pace that would exceed the annual target. The effect on the public sector (recipient of Depo-Provera donated by the UNFPA and, as cited, for many years a strong suspect of leakage from the EPTC to the private sector) was even more striking. By August, public distribution of Depo-Provera had more than tripled since June, with 79,000 vials distributed. Both the private and public sector trends continued through the year and into 1996. An important new method category had been successfully introduced to the private sector and the Egyptian public.

The Revenue or "Return-to-Project" Fund

The additional revenues generated by the August 1994 price increase for all three products proved extremely useful in complementing the limited SOMARC advertising and promotion budget with additional activities.

Since the USAID-MEC/MEDTEC Revenue Agreement was not signed and operational until mid-September 1994, it took several months to accumulate sufficient funds for the return-to-project fund to become operational.

By March/April the fund was sufficient to support the design and printing of a new, long-needed technical brochure on the CuT 380-A IUD for physicians, and brand advertising of all three products in the weekly population page of *Al Ahram*. The latter was implemented at the specific request of Minister Maher Mahran for MEC/MEDTEC and SOMARC to share in the costs of the weekly page.

During the course of the year and through June 30, 1996, SOMARC applied the funds to support a range of additional efforts, including:

- Norminest — When the OC was finally returned to pharmacy shelves in August 1995, a "relaunch" was necessary to inform both pharmacists and consumers that "Norminest was back." The return-to-project fund supported:
 - The printing of new packages and package inserts (the returns were too battered for commercial sale and needed repackaging).
 - A new technical folder for physicians.
 - Promotional items, including prescription pads, pens and POP hangers for pharmacies.
- CuT 380-A IUD
 - Extended air time for the 30-second commercial that had first aired in July 1994. This continued through 1995 when the product stocks neared depletion.
 - Surgical gloves as promotional items for physicians.
- New Golden Tops Condoms — business card files for pharmacists.

- Extension of Pharmacists Training Program into Upper Egypt — The fund enabled SOMARC to design a contraceptive technology update program for pharmacists, utilizing a SOMARC curriculum with newly printed materials, for 15 pharmacy seminars in Upper Egypt, where low contraceptive prevalence rates were a long-standing concern.
- Print advertising for all three products in popular feature magazines under the Al Alhram publishing group, such as *El Ahram*, *El Reyady*, and *Nos El Donya*.

SOMARC Personnel Change

In July, the RA completed his contract as scheduled and left Egypt after 5 1/2 years to return to Washington, DC where he continued to monitor and supervise SOMARC Egypt activities from Washington and through scheduled quarterly trips to Cairo for the 1995-1996 program year (July 1995-June 1996).

Dr. Mahmoud Youssef, who had ably served SOMARC Egypt as marketing consultant on a full-time basis since January 1994 continued as a consultant with the functional title of director of marketing and operations through June 30, 1996, with the dual task of monitoring the completion of USAID-donated contraceptives and, with the former RA's assistance, of effecting a transition of contraceptive marketing to the private sector.

Norminest — Restoration and Efforts to Continue in Private Sector

As noted in the return-to-project fund section, Norminest, after a 10-month hiatus, returned to pharmacy shelves in August with the support of a relaunch campaign highlighted by a television spot adapted from the SOMARC Pan-Arab campaign and aired with the support of SOMARC Pan-Arab funds.

As expected, initial sales were high. Third quarter sales totaled 406,062 cycles while the fourth quarter showed a slight increase with 409,062 cycles, a marked contrast to the last "normal"

period, the second quarter of 1994 when 350,228 cycles had been sold. Sales would return to normal levels during the first two quarters of 1996.

Transition to the Private Sector

On his return to the United States in late July, the former RA contacted David Overin, Marketing Manager, Africa and the Middle East, for the G.D. Searle Company in England. Searle had purchased the Syntex contraceptive line, including Norminest, from Hoffman-LaRoche which earlier had bought Syntex Laboratories.

The Marketing Manager indicated interest in continuing Norminest, with its 22 percent market share, in the Egyptian private sector. Accordingly, the former RA set up a series of meetings for Mr. Overin in Cairo in October that would coincide with the former RA's first scheduled TA trip.

Mr. Overin and Dr. Youssef met with senior GOE leadership, including Professor Maher Mahran, the Minister of Population and Family Planning, and Dr. Moushira El Shafie, the MOH Undersecretary for Family Planning, and in the private sector with the principals of MEDTEC on the possibilities of detailing and marketing Norminest.

Mr. Overin stated that he would pursue Norminest private sector potential on his return to England by determining product and packaging sources in an evolving and confusing situation resulting from the Syntex product line changeover to Searle. The former RA maintained contact with the Marketing Manager through 1995 and into 1996. The results of that dialogue are covered under the 1996 section of this report.

Planning for 1996-1997

As the result of an overview of SOMARC activities and accomplishments presented by Dr. Youssef in September, USAID requested SOMARC to prepare a proposal for the next program year that would support the emerging contraceptive marketing private sector and, additionally,

address the special challenge presented by Upper Egypt, where low contraceptive usage continued.

In response, the former RA prepared a proposal during his October TA trip and presented it the Office of Population. In brief, the proposal called for the organization by SOMARC of Egyptian contraceptive marketing companies into a viable, responsible group with the objective of assuring the continuance of high-quality, affordable contraceptives for the Egyptian consumer. The group would be supported by advertising and promotion for those products meeting quality standards and reasonable price levels.

For Upper Egypt, it was proposed to train and utilize nursing graduates at the high school levels to serve as outreach family planning educators in their own communities.

The proposal was well received, with the exception of the Upper Egypt training component which was tabled in view of the Mission's as yet undetermined future training plans and budgetary considerations. A second draft was prepared and submitted to the Office of Population in early December.

Contraceptive Sales — Third and Fourth Quarters, 1995

During this time span, IUD sales slowed to a trickle as stocks neared completion. As noted earlier, Norminest sales reached high levels, while New Golden Tops condom sales continued at satisfactory levels.

Sales results by unit were as follows:

	Third Quarter	Fourth Quarter
IUDs	2,877	497
Tops (6-packs)	373,633	373,273
Norminest cycles	406,062	409,062

Technical Assistance During 1995

SOMARC Financial Management Consultant Ronald F. Geary conducted a TA trip to Egypt in February with the objectives to:

- Review and assess the current financial reporting system, and, as appropriate, recommend and implement enhancements to the system.
- Obtain an understanding of the controls and reporting requirements of the USAID-MEC/MEDTEC Revenue Agreement dated September 15, 1994.

The Financial Consultant concluded that the CSMP reporting and revenue systems were "in place and functioning without material exceptions." He found no substantive problems or modifications to report. He determined that MEC/MEDTEC needed to begin to provide monthly bank statements for the revenue or return-to-project fund on a more timely basis, and that bank statements should be accompanied by a reconciliation of the balance per the bank and funds to be collected from sales. This was necessary, he stated, as a large percentage of sales were collected by post-dated checks, a common marketing practice in Egypt. As a result, MEC/MEDTEC agreed to deposit monthly sales within 30 days after the end of the month.

The Financial Consultant stated that as of January 31, 1995, the status of the revenue fund showed an immaterial difference (LE 00.34) which was most probably attributed to MEC/MEDTEC's adjusting the balance when it was designated as the revenue account. He concluded that the inventory balances tested generally agreed with the balances per MEC/MEDTEC's records and reports.

Under recommendations/next steps, Mr. Geary wrote that the "MEC/MEDTEC financial reporting system is functioning well." He added that SOMARC needed to receive on a more timely basis MEC/MEDTEC's monthly revenue account bank statements and reconciliations in order to follow up any discrepancies or differences. This recommendation was implemented.

1996

The beginning of the calendar year marked the anticipated depletion of the remaining stocks of CuT 380-A IUDs and New Golden Tops condoms by June. Because of its ten-month absence from the market, Norminest was the exception with stocks as of January 1 projected to be completely sold by September.

Sales results by unit for the first and second quarters were as follows:

	First Quarter	Second Quarter
IUDs	(2,874)*	(307)*
Tops (6-packs)	372,424	27,879**
Norminest cycles	328,800	273,042

* () designates returns. Remaining stocks of IUDs were sold to the Egyptian Family Planning Association.

** Indicates depletion of stocks

Technical Assistance

The former RA made two TA consultancy trips in the first six months, one in February and one in April. For the February trip, his objectives were to monitor the SOMARC program and to refine the proposal for 1996-1997 requested by USAID. During February, he wrote two drafts of the proposal, the second of which was accepted by USAID.

In April, the former RA returned to Egypt with the objectives of working with USAID Office of Population staff to assist in the development of a short- and long-term strategic plan to further facilitate the transition of contraceptive marketing to the private sector, as well as supporting the private sector and the GOE in a coordinated effort to achieve national family planning goals.

Additional objectives included the monitoring of current CSMP marketing efforts; continuing assistance in the transition of Norminest to the private sector; ensuring close coordination

between the CSMP and the Private Sector Initiative (PSI) component of the Population III Project Consortium in current and future activities; and meeting with senior GOE population leadership.

These objectives were met, notably the subsequent development of a draft document prepared by the Office of Population that served as the basis of SOMARC activities for the 1996-1997 program year and the appointment by G.D. Searle.

Searle-United Kingdom of MEDTEC is the agent for the continued marketing of Norminest in Egypt and the initiation of what would hopefully be a "fast track" registration process of the product. Searle stated that for the short term, Norminest would be made available in Egypt through manufacture in Canada and packaging in Australia. This global route was made necessary by the fact that Searle-U.K. manufacturing and packaging capability would not be onstream in England until 1997.

Additionally, the consultant met with key personnel of the PSI Initiative to arrange and coordinate the participation of contraceptive marketing companies at the PSI pharmacists' and physicians' training sessions with exhibits and print material for distribution to session participants, with the goal of familiarizing participants with the full range of contraceptives available to them. Work on this started immediately with Dr. Youssef working closely with USAID and PSI to develop a plan and schedule for private sector involvement in the PSI project.

Outcomes and Conclusions — January 1, 1996-July 31, 1996

This section of the report is presented in three sections:

1. The original objective of distribution and marketing the USAID-donated products to the private sector.

2. Transition of subsidized product marketing to the private sector.
3. Continuance of SOMARC activities in Egypt, 1996-1997.

Distribution and Marketing of USAID-Donated Products to the Private Sector

- CuT 380-A IUDs — As of July 31, the MEC/MEDTEC Contraceptive Social Marketing Consortium had sold 728,890 units of the original consignment of the initial inventory of 731,791 IUDs. With an ending inventory of 2,901 expired units, the consortium had marketed 99.6 percent of the beginning inventory, an impressive statistic by industry standards.
- New Golden Tops Condoms — Starting with a stock of 4,674,799 six-pack units, the closing inventory stood at 10,776 expired units. The latter figure signifies that 99.77 percent of all condoms were marketed, again an achievement well above average by industry norms.
- Norminest Oral Contraceptive — As of July 31, 3,398,850 cycles of the original consignment of 3,658,107 cycles had been marketed. The inventory on hand was 323,976 cycles, including 121,500 valid units and 202,467 expired cycles, the latter the result of suspension of marketing for ten months described earlier in this report. The sales total signified that 91.15 percent of product had been sold, despite the obstacles.

Overall, the figures speak for themselves. Operating under SOMARC supervision and monitoring, the MEC/MEDTEC CSMP consortium had carried out the USAID mandate. (A detailed breakout of total sales can be found as Attachment F to this document.)

Transition of Subsidized Product Marketing to the Private Sector

IUDs

By mid-year, two Egyptian private sector companies were marketing IUDs: LOGIX/BM and MEDTEC. In late 1995, LOGIX and MEDTEC had terminated their relationship and by 1996 LOGIX had appointed the BM Company, a major pharmaceutical distributor which represented Boehringer-Mannheim among others, to market the Safeguard CuT 380-A IUD, the Finishing Enterprises product. The original retail price was set at LE 10.00, then rose to its current price of LE 12.00.

MEDTEC had switched to marketing the Pregna CuT 380-A IUD, purportedly at the request of a senior GOE official. Pregna is produced by FAMY Care of India and has a retail price of LE 8.50, that was scheduled to be lowered to LE 6.50 by order of the MOH. The company continued to market the Organon 250 and 375 Multiload IUDs and, significantly, had successfully urged AKZO, the Dutch manufacturer, to lower the respective prices from LE 30.00 and LE 35.00 to LE 15.00 and LE 17.00 with the objective of making these high-quality products competitive at a social marketing price.

The lowering of Multiload prices went into effect in July and had immediate results. Monthly unit sales volumes of the 250 and 375 rose from 161 and 940, respectively, to 3,728 and 3,421 in July, a pace that continued through August, the latest available reporting date.

LOGIX/BM has experienced problems with a product at a competitive price of LE 12.00, selling a modest 1,000 CuT 380-A IUDs per month. LOGIX claims that this is due to the presence on the market of an identical product in an almost identical package with a retail price of LE 6.00. The source of the "look alike" product is unknown but is rumored to be from MOH/EPTC stocks.

Regrettably, MEDTEC is the only private sector company reporting monthly IUD sales to the CIIS, the information center under the EPTC that publishes contraceptive sales and distribution by private and public sector sources on a monthly basis. Currently, no private sector firm is officially required to report contraceptive volume, a situation that will hopefully be remedied but one that makes assessment of contraceptive usage impossible to determine for the present.

Norminest

Despite repeated attempts by MEDTEC and the former RA to reach G.D. Searle/United Kingdom by fax and telephone during the summer of 1996 to follow up on the initial interest in continuing Norminest in Egypt, Searle did not reply. One can only conclude that Searle will not continue the product in Egypt, unless the company is taking a different, undisclosed route, which is unlikely.

Condoms

With the vacuum created by the depletion of New Golden Tops condoms, a number of companies entered the condom marketing scene. By mid-1996, an estimated 17 companies were involved in importing and marketing condoms, with anecdotal reports indicating many others interested in the market. As with IUDs, sales reports are not submitted to the CIIS, thereby making it impossible to determine overall condom volume in Egypt. However, current estimates put the volume at 20 million units per year. (In 1995, the MEC/MEDTEC consortium marketed 9.8 million condoms.)

Again, MEDTEC is the only company reporting condom sales, currently at relatively modest levels. MEDTEC's several varieties of condoms are of Asian origin and are selling at relatively modest levels at acceptable social marketing prices. The most prominent of these was taken on after initial contacts by SOMARC. MEDTEC, however, is nearing the end of the bureaucratic process required to register Tops as a trade name. Since Tops has been on the market since 1989 and is synonymous with condom, sales promise to increase considerably.

For all three method categories, the GOE should be urged to implement a required reporting system as this knowledge is essential to the national family planning effort. Required or voluntary reporting was one facet of the SOMARC proposal for 1996-1997 activities.

Continuance of SOMARC Activities in Egypt, 1996-1997

On May 30, SOMARC/TFGI received a scope of work and a request for proposal from the contracts office of the USAID Mission to Egypt for the continuance of activities that would support the private sector for the July 1996-September 1997 time span. The scope of work focused on a range of support for the Egyptian contraceptive marketing private sector, including organization of the private sector into a viable working group that would shape policy in cooperation with the GOE; IE&C efforts for the private sector that would include advertising, promotion, and public relations in support of the specific brands that were considered "social marketed products"; and a training component.

In concert with its subcontractor, Porter/Novelli, TFGI prepared a proposal with a budget and attendant documents to the contracts office on June 18. The contracts office responded on June 26 with the reaction, accompanied by numerous questions, that the proposal and budget were not responsive to the scope of work.

On July 3, TFGI, again in concert with Porter/Novelli, submitted a revised proposal and budget to the contracts office's concerns. On July 10, the contracts office informed TFGI that it had concluded that TFGI was unable to meet the U.S. Government's requirements for the proposed program. This memo effectively terminated negotiations and canceled the continuance of SOMARC activities.

Since SOMARC had continued to maintain operations in Cairo during July in good faith that the program would continue, SOMARC submitted a proposal to the Mission for an orderly closedown of operations through September 30 utilizing USAID non-Mission funds. This was accepted and operations were terminated as of September 30, 1996.

Attachment A

REQUEST FOR PROPOSAL FOR CONTRACEPTIVE COMMODITY DISTRIBUTION

July 11, 1993

Dear Prospective Offeror:

Enclosed are three separate requests for proposal (RFPs) for the sale and distribution of Copper T 380-A IUDs, Norminest oral contraceptives, and "gold coin" label condoms. All three products are manufactured in the United States of America and all three are well established in the Egyptian marketplace.

Porter/Novelli is arranging these procurements on behalf of the United States Agency for International Development (USAID) with the approval of the Government of Egypt under the USAID Population / Family Planning II Project, Number 263-0144.

The successful bidder(s) will market the IUDs, oral contraceptives and condoms as a continuing part of the USAID/Government of Egypt contraceptive social marketing program. As participants in this program, the successful bidder(s) will receive the product(s) at no cost. Financial commitment will be limited to providing security for the safekeeping of the products and providing full value insurance.

While a separate proposal is required for each product, your company may submit a proposal for one, two or all three of the product tenders. Since these RFPs do not involve a purchase cost, proposals will be evaluated solely on a technical level as specified in each RFP.

In preparing your proposals, it may be useful to bear in mind that the Egyptian contraceptive social marketing project which USAID supported in the past achieved annual sales of approximately 400,000 IUDs, two million cycles of Norminest, and 15 million units of condoms.

On the subject of IUDs, detailing and sale to physicians are required, in addition to sales and distribution to pharmacies. Past experience with the contraceptive social marketing project supported by USAID reflects a 60% pharmacy share of IUD sales, while physicians/private clinics accounted for 40%

As noted in each request for proposal, a bidder's conference will be held at 11:00 a.m. on Monday, July 19th at the Siag Pyramid Hotel, 59. El Mariouteya Street (the Sakhara Road), Giza, Cairo. The products may be inspected on the same day immediately following the bidder's conference.

RFP Letter...2

Prior to, and after the bidder's conference, I will be happy to answer any questions you may have up to and through Sunday, August 1st. These questions must be submitted in writing and will be responded to in writing, with copies of all questions and answers delivered to each of the companies which has received the requests for proposal.

Porter/Novelli reserves the right to make contract awards based solely on Porter/Novelli's evaluation of the bids. The determination by Porter/Novelli is final.

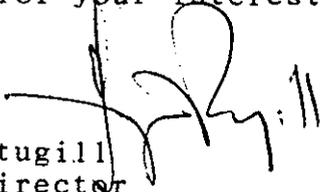
These requests for proposal in no way obligate Porter/Novelli to award any contract, nor do they commit Porter/Novelli to any cost incurred in the preparation and submission of a proposal.

The marketing of these products will be supported by advertising, promotion and market research activities directed by Porter/Novelli. It is important to note that award and implementation of the anticipated contracts for carrying out each of the three marketing tasks are subject to the expected availability of USAID funding for these supporting activities. In the unlikely event that USAID does not provide funding for these marketing-related activities, no contracts will be awarded.

As indicated on each request for proposal, the deadline for receipt of the proposals is 4:00 p.m. on Wednesday, August 11th at my office at the address indicated below. There will be no exceptions to this requirement.

Thank you for your interest and cooperation in this effort.

Sincerely,


Jestyn Portugill
Managing Director
Porter/Novelli, Cairo

9. Rostom Street (Suite 2, First Floor)
Garden City, Cairo

Telephone: 355-5690, 355-8634, 355-8679, 356-0015, 356-2052
Fax: 355-3896

Encl.

cc: Dr. Carol Carpenter-Yaman, Director, Office of Population,
USAID Mission to Egypt
Dr. Hassan Selim, Administrator, Ministry of International
Cooperation

July 11, 1993

Request for Proposals

Medical Representation and Sale/Distribution of Copper T 380-A Intrauterine Devices (IUDs) to Physicians, Pharmacies and Private Hospitals/Clinics

I. Background

At the invitation of the United States Agency for International Development (USAID) Mission to Egypt, Porter/Novelli (P/N)/The Futures Group/SOMARC has agreed to assist in implementing a short-term contraceptive social marketing program (CSMP). This program is approved by the Ministry of International Cooperation of The Government of Egypt.

The goal of this program is to promote, distribute, and sell through private sector channels approximately 730,000 Copper T 380-A IUDs at an affordable price. In order to achieve this goal, Porter/Novelli will contract with a distribution/medical representation company serving pharmacies, physicians and private hospitals/clinics throughout Egypt.

As a participant in the CSMP, the distribution/medical representation company will receive the Copper T 380-A IUDs at no cost to the company. The Copper T 380-A IUD will be sold to the consumer public at a retail price of LE 2.00 per IUD. This price has been established and directed by The Ministry of Health of The Government of Egypt.

II. Scope of Work

The selected distribution/medical representation firm will undertake the following tasks:

- Pick up and transport the CuT 380-A IUDs from current warehouse, then store and insure them under safe and secure conditions in accordance with the relevant USAID storage conditions (for details on storage conditions, see Appendix A of this document).
- Insurance coverage will commence with the initial pickup and transport of the commodities and will cover the full U.S. dollar value of the products, or approximately \$803,000.00 (\$1.10 per unit x 730,000 units).
- Insert products into packaging provided by CSM Program.
 - Promote the CuT 380-A IUD to physicians.

- Distribute and sell CuT 380-A IUDs to physicians, pharmacies and private hospitals/clinics with particular attention to outlets in remote, rural areas.
- Maintain regular contact with Porter/Novelli.
- Report monthly and quarterly on sales and promotion activities, including client lists and units sold.
- Allow sales records to be audited.
- Allow regular, periodic inspection of warehouse for inventory checks.
- Develop an annual marketing plan which will ensure the distribution and sales of the entire stock of Copper T 380-A IUDs by March 31, 1995.
- Prepare quarterly review of project progress.
- Ensure logistics system sufficient to prevent product outages at the retail level which will require at least an effective warehouse operation and smooth flow of goods through the distribution network in keeping with First Expiry/First Out (FEFO) procedures.
- Cooperate with marketing support firms such as advertising and market research agencies, as decided and directed by Porter/Novelli.
- Distribute promotional materials as decided and directed by Porter/Novelli.

III. Requirements for Response

A. Written Response

A written response to this RFP is required. Evaluation of written proposals will be based on the Evaluation Criteria contained on page 5 of this RFP. To determine the validity of the written proposals, evaluation will also include, as appropriate, follow-up through reference checks, site visits, interviews, etc. Porter/Novelli reserves the right to request a best and final offer from selected respondents.

In the written response, the following areas must be addressed:

- Background information, including incorporation date, size, number of employees, etc.
- Current clients and product line.
- Current credit terms with customers/clients.
- Experience and capabilities related to Scope of Work, above.
- Names, titles, and capabilities of staff to be assigned to this account (Include a Curriculum Vitae for each).
- Experience in dealing with government contracts and public officials.
- Description of sales approach to physicians (obstetricians/ gynecologists, general practitioners). For example, how do you plan to position the product?
- Number of medical sales representatives (detail men calling on physicians) by region, list of physicians by specialty covered, frequency of sales calls.
- Description of distribution system (i.e. packaging capabilities; warehouse facilities: central and regional where applicable; transport: number of vehicles owned, use of contract transport, average delivery time, etc.).
- Specific description of retail outlets served (number and type of outlets served, geographical locations, cycles per salesman, etc.) with special mention of how you will reach outlets in outlying rural areas.
- Description of monitoring/accounting systems in place to track volume and value of sales.
- A stated commitment of interest and intent to purchase and sell Copper T 380-A IUDs after current stocks are exhausted.

B. Financial Guarantee

In presenting your bid, please include and specify the form of financial guarantee or assurance your company will provide for the safekeeping and timely distribution of the IUDs while they are in the possession of your company.

Please note that the successful bidder will be required to pick up the 730,000 IUDs on a one-time basis at the warehouse in Cairo where the products are currently stored. The products will be provided to the selected firm based on a contract between the selected firm and Porter/Novelli.

IV. Bidders Conference

Prior to the due date, there will be a bidder's conference open to all potential responders at which questions concerning this RFP may be asked and answered. The bidder's conference will be held at 11:00 a.m. on Monday, July 19th at the Siag Pyramid Hotel, 59, El Mariouteya Street (the Sakhara Road), Giza, Cairo. The products may be inspected immediately following the bidder's conference.

V. Porter/Novelli reserves the right to accept or reject submitted proposals with no reasons given.

VI. Due Date

Please have 4 copies of your written response to this Request for Proposal arrive at Porter/Novelli, 9 Rostom Street (Suite 2, First Floor), Garden City, Cairo, no later than 4:00 p.m. on Wednesday, August 11th. This will allow for a comparable evaluation of all proposals. No response will be accepted after this date.

It is important to note that responses to this Request for Proposal, as well as all written and oral communication between Porter/Novelli and prospective bidders, including contracts, will be in English.

Please send your written response to:

Mr. Jestyn Portugill
Managing Director
Porter/Novelli, Cairo
9, Rostom Street (Suite 2, First Floor)
Garden City, Cairo

EVALUATION CRITERIA

Medical Representation and Distribution of Copper T 380-A to Physicians, Pharmacists, and Private Hospitals/Clinics

The contract award will be made to the firm submitting the most responsive proposal. Selection will be made based on the considerations listed below. It is important to note that these considerations are a guide for Porter/Novelli only. Porter/Novelli reserves absolutely the right to reach a final decision based on its overall judgement. The prospective bidder will have no right to question or challenge the final decision, or to compare its evaluation results with those of other bidders.

- I. Corporate Capability (45)
 - A. Management infrastructure (5)
 - B. Accounting systems (5)
 - C. Financial capability / Strength of financial guarantee (10)
 - D. Distribution system (10)
 - Number of outlets covered
 - Geographic distribution of outlets covered
 - Quantity, quality, and maintenance of transport
 - Frequency of sales calls
 - Frequency of delivery
 - Interval between order and delivery
 - E. Up-to-date relevant client lists (5)
 - F. Quality and experience of staff proposed for project use (5)
 - G. Quality and availability of warehouse space (5)

II. Previous Relevant Experience (35)

- A. Experience in detailing physicians, especially ob/gyn specialists, private hospitals/clinics, and general practitioners (10)
- B. Proven track record in contraceptive detailing and sales (10)
- C. Recognized standing in the trade, principals represented (5)
- D. Previous experience with detailing and selling IUDs (5)
- E. Experience in dealing with USAID/government reporting and auditing requirements (5)

III. Marketing Strategies (20)

- A. Basic Marketing Plan Outline with appropriate attention given to reaching doctors, private hospitals and pharmacies in remote, outlying areas (20)

Appendix A

USAID storage regulations for contraceptive commodities are as follows:

- a. Secure storeroom from water penetration;
- b. Ventilate storeroom well;
- c. Light storeroom well;
- d. Disinfect and spray storeroom for insects;
- e. Store supplies away from direct sunlight;
- f. Stack supplies at least 4 inches (10 cm) off the floor, preferably on pallets made of wood or steel;
- g. Stack supplies at least 1 foot (.3 m) away from any wall and from other stacks of supplies;
- h. Separate supplies by lots and in a manner accessible for "First-expiry, First-out" (FEFO), counting and general management;
- i. Stack supplies no more than nine feet (3m) high;
- j. Arrange cartons so identification marks and other labels are visible;
- k. Assure fire safety equipment is available; and
- l. Separate damaged and/or expired supplies and request appropriate permission for disposal.

July 11, 1993

Request for Proposals

Distribution and Sale of Norminest Oral Contraceptives to Pharmacies

I. Background

At the invitation of the United States Agency of International Development (USAID) Mission in Egypt, Porter/Novelli (P/N)/The Futures Group/SOMARC has agreed to assist in implementing a short-term contraceptive social marketing (CSM) program. This program is approved by the Ministry of International Cooperation of The Government of Egypt.

The goal of this program is to promote, distribute, and sell through private sector channels 3.6 million cycles of Norminest oral contraceptives at an affordable price. In order to achieve this goal, Porter/Novelli will contract with a distribution company serving pharmacies throughout Egypt.

As a participant in the CSMP, the distribution company will receive the Norminest oral contraceptives at no cost to the company. Norminest will be sold to the consumer public at a retail price of LE 1.05 per package of three cycles. This price has been established and directed by The Ministry of Health of The Government of Egypt.

II. Scope of Work

The selected distribution company will undertake the following tasks:

- Pick up and transport the Norminest oral contraceptives from the current warehouse, then store and insure them under safe and secure conditions in accordance with the relevant USAID storage conditions (for details on storage conditions, see Appendix A of this document).

Insurance coverage will commence with the initial pickup and transport of the commodities and will cover the full U.S. dollar value of the products, or approximately \$936,000.00 (\$0.26 per unit x 3.6 million units).

- Insert products into unit and display packaging provided by CSM program.

- Distribute and sell Norminest oral contraceptives to pharmacies with particular attention to outlets in remote, rural areas.
- Maintain regular contact with Porter/Novelli.
- Report monthly and quarterly on sales and promotion activities including client lists and units sold.
- Allow sales records to be audited.
- Allow regular, periodic inspection of warehouse for inventory checks.
- Develop an annual marketing plan which will ensure the distribution and sales of the entire stock of Norminest oral contraceptives by March 31, 1995.
- Prepare quarterly review of project progress.
- Ensure logistics system sufficient to prevent product outages at the retail level which will require at least an effective warehouse operation and smooth flow of goods through the distribution network in keeping with First Expiry/First Out (FEFO) procedures.
- Cooperate with marketing support firms such as advertising and market research agencies, as decided and directed by Porter/Novelli.
- Distribute promotional materials as decided and directed by Porter/Novelli.

III. Requirements for Response

A. Written Response

A written response to this RFP is required. Evaluation of written proposals will be based on the Evaluation Criteria contained on page 5 of this RFP. To determine the validity of the written proposals, evaluation will also include, as appropriate, follow-up through reference checks, site visits, interviews, etc. Porter/Novelli reserves the right to request a best and final offer from selected respondents.

In the written response, the following areas must be addressed:

- Background information, including incorporation date, size, number of employees, etc.
- Current clients and product line.
- Current credit terms with customers/clients.
- Experience and capabilities related to Scope of Work, above.
- Names, titles, and capabilities of staff to be assigned to this account (Include a Curriculum Vitae for each).
- Experience in dealing with government contracts and public officials.
- Description of distribution system (i.e. packaging capabilities, warehouse facilities: central and regional where applicable, transport: number of vehicles owned, use of contract transport, average delivery time, etc.).
- Specific description of retail outlets served (number and type of outlets served, geographical locations, cycles per salesman, etc.), with special mention of how you will reach outlets in outlying rural areas.
- Description of monitoring/accounting systems in place to track volume and value of sales.

B. Financial Guarantee

In presenting your bid, please include and specify the form of financial guarantee or assurance your company will provide for the safekeeping and timely distribution of the Norminest oral contraceptives while they are in the possession of your company.

Please note that the successful bidder will be required to pick up the 3.6 million cycles of Norminest oral contraceptives on a one-time basis at the warehouse in Cairo where the products are currently stored. The products will be provided to the selected firm based on a contract between the selected firm and Porter/Novelli.

IV. Bidders Conference

Prior to the due date, there will be a bidder's conference open to all potential responders at which questions concerning this RFP may be asked and answered. The bidder's conference will be held at 11:00 a.m. on Monday, July 19th at the Siag Pyramid Hotel, 59, El Mariouteya Street (the Sakhara Road), Giza, Cairo. The products may be inspected immediately following the bidder's conference.

V. Porter/Novelli reserves the right to accept or reject submitted proposals with no reasons given.

VI. Due Date

Please have 4 copies of your written response to this Request for Proposal arrive at Porter/Novelli, 9 Rostom Street (Suite 2, First Floor), Garden City, Cairo no later than 4:00 p.m. on Wednesday, August 11th. This will allow for a comparable evaluation of all proposals. No response will be accepted after this date.

It is important to note that responses to this Request for Proposal, as well as all written and oral communication between Porter/Novelli and prospective bidders, including contracts, will be in English.

Please send your written response to:

Mr. Jestyn Portugill
Managing Director
Porter/Novelli, Cairo
9, Rostom Street (Suite 2, First Floor)
Garden City, Cairo

EVALUATION CRITERIA

Distribution and Sale of Norminest Oral Contraceptives to Pharmacies

The contract award will be made to the firm submitting the most responsive proposal. Selection will be made on the considerations listed below. It is important to note that these considerations are a guide for Porter/Novelli only. Porter/Novelli reserves absolutely the right to reach a final decision based on its overall judgement. The prospective bidder will have no right to question or challenge the final decision, or to compare its evaluation results with those of other bidders.

- I. Corporate Capability (45)
 - A. Management infrastructure (5)
 - B. Accounting systems (5)
 - C. Financial capability / Strength of financial guarantee (10)
 - D. Distribution system (10)
 - Number of outlets covered
 - Geographic distribution of outlets covered
 - Quantity, quality, and maintenance of transport
 - Frequency of sales calls
 - Frequency of delivery
 - Interval between order and delivery
 - E. Up-to-date relevant client lists (5)
 - F. Quality and experience of staff proposed for project use (5)
 - G. Quality and availability of warehouse space (5)

II. Previous Relevant Experience (35)

- A. Proven track record in pharmaceutical sales (10)
- B. Previous experience in retail promotional activities (10)
- C. Recognized standing in the trade, principals represented (10)
- D. Experience in dealing with USAID/government reporting and audit requirements (5)

III. Marketing Strategies (20)

- A. Basic Marketing Plan Outline with appropriate attention given to reaching outlets in remote, rural areas (20)

Appendix A

USAID storage regulations for contraceptive commodities are as follows:

- a. Secure storeroom from water penetration;
- b. Ventilate storeroom well;
- c. Light storeroom well;
- d. Disinfect and spray storeroom for insects;
- e. Store supplies away from direct sunlight;
- f. Stack supplies at least 4 inches (10 cm) off the floor, preferably on pallets made of wood or steel;
- g. Stack supplies at least 1 foot (.3 m) away from any wall and from other stacks of supplies;
- h. Separate supplies by lots and in a manner accessible for "First-expiry, First-out" (FEFO), counting and general management;
- i. Stack supplies no more than nine feet (3m) high;
- j. Arrange cartons so identification marks and other labels are visible;
- k. Assure fire safety equipment is available; and
- l. Separate damaged and/or expired supplies and request appropriate permission for disposal.

July 11, 1993

Request for Proposals

Distribution and Sale of "Gold Coin" Condoms to Pharmacies

I. Background

At the invitation of the United States Agency of International Development (USAID) Mission to Egypt, Porter/Novelli (P/N)/The Futures Group/SOMARC has agreed to assist in implementing a short-term contraceptive social marketing (CSM) program. This program is approved by the Ministry of International Cooperation of The Government of Egypt.

The goal of this program is to promote, distribute, and sell through private sector channels 29 million units of "gold coin" condoms at an affordable price. In order to achieve this goal, Porter/Novelli will contract with a distribution company serving pharmacies throughout Egypt.

As a participant in the CSMP, the distribution company will receive the "gold coin" condoms at no cost to the company. The "gold coin" condoms will be sold to the consumer public at a retail price of LE 0.75 per package of six units.

II. Scope of Work

The selected distribution company will undertake the following tasks:

- Pick up and transport the "gold coin" condoms from current warehouse, then store and insure them under safe and secure conditions in accordance with the relevant USAID storage conditions (for details on storage conditions, see Appendix A of this document).

Insurance coverage will commence with the initial pickup and transport of the commodities, and will cover the full U.S. dollar value of the products, or approximately \$1,450,000.00 (\$0.05 per unit x 29 million units).

- Insert products into unit and display packaging provided by CSM program.

- Distribute and sell "gold coin" condoms to pharmacies with particular attention to outlets in remote, rural areas.
- Maintain regular contact with Porter/Novelli.
- Report monthly and quarterly on sales and promotion activities including client lists and units sold.
- Allow sales records to be audited.
- Allow regular, periodic inspection of warehouse for inventory checks.
- Develop an annual marketing plan which will ensure the distribution and sales of the entire stock of "gold coin" condoms by March 31, 1995.
- Prepare quarterly review of project progress.
- Ensure logistics system sufficient to prevent product outages at the retail level which will require at least an effective warehouse operation and smooth flow of goods through the distribution network in keeping with First Expiry/First Out (FEFO) procedures.
- Cooperate with marketing support firms such as advertising and market research agencies, as decided and directed by Porter/Novelli.
- Distribute promotional materials as decided and directed by Porter/Novelli.

III. Requirements for Response

A. Written Response

A written response to this RFP is required. Evaluation of written proposals will be based on the Evaluation Criteria contained on page 5 of this RFP. To determine the validity of the written proposals, evaluation will also include, as appropriate, follow-up through reference checks, site visits, interviews, etc. Porter/Novelli reserves the right to request a best and final offer from selected respondents.

In the written response, the following areas must be addressed:

- Background information, including incorporation date, size, number of employees, etc.
- Current clients and product line.
- Current credit terms with customers/clients.
- Experience and capabilities related to Scope of Work, above.
- Names, titles, and capabilities of staff to be assigned to this account (Include a Curriculum Vitae for each).
- Experience in dealing with government contracts and public officials.
- Description of distribution system (i.e. packaging capabilities, warehouse facilities: central and regional where applicable, transport: number of vehicles owned, use of contract transport, average delivery time, etc.).
- Specific description of retail outlets served (number and type of outlets served, geographical locations, cycles per salesman, etc.), with special mention of how you will reach retail outlets in outlying rural areas.
- Description of monitoring/accounting systems in place to track volume and value of sales.
- A stated commitment of interest and intent to purchase and sell gold coin or similar high-quality condoms after current stocks are exhausted.

B. Financial Guarantee

In presenting your bid, please include and specify the form of financial guarantee or assurance your company will provide for the safekeeping and timely distribution of the condoms while they are in the possession of your company.

Please note that the successful bidder will be required to pick up the 29 million condoms on a one-time basis at the warehouse in Cairo where the products are currently stored. The products will be provided to the selected firm based on a contract between the selected firm and Porter/Novelli.

IV. Bidders Conference

Prior to the due date, there will be a bidder's conference open to all potential responders at which questions concerning this RFP may be asked and answered. The bidder's conference will be held at 11:00 a.m. on Wednesday, July 19th at the Siag Pyramid Hotel, 59, El Mariouteya Street (the Sakhara Road), Giza, Cairo. The products may be inspected immediately following the bidder's conference.

V. Porter/Novelli reserves the right to accept or reject submitted proposals with no reasons given.

VI. Due Date

Please have 4 copies of your written response to this Request for Proposal arrive at Porter/Novelli, 9 Rostom Street (Suite 2, First Floor), Garden City, Cairo, no later than 4:00 p.m. on Wednesday, August 11th. This will allow for a comparable evaluation of all proposals. No response will be accepted after this date.

It is important to note that responses to this Request for Proposal, as well as all written and oral communication between Porter/Novelli and prospective bidders, including contracts, will be in English.

Please send your written response to:

Mr. Jestyn Portugill
Managing Director
Porter/Novelli, Cairo
9, Rostom Street (Suite 2, First Floor)
Garden City, Cairo

EVALUATION CRITERIA

Distribution and Sale of "Gold Coin" Condoms to Pharmacies

The contract award will be made to the firm submitting the most responsive proposal. Selection will be made based on the considerations listed below. It is important to note that these considerations are a guide for Porter/Novelli only. Porter/Novelli reserves absolutely the right to reach a final decision based on its overall judgement. The prospective bidder will have no right to question or challenge the final decision, or to compare its evaluation results with those of other bidders.

- I. Corporate Capability (45)
 - A. Management infrastructure (5)
 - B. Accounting systems (5)
 - C. Financial capability / Strength of financial guarantee (10)
 - D. Distribution system (10)
 - Number of outlets covered
 - Geographic distribution of outlets covered
 - Quantity, quality, and maintenance of transport
 - Frequency of sales calls
 - Frequency of delivery
 - Interval between order and delivery
 - E. Up-to-date relevant client lists (5)
 - F. Quality and experience of staff proposed for project use (5)
 - G. Quality and availability of warehouse space (5)

II. Previous Relevant Experience (35)

- A. Proven track record in pharmaceutical sales (10)
- B. Previous experience in retail promotional activities (10)
- C. Recognized standing in the trade, principals represented (10)
- D. Experience in dealing with USAID/government reporting and audit requirements (5)

III. Marketing Strategies (20)

- A. Basic Marketing Plan Outline with appropriate attention given to reaching outlets in remote, rural areas (20)

Appendix A

USAID storage regulations for contraceptive commodities are as follows:

- a. Secure storeroom from water penetration;
- b. Ventilate storeroom well;
- c. Light storeroom well;
- d. Disinfect and spray storeroom for insects;
- e. Store supplies away from direct sunlight;
- f. Stack supplies at least 4 inches (10 cm) off the floor, preferably on pallets made of wood or steel;
- g. Stack supplies at least 1 foot (.3 cm) away from any wall and from other stacks of supplies;
- h. Separate supplies by lots and in a manner accessible for "First-expiry, First-out" (FEFO), counting and general management;
- i. Stack supplies no more than nine feet (3m) high;
- j. Arrange cartons so identification marks and other labels are visible;
- k. Assure fire safety equipment is available; and
- l. Separate damaged and/or expired supplies and request appropriate permission for disposal.

Attachment B

MEC/MEDTEC PROPOSAL FOR CONTRACEPTIVE COMMODITY DISTRIBUTION

**Proposal for Distribution and Promotion of
CuT 380 in Egypt**

Submitted to Porter/Novelli

by

The MEC/MEDTEC Project

August 10, 1993

Table of Contents

1. Introduction	1
2. Relevant Experience	2
3. Corporate Capabilities	5
4. Marketing Plan	16
5. Project Tasks	19
6. Future Perspectives	22

Appendices

- Letter of Intent
- Recommendations and References
- Organization and Managers
- Collection Cycle
- Financial Statements
- Distribution
- Marketing Managers and Sales Representatives
- Sales Targets
- Future Activities

1. Introduction

Middle East Chemicals Company Limited (MEC) is one of the largest pharmaceutical distributors in Egypt, covering all governorates and approximately 11,000 pharmaceutical outlets. International Medical Technology Company Limited (MEDTEC) sales personnel have a proven track record in detailing physicians and have had more experience marketing the CuT 380 than any other sales staff in the Egyptian market. Because of the two firms' complimentary strengths, MEC and MEDTEC are submitting this joint proposal in response to the Porter/Novelli Request for Proposals dated July 11, 1993.

Officials from the two companies have signed a letter of intent demonstrating their commitment to jointly carry out the activities outlined in this proposal. A copy of the letter of intent is included in Appendix A. MEC will distribute products to pharmacies and MEDTEC will promote products and provide direct sales of IUDs in clinics, hospitals and family planning centers.

BACKGROUND

The Government of Egypt, in response to population growth of one million people every nine months, has set a goal of reducing the fertility rate from 4.4 births per woman in 1992 to 3.5 births per woman by 1997. Currently, 63.4 percent of contraceptive distribution takes place in the private sector. Always an important outlet for contraceptive methods, private sector distribution to clinics and pharmacies has become the most viable and sustainable method of expanding the availability of contraceptives.

PROBLEM STATEMENT

Distribution of Egypt's most popular IUD, the CuT 380 is currently at a standstill. In order to ensure continuous supply of the CuT 380 in pharmacies and private clinics throughout Egypt a nation-wide distribution network with an experienced detail staff is needed immediately. The purpose of this proposal is to provide the required marketing and distribution resources to allow continuous provision of contraceptive methods through the private sector in the short-term, and to open the way for long-term provision of contraceptives in Egypt through private sector marketing.

2. Relevant Experience

MEC is the largest pharmaceutical distributor in Egypt, holding 30 percent of the total pharmaceutical market as well as distributing several lines of consumer goods. MEDTEC is a newly established pharmaceutical promotion operation that specializes in detailing physicians and pharmacists on contraceptive products.

ACTIVITIES

MEC currently distributes for seven pharmaceutical companies. Each pharmaceutical line is assigned to a specific sales force. A sales force distributes one pharmaceutical line and one consumer product line to pharmacies and hospitals throughout Egypt. MEC distributes pharmaceuticals for the following companies:

- Bristol-Myers Squibb Egypt
- Swisspharma (Ciba-Sandoz-Zima)
- Pfizer Egypt
- USAID (oral rehydration solution)
- Pharco Pharmaceuticals Company (Scherer-Mead Johnson-Latima-Biochemi-Merz-local products)
- Medical Union Pharmaceuticals (MUP) (American Schering-Beecham-Lederle-Mepha-LEK-Pharmagon-Syntex-local products)
- South Egypt Drug for Industries (SEDICO) (Organon-Lederle-Doms-Roim-local products)
- Minapharm Pharmaceuticals and Chemical Industries (Leo-Domex-local products)

MEC distributes consumer products for the following companies:

- Proctor and Gamble (Ariel-Crest-Camay-Zest-Pert Plus-Always-Head & Shoulders)
- Johnson Wax Egypt (insecticides-household products)
- Gillette Egypt (razors and razor blades)
- Colgate - Palmolive (consumer products)
- Union Trading Company (local production of tooth brushes)

As the sole agent for Bristol-Myers Squibb and Alcon Pharmaceuticals Company Limited, MEC follows up on importation procedures implemented by EGYDRUG (EPTC). A special sales force is employed to assist in the distribution of imported products. In addition MEC has its own plant manufacturing cosmetics and perfumes under license from Bristol-Myers Squibb (Ingram shaving cream, Mum, herbal shampoo) and under its own local brand names (Orly skin cream, Burda skin cream and perfumes).

MEDTEC is the sole promoter and distributor for Organon products such as the Multiload 250 and the Multiload 375 IUDs and the PregColor pregnancy test. MEDTEC is also the sole distributor for "Playmate" and "Condom", two condom

brands imported by Pharma Center, K-Jelly tubes of lubricating gel and Blue Scan lubricating gel for ultrasonography for Al Fayasel Laboratories. MEDTEC's staff promotes and details physicians, pharmacists and clinic and hospital staff on the contraceptive products MEDTEC distributes.

EXPERIENCES RELATED TO SCOPE OF WORK

MEC does not currently distribute contraceptives, but it is the largest pharmaceutical distributor in Egypt. MEC has experience in social marketing with the USAID oral rehydration solution.

MEDTEC currently distributes IUDs through detailing and sales visits to pharmacies, clinics and hospitals. From the beginning of MEDTEC's operations in February to the end of July 1993, MEDTEC distributed 10,663 Multiload IUDs. This performance indicates that MEDTEC's sales for the year will be double the sales of the CSMP for 1992 and Organon for 1991. MEDTEC also distributed 35,207 pregnancy tests during the same six month period, when Organon's sales for the same product the year before totaled 50,000 for the year. MEDTEC also sold 100,000 units of condoms at LE 1.25 for a three unit package in June and July, 1993. This is a large quantity of condoms at this price, as the most popular brand, Tops sell for LE 0.75 and make up 99 percent of the market.

In addition, a large number of the MEDTEC promotional staff for this project (15 out of 23) previously worked with The Family of the Future/the Contraceptive Social Marketing Project, promoting the CuT 380, Norminest and Tops and have had an average of three years of experience selling contraceptives. MEDTEC's promotional staff, including the sales, marketing, product and general managers already know the CuT 380 and how to promote it.

EXPERIENCES WITH GOVERNMENTAL CONTRACTS/USAID

Before distributing oral rehydration solution for USAID in cooperation with the Ministry of Health, USAID sent a letter to the GOE counterpart giving its highest recommendation to MEC as a distributor. In addition, through distributing oral rehydration solution, MEC has gained experience working with a GOE agency on a USAID sponsored project. The letter of recommendation from USAID and the agreement with the MOH are included in Appendix B.

Before establishing MEDTEC, MEDTEC's management was involved in the Contraceptive Social Marketing Project, formerly known as the Family of the Future. Through this project, the managers became familiar not only with the products distributed, but also with the USAID reporting and audit requirements. The general manager of MEDTEC was responsible for ensuring timely delivery of the required reports and the other managers were responsible for compiling the information to produce them. The Financial Manager for MEDTEC worked in the Finance and Accounting Department of Family of the Future and will be able to produce the required reports for this project.

REFERENCES AND SITE VISITS

References and their addresses/phone numbers are listed in Appendix B. MEC and MEDTEC are prepared to receive visitors from Porter-Novelli/SOMARC and USAID to meet the project staff and the sales force; inspect the warehouses, vehicles and packaging facilities; and see the offices and the information system.

3. Corporate Capabilities

THE CORPORATIONS

MEC began activities in 1970 as a partnership and became a limited liability company, commercial registration number 191024 dated August 23, 1978. MEC's tax card number is # 473, October 16, 1989, and the company's capital currently amounts to LE 3,570,000. MEC's headquarters is located at 5, Samir Sayed Ahmed Street in Manial, and the company has branch offices in Cairo, Alexandria, the Delta and Upper Egypt (A complete list of branch offices is included in Appendix C). The company employs 1,309 people and an organizational chart for the company is included in Appendix C.

MEDTEC is registered in the official commercial register, registration # 95044 March 7, 1993, and began activities in February 1993. MEDTEC's tax card number is # 4289 February 15, 1993, and the company's capital amounts to LE 50,000. MEDTEC's offices are located at 61, Hussein Street in Dokki. The company currently employs 21 people and plans to increase the number of promotional staff by 18 and the support staff by six. An organizational chart for the company is included in Appendix C.

MANAGEMENT INFRASTRUCTURE

For marketing and distributing the CuT 380, the two companies will form a special project. CuT 380 will be distributed with the Pharco Pharmaceutical line of MEC. This sales force currently distributes a consumer product line, Gillette, (each division of MEC distributes one pharmaceutical line and one consumer product line) but this line will be moved to another division and replaced with a contraceptive line of products if the project receives the contract. This line will include only the CuT 380 and any other USAID donated contraceptives for which the project is the chosen distributor. The Pharco Pharmaceutical line includes 66 products, none of which are contraceptive methods, so the Pharco line and the contraceptive line will complement each other. The Pharco line was chosen as it offers nation-wide coverage and it has the most experienced sales staff.

149 MEC administrative staff members will contribute 10 percent of their time and 89 marketing staff members will contribute 50 percent of their time to the project. MEDTEC administrative and marketing staff devoted to the project will include 12 and 33 respectively, and each staff member will contribute 75 percent of his time. An organizational chart for the project and resumes for the principal managers of the project are included in Appendix C.

The project director will be the chairman of MEC, Hossam Omar. Each of the two companies will appoint a coordinator for the project, the Commercial Manager of MEC and the General Manager of MEDTEC. The principal managers will also include the Pharco Division Manager for MEC and the Central Marketing staff for

MEDTEC. The project will benefit from the strongest aspects of the management systems of the two companies. Both companies have strong reporting systems in place and the accounting system and information system of MEC, with some modifications specific to the project, will be used.

ADMINISTRATIVE RESOURCES

Accounting System

The MEC accounting system is fully computerized. Each branch has a PC using the DOS operating system and internally developed software. Customer orders are fed into the PCs and the software checks product availability and prints the invoice for customer collection by type (cash, post-dated check or returned goods). The PCs produce reports indicating invoice details, returns, net sales, collections, stock movement and outstanding invoices. Using the double entry accounting system and these daily reports, accounting entries are prepared and delivered to the central accounting department.

MEC's general accounting department uses the Novel network and custom-designed software that includes the ability to track data on fixed assets and purchasing. There is a special program for following up on incoming and outgoing checks, and this system is integrated. The Treasury Department follows bank collections using Lotus 123 and Macros.

Accounting procedures are followed by the accountants in the branch offices and controlled by sales accounts in the head office. All accounting entries are audited by the internal auditing staff before they are posted in the PCs. MEC's financial year ends December 31, and the company's external auditor is Hazem Hassan and Company. (A flow chart of the MEC collection cycle is included in Appendix D).

MEDTEC's accounting system is not fully computerized, although the company does have the Lotus 123 spreadsheet program for producing financial reports. The company employs a Financial Manager, a General Accountant and an Internal Auditor. Payments are received by the promotional staff and given to the Regional Supervisors. The supervisors remit the payments to company headquarters, where the collections are recorded and deposited in the bank. The company's financial year ends December 31, and the external auditor is Mostafa Al Nasharty and Company.

MEC will bear primary responsibility for the accounting requirements of the project. All sales representatives will keep separate invoices for the products distributed as part of the project. MEDTEC will reimburse MEC for sales made, and MEC will prepare project accounts.

Information system

Both MEC and MEDTEC have computerized information systems, but because MEC's system can provide more detailed information than MEDTEC's system, MEDTEC will provide its data to MEC for inclusion in MEC's system.

The information system of the project will begin with recording every invoice. Separate invoices will be issued for products distributed through the project. Each invoice is entered using codes for geographic location of the customer and information on the sales person. Output can produce sales records per item per outlet. All aggregated sales information will be produced. Monthly and quarterly sales reports will be produced within ten days after the end of the month. The system will provide reports on the performance per territory and per representative to allow for efficient monitoring. The system also provides information on credit and collections. Monthly reports on distribution of all products are given to Information Medical Statistics (IMS).

The information system will be used by the project to monitor clinics and pharmacies to ensure that they are distributing the product to consumers only and are not reselling large quantities. Each invoice will include a statement to be signed by the physician or pharmacist saying that he is purchasing the CuT 380 for sale to consumers only. Sales records per outlet will allow project management to monitor clients who purchase large quantities. Approval from project management will be required for orders over a size to be determined. Finally, supervisors will follow-up by making visits to purchasers of large quantities to make sure that the quantities purchased are available on the premises.

FINANCIAL CAPABILITIES

MEC has a gross operating income of approximately LE 9.5 million (complete financial statements are included in Appendix E). MEDTEC has revenues of LE 9-10,000 per month.

The project will provide an insurance policy for the inventory of contraceptives. The policy will cover fire, theft, and water damage, for the total value of goods on hand based on the USAID purchasing price. El Shark Insurance Company has agreed to provide a policy for the full value of the CuT 380 stock, or LE 2,694,868. The cost of insurance will decrease based on the amount of goods sold.

The project will also provide a bank letter of guarantee for the total retail value of goods to guarantee: storage conditions, distribution of products according to the conditions of the contract and return of goods to Porter/Novelli in case of cancellation of the agreement. The letter of guarantee will be for the full value of the consumer price of the CuT 380, or LE 1,460,000 and will decrease every three months as the products are distributed and sold. The letter of guarantee from the bank and the insurance policy can be completed within one week after receiving the contract from SOMARC.

DISTRIBUTION SYSTEM

Number of outlets covered

MEC covers approximately 11,000 pharmaceutical outlets, 72 percent of which are in rural or remote areas. MEDTEC covers 7,500 physicians (3,500 OB/GYNs and 4,000 general practitioners and others). The CuT 380 will enjoy the same widespread distribution as the other projects of the two companies. A client list for both companies will be provided upon request.

Class of outlets

MEC divides pharmacies into three categories according to purchasing power and sales volume. Category A represents 18 percent of the number of outlets and 41 percent of sales, category B represents 31 percent of outlets and 38 percent of sales, and C represents 49 percent of outlets and 21 percent of sales. Emphasis is placed on reaching categories A and B with two sales calls per month and outlets in category C receive one sales call per month. A summary of pharmacies by category and branch is given in Table 1.

Table 1. Classification of Pharmacies

Branch	A	B	C	Private Hospitals	Total
Cairo East	309	756	1,477	43	2,745
Cairo West	514	700	1,078	69	2,361
Mansoura	388	756	1,288	20	2,452
Alexandria	366	655	787	34	1,842
Sohag	<u>348</u>	<u>456</u>	<u>566</u>	<u>48</u>	<u>1,418</u>
Total	1,925	3,323	5,196	214	10,658
Potential	41%	38%	21%		100%
Frequency of calls per month	2	2	1		
Number of calls per month	3,850	6,646	5,196		15,692

If the number of calls is divided by 20 working days per month and 15 possible calls per day for the sales representative, the number of sales representatives is 53. Each sales representative is responsible for about 200 pharmacies.

Sales representatives use customer cards to maintain a record of customer and product information. The card also provides space for clients to stamp the date of the visit on the card. According to the daily routing for each salesman, a file of customer cards is prepared for him daily, so each day he picks up his cards for that day and returns the cards from the day before. A copy of the customer card is included in Appendix F.

The following table outlines the number of visits for promotional representatives by customer category.

Table 2. Classification of Promotional Staff clients

Type	A	B	C	Total
Gynecologists	1,000	1,000	1,500	3,500
General Practitioners and others	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>	<u>4,000</u>
Total Clinics	2,000	2,000	3,500	7,500
Number of visits	<u>2</u>	<u>1.5</u>	<u>1</u>	
Total visits per quarter	4,000	3,000	3,500	10,500
Hospitals				300
Pharmacies	1,925			
Frequency of calls per quarter	2			
Number of calls per quarter	<u>3,850</u>			<u>300</u>

Each promotional representative must make three to four visits to pharmacies and six to seven visits to clinics per day. There are 285 working days in one year. The number of hospital visits varies according to territory.

Geographic Distribution

MEC's distribution system reaches all governorates. Regional offices for the Pharco line are located in El Haram and El Koba in the Cairo region, Zizenya in the Alexandria region, Mansoura in the Delta region, and Sohag in Upper Egypt. MEDTEC reaches physicians and pharmacists in all governorates, and has representatives in Cairo, East and West Delta, and Upper Egypt. The project will provide nation-wide coverage, offering a total of 53 sales representatives or order-takers and 23 detailers, who provide product information. Table 3 demonstrates the distribution of sales representatives, detailers and distributors.

Table 3. Project Sales and Distribution Staff by Region

	Sales		
	Representatives (MEC)	Detailers (MEDTEC)	Distributors (MEC)
Cairo East	13	6	5
Cairo West	11	6	5
Alexandria	12	4	5
Mansoura	8	4	4
Sohag	<u>9</u>	<u>3</u>	<u>4</u>
Total	53	23	23

Using the historical data available in MEC's computer data base, the sales potential for each line of products in each geographic area are calculated as a percentage for: all of Egypt, branch, governorate, city, territory, and "brick". Annually the target for each product is entered into the computer and broken down into monthly targets according to the seasonality of the product. Thus on a monthly basis MEC

prints sales targets from each sales representative in units and value per product per "brick".

For the project, MEDTEC divided the targets for CuT 380 sales for all Egypt into potential per governorate, as MEDTEC has more experience than MEC with this product. The smaller geographic levels, cities, territories and "bricks", will be calculated using MEC's system. A computer printout showing potential per "brick" within one territory is included in Appendix F.

Quantity, quality, and maintenance of transport

Based on the total number of monthly calls by sales representatives (15,692), 22 working days per delivery truck per month, 25 possible deliveries in one day and the assumption that 80 percent are calls resulting in an order, 23 delivery trucks are required for this project. Additional trucks will be required to ship product from the main warehouse to the auxiliary warehouses.

Of MEC's 134 trucks and vans, 28 will be used for the project. They include one 1-ton, one 1.5-ton, six 2-ton and 17 3-ton trucks. The average age of the trucks is 4.87 years. In addition, 6-ton trucks will be used to carry product from the main warehouse to auxiliary warehouses. Maintenance for trucks is provided internally. In one month, a truck is used for an average of 24 days and receives an average of three days of routine maintenance in addition to necessary repairs. MEC has five garages and each garage has three trucks in reserve. These reserve trucks prevent MEC from missing any deliveries. A complete list of vehicles is included in Appendix F. The time between order and delivery is usually 24 hours but can reach a maximum of 72 hours in rural areas.

Sales representatives and detailers use their own vehicles and are compensated for transportation costs.

Delivery system

Every morning upon receiving the orders from the day before, the branch managers check the orders for availability of goods and customer financial situation. Then the orders are given to the computer operators who process the invoices. When invoices corresponding to a truck load are processed, the computer automatically begins "loading" the next truck. Pick slips for each truck load are sent to the warehouse keeper who provides the goods to the delivery man who loads the truck. This cycle takes less than three hours.

All deliveries are against checks or cash. The next day, the delivery man gives collections to the cashier and any returned goods to the warehouse keeper. All collections documents are processed by the computer, which prints bank deposit information. By the end of the day, all collections are deposited in the branch bank account and the deposit slip is delivered to the branch accountant.

One month of back-up stock will always be present in auxiliary warehouses plus enough stock to cover the estimated sales for one cycle (15 days). One and a half

months' supply will be present in each auxiliary warehouse at the beginning of every month, according to the targets. Every 15 days, the quantities sold will be compensated.

CURRENT CREDIT TERMS WITH CUSTOMERS

MEC's current credit terms differ with different manufacturers' lines, but usually, a 60-day credit term is applied by accepting post-dated checks at the time of delivery. A 4 percent discount is offered for cash payments. There is no limit to the size of the order for which credit can be offered, but if a customer's check is returned, he must pay in cash for at least two orders before he receives credit again.

MEDTEC's system for extending credit to pharmacies is nearly the same as that for MEC, but the system for clinics differs from MEC's because the time-table for selling to pharmacies is different than the time-table for selling to clinics. Often, clinics receive the product during the sales call. If the clinic provides a check upon receipt of the product, the check may be post-dated 30 days. If no payment is received when the clinic receives the product, the detailer returns after thirty days to collect cash or a check with the current date.

Because of the differences in the time-tables for selling to pharmacies clinics, the project will maintain the two systems outlined above. Also, it will be easier to ensure that credit terms are followed by the sales staff, as the terms will be the same as for other products they work with.

STAFF AND SUPERVISION

The central marketing staff of MEC consists of seven sales managers, three commercial managers and one commercial division head. One sales manager, one commercial manager and the head of the Pharco Division will oversee this project. MEDTEC's central marketing staff includes a marketing manager, a sales manager and a product manager reporting to a general manager, who works with an assistant general manager. Resumes for the MEC and MEDTEC central marketing staff for this project are included in Appendix G with a list of MEC sales representatives.

MEC and MEDTEC will provide the project with an experienced promotion and distribution team. The 53 sales representatives and 23 distributors have an average of two years of experience in selling and distributing their current line of pharmaceuticals. The promotional team not only has experience distributing pharmaceuticals, but many members of the team have had significant experience promoting contraceptives, including experience with the CuT 380. Table 4 presents the experience of the promotional team.

Table 4. Promotion Team Years of Experience

	Name	Pharmaceuticals (years)	Contraceptives (years)	CuT 380 (years)
1.	Tarek Al Farnawany	-	2.0	1.5
2.	Tarek Helai	-	2.0	1.5
3.	Adel Ghayeth	-	2.0	1.5
4.	Mohsen Shoukry	-	5.5	5.0
5.	Atef Abdel Samad	4.0	0.5	-
6.	Atef Al Kordy	-	5.5	5.0
7.	Amrou Al Hadad	-	4.5	4.0
8.	Adel Adeeb	-	9.5	9.0
9.	Eva Roushdy	-	2.0	1.5
10.	Albert Isaac	0.5	5.5	5.0
11.	Said Al Ragabawy	-	8.0	8.0
12.	Ibrahim Al Shabury	-	3.0	3.0
13.	Adel Saber	3.0	6.0	6.0
14.	Mariam Aziz	-	1.5	1.5
15.	Nasser Mohamed	0.5	9.0	9.0
16.	Hassan Bahgat	-	4.0	4.0
17.	Sameh Adeeb	4.0	-	-
18.	Maged Samir	1.0	-	-
19.	Alaa Youssef	3.0	-	-
20.	Talaat Morcos	1.0	-	-
21.	Nabil Nasr	1.0	-	-
22.	n/a	-	-	-
23.	n/a	-	-	-

* Promotional representatives 1-10 are currently working for MEDTEC. Representatives 11-16 are standing by to join the team if the contract is awarded, and previously promote the same products as part of the CSMP marketing staff. Representatives 17-21 have past experience in promoting pharmaceuticals and are on stand-by to join the project. Representatives 22 and 23 will be recruited and assigned at the beginning of the assignment if the contract is awarded.

Internal sales staff communications

One of the key issues in the project will be cooperation and communication between the sales/distribution team and the promotion team. To facilitate this, MEDTEC promotional staff will have offices in each of the MEC Pharco branch offices. Sales representatives and promotional representatives covering the same territories will be in contact daily. Their incentives will be calculated jointly according to territory rather than individually, except for the 40 percent of IUD sales that promotional staff must make to clinics.

There will be a regional staff meeting every 15 days for promotional and sales staff. A monthly meeting will be held for supervisors and central marketing staff from MEC and MEDTEC. The MEC Pharco Branch Manager and the MEDTEC Central Sales Manager will coordinate activities. Together they will analyze monthly achievement for the regions and arrange for incentives to be paid one month after achievement.

Reporting

Reporting within the MEC sales force is as follows:

- Daily

Sales representatives report to their supervisors and branch managers and supervisors report to the branch managers.

- Weekly

Branch managers report to the area and national sales managers.

- Monthly

Area managers prepare a report for general area managers, who prepare reports for the General Manager. The national sales managers prepare reports for the commercial managers, who prepare reports for the commercial director. The commercial director then prepares a report for the general manager.

The MEDTEC promotional staff makes daily, weekly, monthly and quarterly reports, which outline the number of clients and quantity of sales and visits achieved during those periods. Sales supervisors report to the sales and marketing managers on their promotional staffs weekly, monthly and quarterly as well.

Supervision and Evaluation

The daily performance of MEC sales representatives is monitored through approximately 3,000 calls per month by branch supervisors, branch managers, area managers, sales managers and commercial managers. Sales representatives are evaluated on the bases of routing, performance, coverage, speed of delivery, availability of product in pharmacies, and field training.

MEDTEC promotional staff is evaluated on the basis of percentage of targeted sales, percentage of targeted visits, and percentage of targeted orders as well as on filing timely and complete reports, attitude and demeanor and follow-up visits carried out by supervisors. The supervisors make a minimum of 24 follow-up visits to clients per week to make sure that members of the promotional staff have called. These bases of evaluation ensure that the promotional staff is not only making sales but is also giving the desired level of coverage in terms of clients reached.

Compensation of Marketing Staff

The average compensation package including base salary and incentives for MEC sales representatives is LE 1,250 per month. For MEDTEC, the average compensation is LE 800 per month.

Currently, MEC's sales staff earn a base salary, monthly incentives, annual incentives and transportation and car allowance. Each representative receives commission based on coverage and frequency of calls (measured by percentage of targeted calls completed), percentage of sales target achieved (in LE and in units), a bonus for reaching 95 percent of annual target and special incentives for returned check collections. MEDTEC's promotional staff currently receives base salaries and a flat rate of commission.

The project will apply the same incentive system as currently used by MEC, and the promotional staff and distribution staff will be awarded incentives based on achievement by geographic target rather than on individual targets. This will encourage good communications between the promotional and sales staffs of the two companies, as they will depend on each other for achievement of their targets.

Supervisors and branch managers for MEC receive a base salary, monthly incentives, annual incentives, and transportation and car allowance. Supervisor incentives are based on target achievement, collections, and reporting 200 supervision calls per month. Incentives for branch managers are based on target achievement, collection, proper returns and reporting 200 supervision calls. Area sales managers and commercial managers receive a base salary, monthly incentive, annual bonus, and transportation and car allowance. Their incentives are based on target achievement, collections and reporting 140 supervision calls.

WAREHOUSES

The main warehouse for the project will be MEC's main warehouse, located on Imam Mohamed Abdou Street, Mansoura. The main warehouse has 800 square meters available for the project's goods and has four employees. Auxiliary warehouses for the project include:

- El Koba warehouse (MEC), 24 El Shakh Ghorab Street, El Koba, Cairo
- El Haram warehouse (MEC), 7 Salah Maghraby, El Haram, Giza
- Mansoura warehouse (MEC), 37, Aly Bash Mobarek Street, Torail
- Alexandria (MEC), 7 El Doha Street, Zizenya
- Sohag (MEC), 12 El Gomhoria Street, Sohag
- El Haram (MEDTEC), 6 Sadat Street, El Haram, Giza

All of the warehouses meet the USAID requirements for lighting, ventilation, fire safety and four-inch pallets and the MOH licensing requirements for pharmaceutical storage. All of the warehouse facilities of the project will operate under the FEFO system, will stack product no more than three meters high and no less than one foot from the wall.

Of the 800 square meters available in the main warehouse, 100 square meters will be a separate packaging area. There will be 15 packaging workers for all contraceptive products and five specifically for CuT, working seven hours per day, six days per week until all products are packaged. Each worker can package 110 units of CuT 380 per hour. The project will use the product packages provided by Porter-Novelli/SOMARC. However, the project will provide shipping cartons for transporting goods from the main warehouse to auxiliary warehouses and from auxiliary warehouses to pharmacies.

4. Marketing plan

MARKET ANALYSIS

For the Contraceptive Social Marketing Project (CSMP), the sales target for 1992 was 409,000, and with samples, the distribution target was 413,090. The MEDTEC/MEC project will cover the same types of private sector outlets as the CSMP. The demand for IUDs increases by approximately 20 percent per year, so the demand for IUDs in 1993 and 1994 can be calculated as 495,708 and 594,850 respectively. For one quarter in 1993 and four quarters in 1994, the total demand can be calculated as 718,777. Because of a lack of supply of CuT 380 in 1993, there will be unsatisfied demand in the last quarter, so the project will estimate its distribution to be 130,000. In 1994, because the project has a larger distribution staff, a larger client base and a more efficient operating system than the CSMP, distribution can be estimated at 600,000.

While there are other IUDs available in Egypt, the CuT 380 is considerably more affordable than its competitors and enjoys a market share of approximately 96 percent. The price advantage held by the CuT is demonstrated by the fact that in a 1992 consumer survey, 61 percent of non-users of IUDs stated that they would not pay more than LE 35 to obtain an IUD. The Multiload IUDs are known for ease of insertion, and they also have a low expulsion rate. The Nova T IUD is the most expensive in the Egyptian market, and fewer Nova T users experience bleeding.

Table 5. IUD Prices in Egypt

IUD	Price (LE)
Multiload 250	41.00
Multiload 375	46.00
Nova T	60.00
CuT 380	2.00

According to a 1992 pharmacist and physician study, they believe that CuT 380 is popular, affordable and suitable for their customers and patients. Pharmacists perceive the quality of the CuT to be equal to that of the Multiload and higher than the quality of the Nova T. Of the physicians surveyed, 74.7 percent said that the CuT was the brand they inserted the most often.

MARKETING STRATEGIES

Product Positioning

The CuT 380 IUD is still in its growth stage and there are no competitors in the same category. While other IUDs are positioned for more specific groups, the CuT 380 is appropriate for most active, healthy women. The CuT 380 will be positioned as the most popular and affordable IUD, which is acceptable for most women. The CuT 380 also has a longer shelf-life and longer protection than other IUDs.

The main target audience for the project's promotional efforts will be OB/GYNs. They are opinion leaders in the field and have a high level of scientific knowledge. The message for physicians will be that as the most popular IUD in Egypt, the CuT 380 will provide doctors with a product that will be requested by patients. Most doctors who have received IUD insertion training have received insertion training for the CuT 380. They are very familiar with the product.

Women who have completed their families make up the other target audience. They are characterized by desiring a method of contraception that does not require daily action. The IUD is ideal for them. The CuT can provide them with the long-term, effective protection they need at a price that is affordable.

Distribution/Quantitative objectives

The distribution system was described in the Corporate Capabilities section. Sales targets for the CuT 380 have been developed according to the system mentioned above and are included in Appendix H. The project will cover all governorates. The total sales target of 722,700 will be reached in five quarters. Samples amounting to 1 percent will be given, so total distribution in five quarters will be 730,000. The target for clinics makes up 40 percent of the total target.

Pricing

The project will offer CuT 380 at a retail price of LE 2.00. Pharmacies and clinics will receive a discount of 20 percent. Samples will be given as 1 percent of the quantity purchased.

Promotion

While promotional and advertising materials will be provided by SOMARC, the project's promotional team will work in conjunction with Porter/Novelli-SOMARC to develop promotional materials. The following promotional tools and channels are suggested for the CuT 380:

Interpersonal communication

method spec. adv.?

- Promotional visits will increase professional prescriptions. The promotional team will remind physicians of the unique features of the CuT 380, stressing the low price. This will be implemented by MEDTEC.
- As much of the promotional activity for the CuT 380 will be interpersonal communication, printed promotional materials should be provided to aid the promotional staff in detailing physicians. Printed materials will be provided by SOMARC.

Advertising

- Advertisements in medical magazines will remind physicians of the CuT 380. SOMARC will provide funds for printed advertising.
- Advertisements in women's magazines could provide new acceptors of the CuT 380. SOMARC will provide the funds for printed advertising.

Public Relations

- Conferences and seminars should be held to create favorable attitudes toward the CuT 380 among medical professionals and communication leaders. Conferences will be sponsored by SOMARC.
- Speakers will be selected from among university staff and heads of departments in city hospitals. Communication leaders will also be invited. Conferences will be sponsored by SOMARC, but MEDTEC will help to arrange speakers and facilities.
- The project will provide New Year's promotional gifts for clients to promote the project and its products. This will help to build a strong relationship with clients and allow the project to continue distributing contraceptives in the future.

Training

- Introductory training should be offered at the beginning of the project. The promotional teams will require training to use the new promotional materials and to update their selling skills and the sales representatives will require product specific knowledge. Training will be sponsored by SOMARC, but the introductory product training will be given by the MEDTEC Product Manager and the sales skills training will be given by the MEC Commercial Manager.
- In addition to introductory training at the beginning of the project, refresher training will be offered at the quarterly marketing staff meetings. These meetings may be sponsored by SOMARC.

5. Project Tasks

MEC will provide distribution, transportation, warehousing, and packaging of the CUT 380. MEDTEC will promote the CuT 380 at clinics, hospitals and pharmacies, distribute promotional materials and cooperate with marketing support firms. MEDTEC will work together with SOMARC to create and implement a promotional and media plan.

Both companies will bear the financial responsibility of purchasing insurance and a bank letter of credit although MEC will initially purchase these items and will be reimbursed by MEDTEC. While Dr. Hossam Omar will be the primary contact between the project and Porter/Novelli, both companies will maintain communications with the Porter/Novelli representative in Cairo. Both companies will work to prepare an annual marketing plan, prepare monthly and quarterly activity reports and quarterly reviews of project progress.

Assuming the project is awarded the contract by September 1, the sales and promotional staff can begin selling and distributing by October 1. From the day the project receives the goods, the project will take one month to prepare for distribution and 15 months or five quarters to distribute them. To follow are schedules for task completion.

Tasks for October-December, 1993

Task	MEC	MEDTEC	SOMARC	Sep.				Oct.				Nov.				Dec.			
				1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Obtain bank letter of credit	x			x															
Obtain insurance policy	x			x															
Transfer product to MEC warehouse in Mansoura	x				x														
Package CuT 380						x----->													
Develop stamp for the statement on MEDTEC invoices		x																	
Coordinate immediate promotional plan/activities		x	x		x														
Initial promotion and distribution staff meeting including training and product introduction.	x	x	x			x													
Distribute product	x								x----->										
Promote product		x							x----->										
Supervisor visits	x	x							x----->										
Coordinate promotional ideas for 1994		x	x											x					
Develop annual marketing plan	x	x														x			
Monthly activity reports	x	x							x					x				x	

84

Tasks January 1994-March 1995

Task	MEC	MEDTEC	SOMARC	Quarter														Wrap-up	
				1			2			3			4			5			
				Jan	Fe	M	Apr	M	J	Jul	Au	Se	Oc	No	De	J	Feb		Ma
Packaging	x			----->															
Distribution	x			----->															
Promotion		x		----->															
Supervisor visits	x	x		----->															
Monthly activity report	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Quarterly activity report	x	x		x			x			x			x			x			x
Quarterly progress report	x	x		x			x			x			x			x			x
Annual report	x	x											x						
Final report																			x

85

6. Future Perspectives

MEC and MEDTEC will cooperate after the supply of contraceptives for the current project has been distributed to maintain the continuous supply of contraceptives for the Egyptian market. Project management has already begun to outline the plan for future distribution of contraceptives by contacting international manufacturers of contraceptives including:

- Finishing Enterprises Inc., USA to import, assemble, back and sterilize CuT 380 and CuT 200 IUDs in Egypt. This project, which is still under negotiation, could potentially receive support from USAID.
- Arab Center for Pharmaceuticals and Chemicals, Jordan, to import Sendocine 9, a contraceptive foaming tablet.
- Fuji Latex Company, Ltd., Japan, for the local processing and packaging of condoms.
- AKZO, Pharma Division (Organon), Holland, to import and distribute Marvillon oral contraceptive, Megesteron injectable contraceptive and the Multiload IUD.

These activities will take place after the termination of the current project in March 1995 and will rely on the staff and financial capabilities of MEC and MEDTEC. Documents reflecting these activities are included in Appendix I.

Appendix A

Letter of Intent

STATEMENT OF INTENT

This statement is to declare the interest of the business groups;

1. The Middle East Chemicals Company Limited, (MEC) and
2. The International Medical Technology Company Limited, (MEDTEC),

in working together for the purpose of distributing and promoting contraceptives; the CuT 380 IUD, Norminest oral contraceptives and Gold Coin condoms; to private sector pharmacies, clinics and hospitals in Egypt as indicated in the RFPs issued by Porter/Novelli-SOMARC on behalf of USAID and the Egyptian Ministry of International Cooperation.

The two companies agree to work on the following bases:

1. The companies will respond jointly to the RFPs and act together in full cooperation to achieve the objectives and duties outlined in the proposals.
2. MEC will undertake the following responsibilities:
 - Distribute the three products to private pharmacies all over Egypt
 - Provide warehouses according to the needs of the project and to the presented proposal
 - Take over the accounting system of the project
 - Take over the information system of the project
 - Take over the packaging process of products
3. MEDTEC will undertake the following responsibilities:
 - Promote and detail the three products to private clinics and hospitals throughout Egypt.
 - Perform direct sales of an amount not less than 40% of the total amount of CuT 380 IUDs to private clinics and hospitals
4. The two companies will be responsible for:
 - Reporting monthly and quarterly to Porter/Novelli-SOMARC on project development as indicated in the proposal
 - Provide the financial guarantees for SOMARC, specifically an insurance policy and a bank letter of guarantee as indicated in the proposal

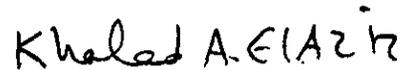
5. MEC will be receiving all commodities and will deliver the quantities requested by MEDTEC for direct sales of IUDs.
6. The companies will form a joint project management team as follows:
- Dr. Hossam Omar, Project Director, will represent both companies in contracting with Porter/Novelli-SOMARC.
 - Dr. Khaled Abd El Aziz, Coordinator, will be responsible for managing MEDTEC duties.
 - Mr. Mohamed Galal, Coordinator, will be responsible for managing MEC duties.

This management will be entitled to determine project policy and procedures and undertake the management of day to day activity.

7. Both companies express their interest in continuing to work together to provide contraceptives to the private market in Egypt after the termination of the SOMARC project.

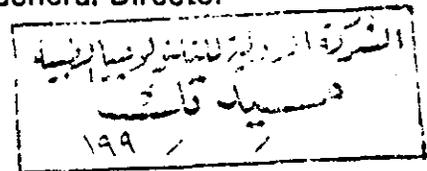
For MEC

For MEDTEC



Dr. Hossam Omar
Chairman

Dr. Khaled Abd El Aziz
General Director



Appendix B

Recommendations and References

References

EG2-1242

REFERENCES FOR MEC

✓ *reliable, responsive company (MEC)
Met. spoke with in Alexandria 9/11*

✓ Dr. Samir Sabet, SwissPharma, El Sawah Street, Ameria, Cairo, 256-7589

Mr. John Hadly, Gillette, 29 Abu El Feda Street, Zamalak, 384-5916

Mr. John Bowel, 1091 Cornish El Nil, Commercial International Center, 775-214

Mr. John Belharisky, Johnson Wax, 44 Tayaran Street, Heliopolis, 262-6201

✓ Mr. Charles Siris and Mr. Mohamed Salah Rushdy, Pfizer, 47 Ramsis Street, Cairo, 574-1474 — *9/22 vaccine etc. (called by JP 9/16)*

Dr. Hassan Abbass, Pharco, 496 El Horreya Road, Bulkly, Alexandria, (03) 587-9670

Dr. Ahmed Abul Enin, Sedico, 1 Street, Industrial Zone, 6th October City (011) 231-590

✓ Dr. Mohsen Shalaby, Bristol-Myers Squibb Egypt, 11 Abd El Hameed Lotfy Street, Mohandessin, 717-728

Dr. Zakaria Gad, M.U.P., 36 Mohamed Hassan El Gamal, Nasr City, 260-7418

REFERENCES FOR MEDTEC

Drs. Wilhem Daniels, Director of the Scientific Office, Organon, 99A Misr-Helwan Road, Maadi, 375-8882/350-0187.

Dr. Sherif Waly, Pharma Center, Mohi El Din Abou El Ezz Street, Dokki, 360-1309

Dr. Sherif Gohar, Dr. Gohar's Hospital, Abd El Aziz Al Seoud Street, El Manial

Dr. Salah Zaky, Nile Badrawi Hospital, Cornish El Nil, Maadi

Dr. Mahmoud Fayez, Ismailiyya Square, Heliopolis

Dr. Kholud Abou El Ezz, Wali's Pharmacy, Dokki Square, Dokki, 706-673

Dr. Magdy Allam, CSI, Fatma Roushdi Street, El Haram, 850-656



Pharma Division

TO WHOM IT MAY CONCERN

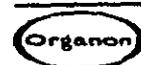
Cairo
1.8.93

This is to certify that Medtec company is the assigned party for promoting, distributing & selling Organon family planing products.

During our mutual daily contacts, we recognized Medtic co. as the most experienced co. in this field which has a professional & experienced staff that boosted our sales in this field .

Drs. W. Daniels

General Manager



Organon Scientific Office
P. O. Box 1027 Moadi
Cairo, Egypt
Tel. : 3500187 - 3758882
Tx. : 208 12 ORGEG UN
Fax. : 3758883



UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

BEST AVAILABLE COPY

Dr. Medhat El Kattan
Undersecretary of Health
Director of Public Sector Agency
for Pharmaceuticals, Chemicals
and Medical Supplies
Ministry of Health
Magless El Shaab Street
Cairo.

Dear Dr. Kattan:

As you are aware, the U.S. Agency for International Development is supporting, with the Egyptian Ministry of Health, the National Control of Diarrheal Diseases Project. A major objective of the Project is to insure the regular availability of O.R.S. to every child who needs it. For this reason, we have encouraged the use of all viable channels of distribution to the health facilities and pharmacies of Egypt. In 1984, these included the use of CID for all government hospitals and health centers, and the use of Egydrug Company and the Middle East Chemical Company for the private pharmacies.

We are concerned that several avenues of distribution be available so that there will never be a shortage. Therefore, I would like to request that you discuss the issues with the various concerned organizations to see if the same or a similar combination of distributors can be continued in 1985.

Thank you for your consideration.

Constance Collins

Constance Collins, M.P.H.
AID Project Manager
for NCCDP

BEST AVAILABLE COPY

MINISTRY OF HEALTH

Control of Diarrheal Diseases Project

1053 Kornich El-Nil Street

Cairo — Egypt

Tel. : 848140



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

وَنَزَّلْنَا الصَّحِيفَةَ

رُوحَ الْقَوْمِ لِمُكَافَحَةِ أَمْرَاضِ الْإِسْهَالِ

١٠٥٣ ش كورنيش النيل - القاهرة

تليفون : ٨٤٨١٤٠

عقد اتفاق بشأن
توزيع أملاح لعمل محلول معالجة الجفاف

أنه في يوم ١٠ / ٥ / ١٩٨٤

تم الاتفاق بين كل من :

١ - المشروع القومي لمكافحة أمراض الإسهال بوزارة الصحة ويمثله السيد الدكتور / لطفى محمد الصياد

وكيل الوزارة والمدير التنفيذي للمشروع وموطنه الأصلي ١٠٥٣ كورنيش النيل - القاهرة .

طرف أول

٢ - شركة الشرق الأوسط للكيماويات ويمثلها قانونا السيد الدكتور / حسام عمر - رئيس مجلس الإدارة

والمدير العام وموطنه الأصلي ١٠ شارع سمير سيد احمد - النيل - القاهرة .

طرف ثانى

أقر المتعاقدان بأهليتهما للتعاقد شرعا وقانونا وتوافر الصفة القانونية لهما فى أبرام هذا العقد

واتفقا على ما يأتى :

البند الأول :

يقوم الطرف الثانى بشراء المستحضر محلول معالجة الجفاف " ريهيدران " عبوة ٥٠٠ جم

من الطرف الأول لتخزينه وبيعه للصيديات على مستوى الجمهورية من خلال منافذ التوزيع

الموجوده لديه مع ضمان التغطية الكامله لجميع الصيديات .

البند الثانى :

يكون سعر بيع المستحضر للجمهور للعبوة ١٠ كيس هو ٤٥٠ ر (فقط ربعمائة وخمسون مليما

للعبوة) ويكون خصم الصيدليه ١٩ % وبذلك يكون سعر البيع للصيدليه ٣٧٠ ر (فقط ثلاثمائة

وسبعون مليما) .

شركة الشرق الأوسط للكيماويات

MINISTRY OF HEALTH

Control of Diarrheal Diseases Project

1053 Kornich El-Nil Street

Calro — Egypt

Tel. : 848140



وَدَارَةُ الصِّحَّةِ

لمشروع القومى لمكافحة أمراض الإسهال

١٠٥٣ ش كورنيش النيل - القاهرة

تليفون : ٨٤٨١٤٠

- ٢ -

البند الثالث :

يكون سعر بيع المستحضر للطرف الثانى هو سعر البيع للصيدليه ناقصا خصم بنسبة ١٢ % مقابل

• التوزيع

البند الرابع :

الكمية التى سيتم شراؤها وتوزيعها بواسطة الطرف الثانى خلال عام ١٩٨٤ حوالى

٠٠٠ ر ٢٠٠ ر ١ علبه عبوة ١٠ كيس ٥٥ جم وتصل قيمتها الى حوالى ر ٣٩٦٠٠٠ ثلثمائة

وسته وتسعون ألف جنيهها مصريا على دفعات شهرية حسب برامج الإنتاج •

البند الخامس :

يقم الطرف الثانى بتسديد قيمة المشتريات من الطرف الأول فى موعد لا يتجاوز ثلاثة شهور من تاريخ

• الشراء

البند السادس :

يلتمز الطرف الأول بتعويض الطرف الثانى عن أى كميات ينتهى تاريخ صلاحيتها أو أى تواليف

فى ظل ظروف التخزين المناسبه •

البند السابع :

يلتمز الطرف الثانى بتوزيع عدد ٠٠٠ ر ٧٥٠ (سبعمائة وخمسون ألفا) كوب + ملعقه على

الصيدليات بدون قيمة (كوب + ملعقه مقابل كل عبوه ١٠ كيس) على أن يكون سعر بيعها

للجمهور خمسة قروش و لك كحافز بيع للصيدليات •

البند الثامن :

يقم الطرف الثانى بتقديم كشف مبيعات شهرى مبينا به الكميات المباعه فى كل فرع والمبيعات الاجمالية

وكذ لك الصيدليات التى تم التعامل معها مع احتفاظه بالفواتير الخاصه بالبيع للصيدليات للرجوع

اليها فى حالة الحاجه •


قوى كورنيش النيل - القاهرة

MINISTRY OF HEALTH

Control of Diarrheal Diseases Project

1053 Kornich El-Nil Street

Cairo — Egypt

Tel. : 848140



وَدَامَةَ الصِّحَّةِ

روع القومى لمكافحة أمراض الإسهال

١٠٥٣ ش كورنيش النيل - القاهرة

تليفون : ٨٤٨١٤٠

- ٣ -

البند التاسع :

يقوم الطرف الثانى بتعيين شخص مسئول عن كل ما يخدم توزيع هذا المستحضر ويكون هو حلقة اتصال بين شركة الشرق الاوسط ومسئول التسويق بالمشروع .

البند العاشر :

إذا أخذ أحد الطرفين ببند أو أكثر من بنود هذا العقد فإن للطرف الآخر الحق فى الغاء بعض أو كل بنود هذا العقد بأخطار كتابى خلال ثلاثون يوماً بالبريد المسجل بعلم الوصول على العتوان المذكور فى مقدمة هذا العقد ما لم يتم اصلاح هذا الخلل خلال هذا الشهر .

البند الحادى عشر :

أتفق الطرفان على أن بنود هذا العقد يتم الموافقة عليها من وكالة التنمية الأمريكية وذلك بصفتها العمول للمشروع القومى لمكافحة أمراض الإسهال وليس كطرف ثالث فى هذا العقد ، وهذه الموافقة لاتلزمها بأى مسئولية قانونية تجاه أحد الطرفين أو كلاهما .

البند الثانى عشر :

مدة هذا العقد سنة من تاريخ التوقيع ويجدد بموافقة الطرفين .

البند الثالث عشر :

فى نهاية هذا العقد أو فى حالة أنتهاء العقد من قبل أحد الطرفين يقوم الطرف الأول بشراء كل الأرصده الموجودة لدى الطرف الثانى بنفس السعر الذى تم الشراء به .

البند الرابع عشر :

حرر هذا العقد من نسختين بيد كل طرف نسخه للعمل بموجبها .

طرف ثانى

الدكتور / حسام عمر

رئيس مجلس الادارة والمدبر العام

شركة الشرق الأوسط للتكويرات

طرف أول

الدكتور / لطفى محمد السيد

وكيل الوزارة ومدبر المشروع

الصحة





بسم الله الرحمن الرحيم

الساده / شركة الشرق الاوسط للكيماويات
١٠ شمسير سيد أحمد - محطة الباشا
المنيل - القاهرة
بعد التحية :-

ايها السيد الى العقد الموقع بيننا فى ١٠/٥/١٩٨٤ بخصوص قيامكم بتوزيع عبوات املاح معالجة الجفاف بجانب توزيعكم الاكواب والمعلق البلاستيك •

وبناء على قرار السيد وزير الصحة فى ١/٧/١٩٨٥ بأستمراركم فى توزيع املاح معالجة الجفاف بنسبة ٣٠% من اجمالى الانتاج الشهرى بشركة " سيد " وموافقة هيئة المعونه الامريكىة على ذلك فى ١/٨/١٩٨٥ •

لذا ، نرجو الا حاطة بأن للمشروع يوافق على تجديد العقد السابق المبرم معكم لسنة اخرى تنتهى فى ١٠/٥/٨٦ بنفس الشروط والاضاع والسعر الوارد بالعقد السالف •
برجاء استلام اصل الخطاب واعادة الصورة المرفقة بعد التوقيع عليها •

وتفضلوا بقبول فائق الاحترام

الدير العام التنفيذى للمشروع

(د • حسنى تمام)

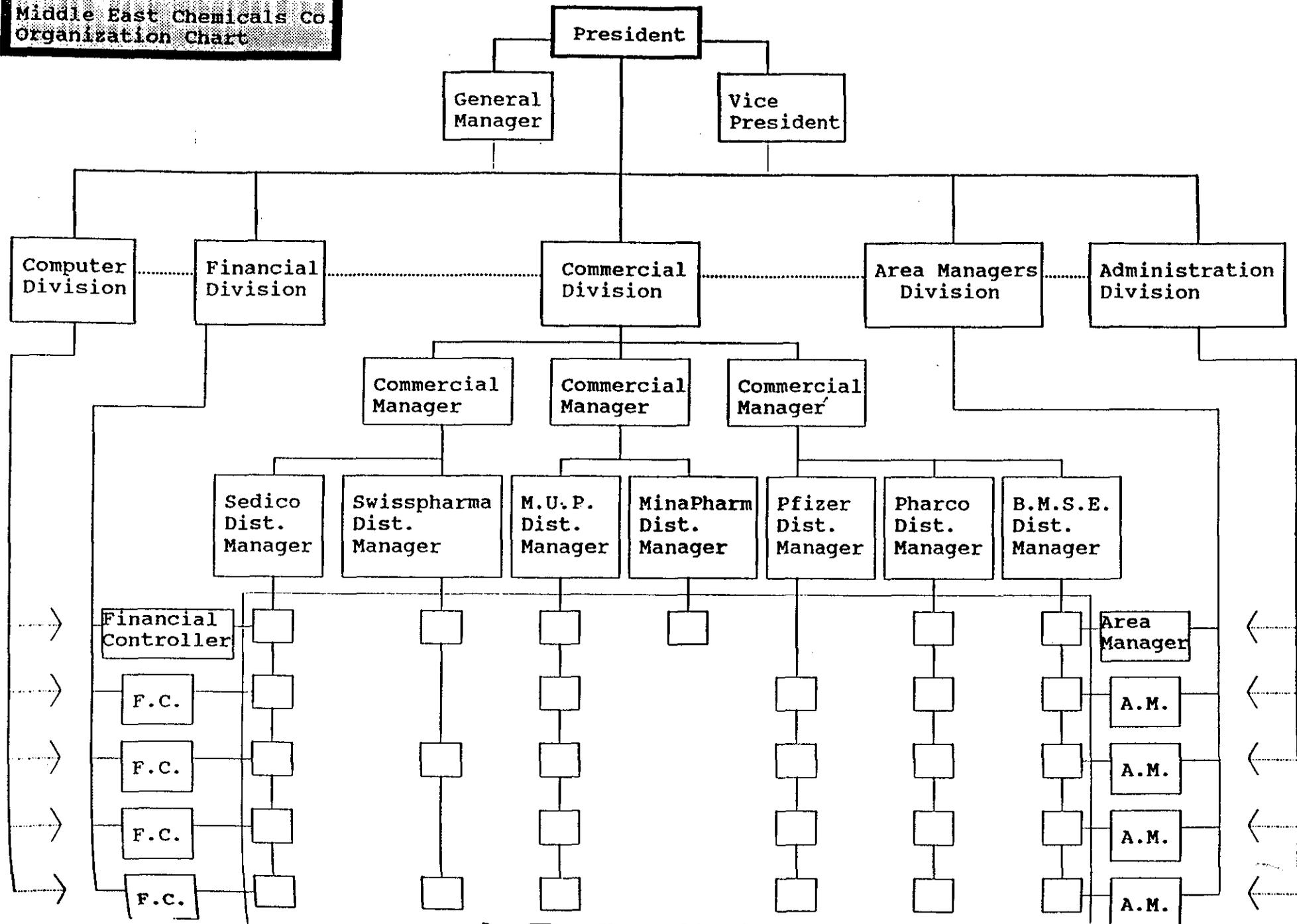


١٩٨٥/٨/٨

Appendix C

Organization and Managers

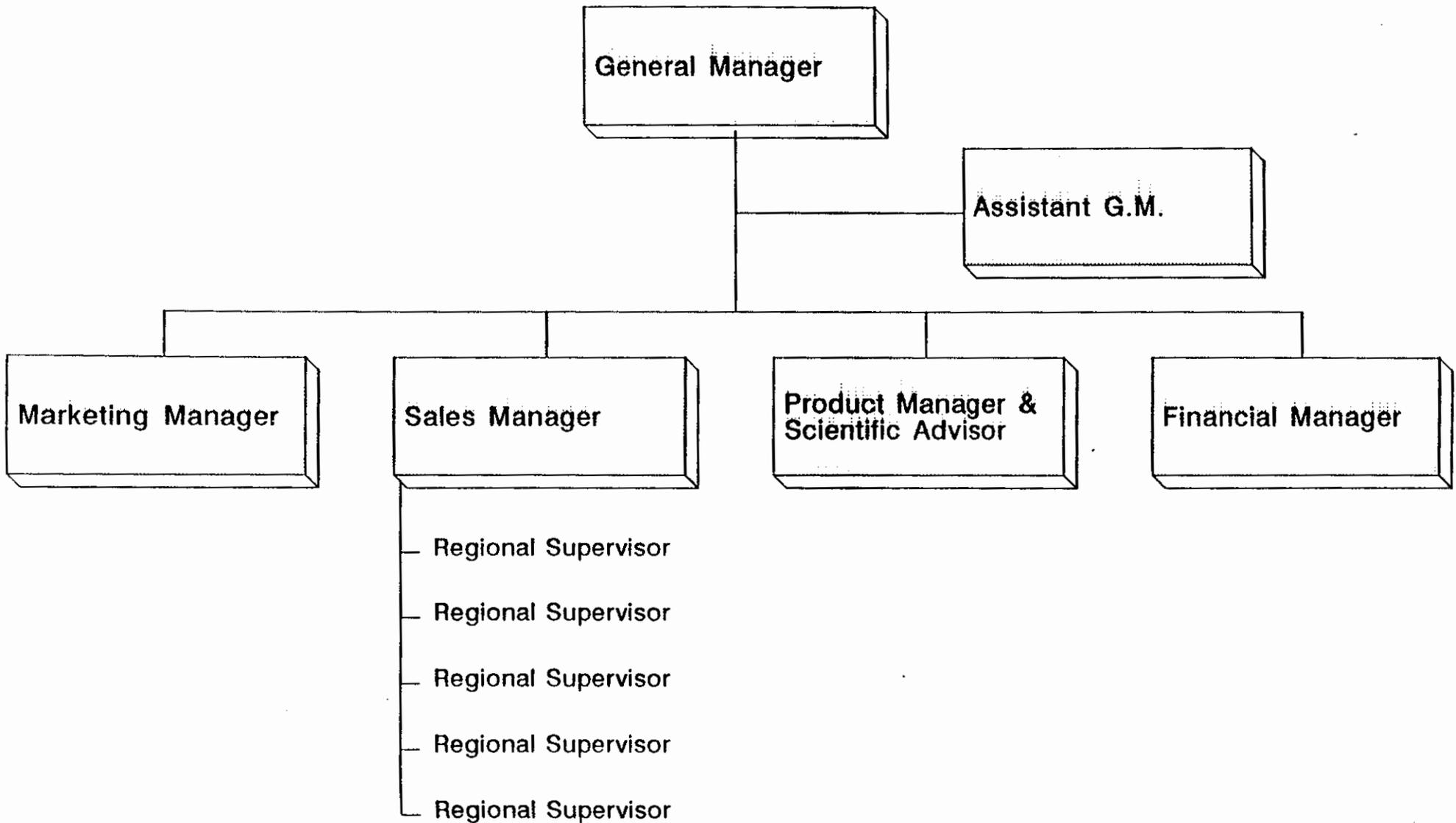
**Middle East Chemicals Co.
Organization Chart**



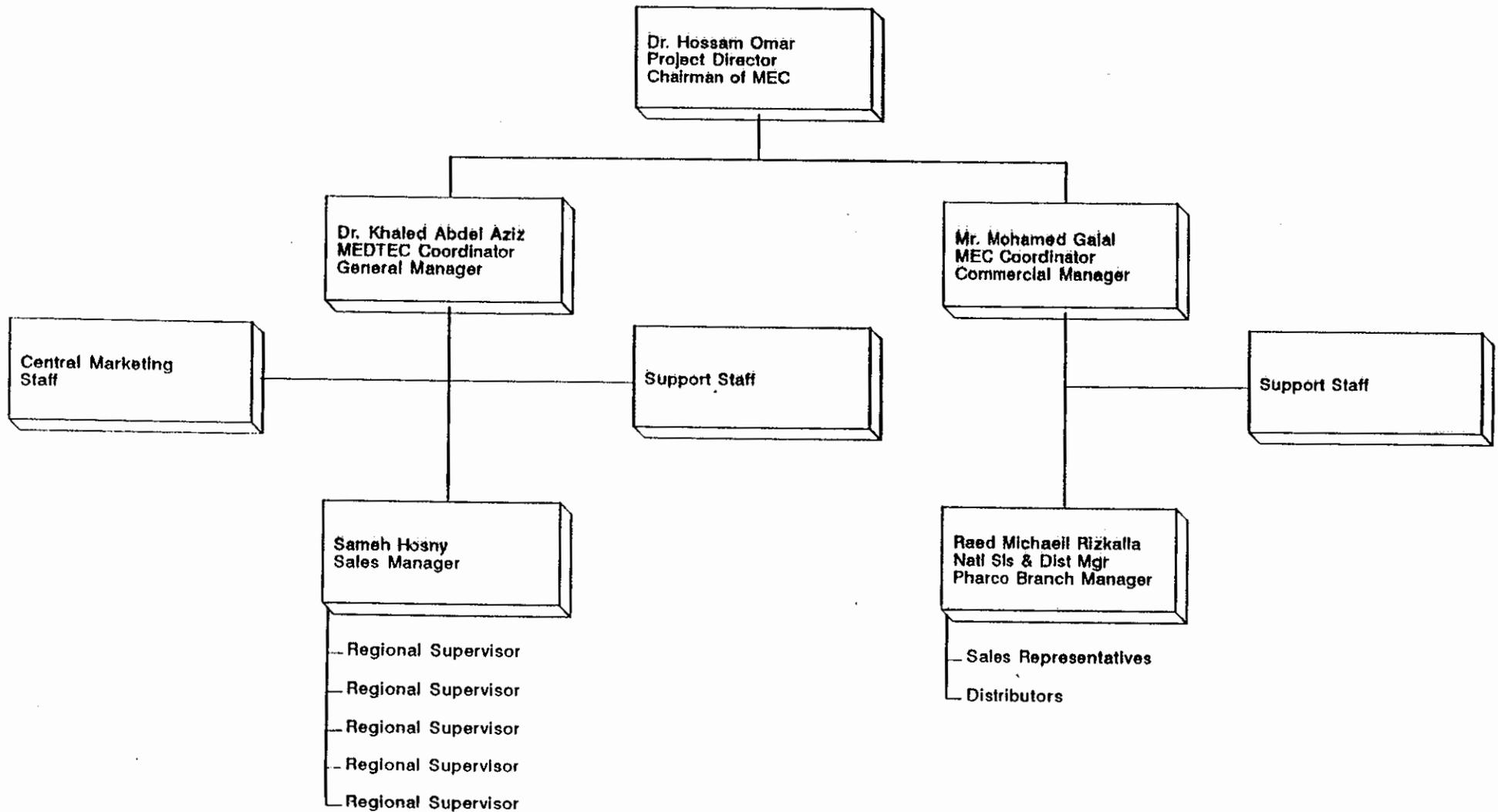
99

[Administration outlets]

MEDTEC Organization



Project Organization



CURRICULUM VITAE

NAME Dr. Hossam Omar Mohamed Hussein
PLACE OF BIRTH [REDACTED]

EDUCATION

Masters Degree in Pharmacology, Austria, 1962.

EXPERIENCE

1974-present	Owner & President of MEC, which was a manufacturing company at first and began importing and distributing pharmaceuticals in (1974)
1970-1974	Planning Manager Hoechst. Importing, registration, tariffication of new projects, and public relations with government authorities.
1966-1970	Commercial Assistant, Hoechst
1963-1966	Medical Representative, Hoechst
1962-1963	Pharmacist at Linden Private Pharmacy in Basii, Switzerland

Name : Mohamed Galal
Age : 40
Position : Commercial Director (MEC)

Responsibilities :

- Reporting to the president of the company
- Sales & distribution & marketing planning
- Execute the principles objectives
- Sales & distribution system
- Follow up importation procedures
- New projects
- Communications with the company
Principles sales & marketing people
- Communications with Governmental
authorities (Ministry of Health, Ministry
of Economy & foreign tradeetc.)

Education : - BSC. from faculty of commerce (1975)
- English language certificates (FCE from
British Council - toefel from AUC)
- GAMAT from AUC

Previous experience :

1990	Commercial Director (MEC)
1988	Commercial Manager (MEC)
1980	National sales & distribution Manager (MEC)
1979	Assistant commercial manager(MEC)
1978	Sales Supervisor (MEC)
1977	Sales Rep. (MEC)

Curriculum Vitae
=====

name : Mohamed Abd El-Haziz Mohamed
date of birth : [REDACTED]
place of birth : [REDACTED]
Nationality : Egyptian
Address : [REDACTED]
Tel : [REDACTED]
Mailing : P. O. Box 49 Manial El Roda , Cairo , Egypt
Profession : Medical doctor .

Education :

1) Masters in Public Health (Occupational Medicine and Industrial Health) . (M.Sc.) , Cairo University. (1987).

The thesis subject was , Health Education for the Industrial sector in Egypt . This work which was recommended to be reprinted by Cairo University focused on the basis of health education programs and was concluded by a plan of action to initiate a comprehensive health education program for the industrial workers in Egypt .

2) Basic university degree in Medicine (M.B.,B.Ch.) , Cairo University. (1980).

3) Computer Training Courses - (Use of Personal Computers - Basic programming - Operational research) - AMAC Computer Center - (1987-89)

4) Training Course on Environment - Ain Shams University - (1988)

5) Training course on Communication for marketing - SOMARC - (1988)

Career Development :

(1) General Director International Medical Technology Ltd. (current)

(2) Executive Director , Family Of The Future Association (FOF) . (May 1991-May 1993) .

Responsible for all aspects of the FOF contraceptive social marketing program , the major supplier of contraceptives to the Egyptian private sector . Supervise 275 employees , including regional marketing staff which accounts for LE 4 million annual sales volume .

Assumed FOF directorship during extremely difficult period for the organization , restored staff morale and direction , introduced a range of new management systems , and eliminated programs that were not cost effective .

Currently planning and implementing transition of FOF from donor-dependent to independent , self-sufficient marketing organization by the end of 1993 .

(3) Director Of Training Dept. - The Undersecretary of Family Planning - Ministry of Health - Egypt - (1988 - 1991)

Duties in this job included :

(i) Establishing training activities in the field of family planning for physicians, nurses, and supporting staff.

(ii) Developing the computerized information system of The Family Planning Department, to collect, analyze and retrieve, all data concerning population and the family planning activities in Egypt .

(iii) Monitoring and assessing the needs of the Egyptian family planning program of different means of contraceptives to be distributed on national basis.

(vi) Participating actively in the negotiations and preparations of talks with the foreign agencies and aid organizations that are helping to implement an active family planning program in Egypt .

(v) Prepare projects and activities as well as evaluating and reporting these activities .

(4) Director of Water Dept. - The Environmental Health Dept. , Ministry of Health - Egypt - (1982-88)

(5) Medical doctor. Internship - Kaser El Ani Cairo University Hospitals - Egypt - (1981-82)

(6) Part time Media Officer at the E.E.A.A., The Egyptian Environmental Affairs Agency - Egypt - (1986-1988)

(7) Part time - Editor of two radio programs for Cairo Radio (1986-88) - (Environment of Egypt and Science Achievement)

(8) Part time - Writer of the TV program -(Your Life) , which dealt with different environmental subjects (1988-1989)

(9) Editor and writer of many different articles at The Youth, Science, and Future magazine - Egypt - (1980-86)

Membership in National and International Committees,
Professional Societies and Organizations :

1) The founder and president of the Egyptian Youth Society for Environment and Development (EYSED), which aims at enhancing the concepts of sustainable development in Egypt and the Arab region . This new society was established at 1990 .

2) The founder and former president of the AOYE, The Arab Office of Youth and Environment, the leading environmental NGO in Egypt established 1978 -and aimed at raising environmental awareness and stimulating public participation to protect and conserve the Egyptian environment - (1978-1990) - (voluntary activity)

3) Founder and director of the Environmental Information Center for Arab States, EIC. A project funded by United Nations Environment Programme (UNEP), to serve the Arab media in the area of environmental information, and to create consensus among the Arab speaking countries concerning the conservation of the environment and implementing sustainable types of development. (1986-1990)

4) President of the Arab Union of Youth and Environment -
Khartoum - (1983-1987)

5) African Coordinator of the IYF (International Youth
Federation for Environmental Studies and Conservation) - Denmark
- (1984 -1986)

6) Consultant to the YES (Youths for Environment and Serv-
ices) - USA - (1987)

7) Member of the Environmental Education Committee of the
National Academy of Science and Technology - Egypt -(1985-1987)

8) Member of the Board of Directors of the Environment and
Development Magazine published by The Egyptian Environmental
Affairs Agency, (1988)

9) Member of the board of the Egyptian Junior Medical
Doctors Association. (1987-current)

10) Member of the following societies :

* Egyptian Society for Occupational Medicine and Industrial
Health .

* Egyptian Society for Natural Beauty .

* Egyptian Society for Conservation of Natural Resources .

* Egyptian Wild-life Society .

Significant Publications :

(1) Writing and editing many different articles and news
stories on the environmental issues of Egypt and the Arab
countries in the Environmental Supplement of the Youth , Science
, and Future Magazine, Egypt , in Arabic, (1987-1988)

(2) Writing a book on Egypt and the Mediterranean environ-
ment, published by the E.E.A.A., in Arabic, (1988)

(3) Writing a book on The future of the Mediterranean Basin - The year 2025, in English. (1989)

(4) Writing of booklets on different environmental issues including, all in Arabic :

- * Implementing Our Common Future .
- * Changing Climate .
- * Endangered World Waters .
- * Demographic Pressures on Environment .
- * Role of NGOs in Environmental Awareness .
- * Hazardous Wastes .
- * Environment, Development, and Peace .
- * Agriculture and Environment .
- * Environmental Problems in Egypt .
- * Disappearing Tropical Forests .
- * Children and Environment .

(5) Editor and writer of the newsletter, MEDSTAR, published bimonthly in English .

(6) Editor of the newsletter, The Environment, published in Arabic twice a month for three years .

Different Experiences :

(1) Experienced in project planning, implementation, evaluation and reporting . This experience has been gained through working with the non-governmental organizations, as well as with the Ministry of Health .

MIDDLE EAST CHEMICALS COMPANY
(A LIMITED LIABILITY COMPANY)

Notes To the Financial Statements
For The Period Ended May 31, 1993

1 - Company background

Middle East Chemicals Company - A Limited Liability Company - was established by virtue of an official deed notarized on 24/6/1978 under No. 607 (A) - South Cairo, and published in the Companies Bulletin No. 287 in November 1978. The company was registered in the Cairo Commercial Registration Office Under No. 191024, on 23/8/1978.

The purpose of the company is to import, export, act as commercial agent in all kinds of agencies. Manufacture, and trade in medicines, food commodities, milk products, insecticides and derivatives thereof, chemicals, cosmetics, household products, electrical appliances. And to trade in childrens requirements, cigarttes, passenger cars, transport vehicles, trailers, tractors, cranes, bicycles, and spare parts.

2 - Significant Accounting Policies Applied

a - Foreign Currency Translation.

The company maintains its accounts in Egyptian Pounds. Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the beginning of the year.

At balance sheet date monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates prevailing at that date. Exchange gains or losses arising from the retranslation are taken to the profit and loss account.

b - Fixed Assets and Depreciation.

Fixed assets are stated at historical cost. These assets are depreciated using the straight line method over the estimated useful life for each type of asset. Indicated herebelow are the estimated useful lives for each type of asset for the purpose of calculating depreciation :-

	%
Buildings	5
Machinery and equipment	10-20
Vehicles	20
Furniture and office equipment	10-20
Fittings and improvements	10-15

c - Inventories

- Raw materials, supplies and packing materials are valued at actual cost using the FIFO method.
- Finished products are valued at actual manufacturing cost, which includes the cost of raw materials, supplies, packing materials, manufacturing wages and other manufacturing expenses or market value, whichever is lower.
- Work in process is valued using the same method applied for finished products up to the last production process reached.
- Goods purchased for resale are valued at cost or market value, whichever is lower.

3 - Fittings and improvements

The fittings and improvements item included under the fixed assets caption as at 31/5/1993 represents the cost of the fittings and improvements for the company's administration buildings and the branches.

4 - Sundry Debtors

The sundry debtors item includes the following :-

	<u>May 1993</u>	<u>31/12/92</u>
	L.E.	L.E.
Tax Authority - Amounts withheld at source on account of corporate profit tax.	726 805	1 603 656

5 - Capital Reserve

Capital reserve as at 31/5/1993 amounted to L.E. 435 480 represents the accumulated gain realised on sales of fixed assets transferred from the profit and loss account.

6 - Bank - Overdrafts

Some bank overdrafts are guaranteed by some of the company's properties and goods purchased for resale at stores amounted to L.E. 1 291 100 at 31/5/1993.

7 - Contingent Liabilities

At May 31, 1993, the company had the following contingent liabilities, in addition to the amounts provided for in the balance sheet:

	<u>May 1993</u>	<u>31/12/92</u>
	L.E.	L.E.
Guarantees issued by the company's banks on its behalf	1 292 910 =====	1 292 564 =====

8 - Comparative Figures:-

Comparative figures for income statement are for a full financial year. This should be taken into consideration in comparing with the current period figures which is for 5 months only.

Appendix D
Collection Cycle

**MEC
COLLECTION CYCLE**

**RECEIVING CASH & CK'S
BY DISTRIBUTER'S**

**RECEIVING COLLECTION
BY BRANCH CASHIER**

**INPUT COLLECTION
DETAILS TO THE PC'S**

**GETTING THE DEPOSIT
DOC. FROM PC'S**

**BANK DEPOSIT IN THE
BRANCHES**

**FOLLOWING THE
COLLECTION BASED ON
MATURITY**

**GETTING TRANSFER S TO
MAIN ACCOUNTS IN CAIRO**

Appendix E

Financial Statements

116

MIDDLE EAST CHEMICALS
(A LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS
AND AUDITORS' REPORT

FINANCIAL PERIOD
ENDED MAY 31, 1993

HAZEM HASSAN & CO.
CHARTERED PUBLIC ACCOUNTANTS

115

HAZEM HASSAN & CO.

ACCOUNTANTS AND CONSULTANTS

72, MOHEDDINE ABUL EZZ ST. MOHANDISEEN - CAIRO

MEMBER FIRM OF

KPMG-KLYNVELD PEAT MARWICK GOERDELER

H HASSAN
M. RAGHEB
M. FAKRY
A. EL-SABAANI
R. MANSOUR
M. YEMIA
H. SAMY
M. HASSAN
M. EL KHADIM
M. NASSIF
M. KHALIFA
S. ABDEL NAIM
G. MOHHEIMAR
M. EL GAZZAR
H. HAMZA
A. ABOU SHANAF
M. SULTAN
M. SALEM
M. KAMEL

TELEPHONES

3499588

3499677

(10 LINES)

TELEXES

93796

20457

HMCO (UN)

TELEFAX

(202)

3497224

3487819

AUDITORS' REPORT

TO THE PARTNERS OF MIDDLE EAST CHEMICALS COMPANY

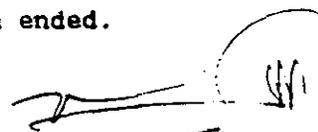
We have examined the balance sheet of "Middle East Chemicals Company" - a Limited Liability company established under Law No. 159 for 1981 - as at May 31, 1993 and the profit and loss account for the financial period then ended.

Our examination was made in accordance with generally accepted auditing standards and provisions of prevailing laws, and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have obtained the information and explanations which we deemed necessary for our audit.

The company keeps proper financial books of account which include all that is required by law and the accompanying financial statements are in agreement therewith.

Year-end inventories count and valuation were performed by the company's management according to standards in practice.

In our opinion, the balance sheet together with the notes attached thereto present fairly the company's financial position at May 31, 1993, and the profit & loss account reflects the results of its operations for the financial period then ended.


Hazem Hassan & Co.

Cairo, May 15, 1993

Middle East Chemicals Co.
(A Limited Liability Company)

Manufacturing and Trading Account
For the Financial Period Ended May 31, 1993

For the Year ended 31/12/92		For the year ended 31/12/92		For the year ended 31/12/92	
<u>L.E.</u>		<u>L.E.</u>		<u>L.E.</u>	<u>L.E.</u>
	Cost of finished products during		86 890	Work in process - 1/1/1993	54 000
1 083 107	the year	511 431	595 598	Raw materials and other supplies	324 136
54 000	Work in process - 31/5/1992	73 259	293 846	Direct manufacturing wages & salaries	137 466
			139 629	Other manufacturing expenses	62 361
				Manufacturing depreciation	
			19 003	Machinery & equipment	4 536
			1 854	Office furniture & equipment	757
			287	Fittings & improvements	1 434
					6 727
1 137 107		584 690	1 137 107		584 690
79 274 350	Net sales	62 291 379	11 033 974	Goods purchased for resale - 1/1/1993	16 553 061
	Distribution commission - Goods		462 187	Finished products - 1/1/1993	158 437
14 907 712	on consignment	4 641 071	1 083 107	Cost of finished products during	
158 437	Finished products - 31/5/1993	148 976		the year	511 431
16 553 061	Goods purchased for resale - 31/5/1993	14 572 434	76 751 483	Goods purchased for resale	55 426 846
			10 824 439	Selling and distribution expenses	4 357 965
				Marketing depreciation	
			101 162	Buildings	43 587
			868 414	Vehicles	372 076
			195 725	Office furniture & equipment	98 055
			106 354	Fittings & improvements	42 116
					555 834
			9 466 715	Gross profit	4 090 286
110 893 560		81 653 860	110 893 560		81 653 860

Profit and Loss Account
For the Financial Period Ended May 31, 1993

For the Year
ended 31/12/92

<u>L.E.</u>	
9 466 715	Gross profit
5 393	Interest income
292 504	Foreign agency commissions
1 654 773	Sundry income
1 678	Foreign exchange differences

11 421 063

Net profit for the period before
corporate tax

1 290 356

1 290 356

For the Year
ended 31/12/92

<u>L.E.</u>	
4 090 286	
1 105	
282 404	
549 966	
525	
56 249	
384 978	
257 675	
47 091	
87 000	
165 873	
119 000	

4 924 286

1 481 878

1 481 878

L.E.

2 031 781

2 801 334

4 179 726

56 249

384 978

257 675

47 091

87 000

165 873

119 000

1 290 356

11 421 063

561 630

728 726

1 290 356

Salaries and wages	
General and administrative expenses	
Bank interest and charges	
Administrative depreciation	
Buildings	
Vehicles	
Office furniture & equipment	
Fittings & improvements	
Provisions	
Doubtful debts	
Contingent liabilities	
Obsolete & defective stocks	

L.E.

23 693

147 661

108 261

22 807

52 000

9 200

154 000

215 200

1 481 878

4 924 286

Net profit for the period before
corporate tax

Corporate tax for the year

Net profit

1 481 878

1 481 878

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Balance Sheet As At May 31, 1993

December 31, <u>Liabilities and Partners' Equity</u> 1992			December 31, <u>Assets</u> 1992			Cost	Accumulated	Balance
<u>L.E.</u>		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
3 570 000	PARTNERS' EQUITY		3 570 000					
	Paid in capital (3 570 cash quotas of L.E. 1000 each)				FIXED ASSETS			
	Reserves			763 634	Land	763 634	-	763 634
243 740	Legal reserve	243 740		2 663 789	Buildings	3 172 028	685 630	2 486 398
1 740 000	General reserve	1 740 000		68 075	Machinery & equipment	494 809	414 865	79 944
50 000	Expansions reserve	50 000		3 752 402	Vehicles	7 420 704	4 186 433	3 234 271
381 230	Capital reserve	435 480		1 903 590	Office furniture & equipment	3 275 231	1 549 486	1 725 745
			2 469 220	865 007	Fittings & improvements	1 500 650	696 203	804 447
835 043	Retained earnings					16 627 056	7 532 617	9 094 439
-	Net profit for the period		835 043			=====		
			1 481 878					
			8 356 141					
234 960	PROVISION FOR CONTINGENT LIABILITIES		46 200	105 504	CONSTRUCTION WORK IN PROGRESS			157 829
	CURRENT LIABILITIES				CURRENT ASSETS			
15 408 459	Bank - Overdrafts	9 594 901			Inventories			
14 205 374	Suppliers and notes payable	24 414 230		464 510	Raw, supplies &			
16 088 466	Goods on consignment - creditors	10 212 717		54 000	packing materials	416 176		
864 196	Appropriations - Creditors	48 727		158 437	Work in process	73 259		
7 453 419	Accrued expenses & other credit balances	13 328 707		16 480 061	Finished products	148 976		
			57 599 282	-	Goods purchased for resale	14 272 434		
				26 374 784			14 910 845	
				(573 000)	L/C's Margins		24 443	
					Trade and notes receivable	34 757 131		
					<u>Less:</u> Provision for doubtful debts	(625 000)		
				2 814 465	Commission on consignment goods		34 132 131	
				3 548 798	Sundry debtors		1 917 501	
							3 860 041	
				308 049	Cash on hand & in banks			
				1 296 169	Bank - L/G margins	294 739		
				26 613	Bank - current accounts	812 900		
					Cash on hand	796 755		
							1 904 394	
61 074 887			66 001 623	61 074 887				56 749 355
=====			=====	=====				66 001 623
								=====
	CONTRA ACCOUNTS				CONTRA ACCOUNTS			
25 447 928	Consignment Goods - creditors		29 386 865	25 447 928	Consignment Goods at stores			29 386 865
=====			=====	=====				=====

The accompanying notes form part of these financial statements.

Company Managers

Dr. Hossam Omar

Ahmed Abdel Haye Hossam



Auditors' report attached.

(Hazem Hossam & Co.)

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119

The Governorates Geographical Potential per brick

Governorate	Bricks														Total	
CAIRO EAST	Masr city1	M. Elgdida1	M. Elgdida2	M. Elgdida3	Masr city	M. Elbakry	K. ELKODA	GSR Elsuus	EL CATON	Ain Shaasi	Ain Shaas2	EL Mabaria	EbteElnaki	EL AMRIA	M. ELKODBA	10.3
	EL ZAWIARA	EL WAILLY	EL ZAHER	EL MOLLY	EL SHRBIA	Shoubra	EL TRHA	EL MLFAWE	SH.ELMZLAT	EL ABSIA	M. YASER	M. Elgdida4				
	3,2	3,0	0,5	1,7	3,7	7,1	4,0	2,5	0,2	11,1	3,0	2,7	3,6	2,0	4,0	
CAIRO WEST	Down town	EL Saida	EL Kalaa	EL Basaten	Dar salaa	EL Maadi	EL Maasara	HELMAN	Gardencity	EL mansal	M. Elhadaba	EL ZAMALEY	M. HELWAN			7.5
	21,1	13,4	4,4	5,0	6,1	14,4	2,4	10,3	2,4	5,0	5,6	3,0	2,1			
GIZA	EL SAF	M. GIZA 1	M. GIZA 2	M. GIZA 3	M. IMPABA	EL AGOZA	EL BOKKI	BOLAK DK.	IMBABA	EL WRAK	KADABA	EL OMRAWIA	EL TALDIA	EL HARAH	EL SIDY	11.7
	FIASL ST.	M. MOHANDSEN														
	2,4	1,9	1,7	3,7	6,4	4,4	10,6	9,3	10,9	2,4	1,7	4,9	2,7	8,3	9,2	
Beni Swif	EL WASTA	NASER	Beni Swif	ANKASIA	BEA	Cenesta	EL FASHM									11.7
	17,4	7,3	31,8	10,7	9,7	8,7	14,1									
EL MENIA	MSABA	BNY NZAR	NIAY	SNLOUT	EL MENIA 1	ABO KDRAS	MLOY	Dair Mawas								11.0
	22,5	15,2	3,7	11,9	19,4	7,7	16,2	3,3								
Assuit	Direct	EL KOSEA	MNFLOUT	ARNOB	Asuit east	Asuit West	ABO TEEG	EL BDRY	SEIFA	EL HWATKA	MKBAD	SAMEL GLEM	EL Makhila	EL Ghanaa		7.2
	3,9	14,7	11,1	10,0	11,2	18,7	6,5	5,2	4,2	0,5	1,1	3,1	1,7	4,0		
SOHAG	IMA	TANTA	El Mragha	SARDLTA	SOHAINA	AMMER	SOHAG 1	EL MONEHA	SRGA	EL BLENA	DAR ELSALM					4.3
	9,1	9,7	4,3	3,1	1,5	4,8	23,7	9,1	17,9	11,9	5,0					
Kenna	ABO TECHT	YAG MRADY	DEHNA	Kenna	WAZM	PDS	YFT	Lohour	ARNT	ESMA						11.0
	2,3	20,4	6,1	22,7	3,4	7,4	4,0	16,6	6,2	9,9						
ASWAN	EDFO	KOM ONBO	ASWAN	DRAO												11.0
	23,2	23,6	45,8	7,4												
KALOUBIA	EL IANKA	EL MARG	BHTEEM	SH.ELYANA	MLOUR	SH.ELBALAD	EL KHATER	CH. KHATER	BANPA	M. BANHA						5.2
	6,5	6,5	2,9	21,7	11,0	5,7	10,7	13,1	14,6	7,5						
EL SHARKIA	BLBEAS	LO RMDAN	ABO HMAD	ZYAZEEK 1	ZYAZEEK 2	MNIA ELKRN	DARB NGH	A.ZYAZEK	MAHIA	ABO KBER	FAYOS	YAFR DAKR	EL MSANIA	EL SALHER	ESBAHEMIA	4.2
	MSHTOL															
	11,4	0,8	5,8	9,7	10,9	9,2	6,2	7,3	2,6	5,0	14,8	6,2	5,4	1,1	1,4	
	1,2															
AIDAKHIA	AGA	MANSOURA 1	MANSOURA2	MANSOURA 3	MANSOURA 4	MANSOURA 5	TALKA	NBROH	BLKAS	GMSAH	SHRBEEN	EL SMALIA	EL MNZALA	EL MTRIA	DIENES	6.4
	INAH	SENBLAMEN	Meet Ghaar	A.MeetGaar	AKTAB	MHALET DMH	MNAT ELMAR									
	2,7	9,4	3,5	4,2	1,7	3,1	4,8									
EL Monofia	ASHMDDH	EL BAQOUR	MNOUF	EL SHOHADA	ILA	BRKT SABH	KOESNA	SHBEENKOM	M. SH. KODM							3.8
	18,0	8,0	19,8	6,6	6,8	7,0	9,3	13,0	11,6							
PORT SAID	PORT SAIDI	PORT SAID2														1.1
	11,8	38,2														
Esna	M. ESMELIA	ESMELIA 1	ESMELIA 2													1.1
	33,6	30,5	35,9													
EL Suiss	EL Suiss															0.5
	10,0															
Yafr Shikh	Balteen	EL MANDOL	Baila	KLEEN	Kfr Eishik	SEDI SALM	DSOOK	MTOBAS	BRG BROLS							3.5
	9,2	4,1	7,8	4,6	24,0	17,0	27,3	3,7	2,4							

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Appendix F

Distribution

GOVERNORATE	CLASS A ===	CLASS B ===	CLASS C ===	PRIVATE HOSPITALS =====	TOTAL =====
CAIRI WEST =====					
MENYA	77	116	193	8	394
BENI SWIF	45	47	73	1	166
FAYOUM	38	62	97	5	202
CAIRO WEST 1	151	214	285	25	675
CAIRO WEST 2	203	261	430	30	924
=====	=====	=====	=====	=====	=====
SUB TOTAL	514	700	1078	69	2361
=====	=====	=====	=====	=====	=====
CAIRI EAST =====					
CAIRO EAST 1	94	221	511	17	843
CAIRO EAST 2	98	266	473	18	855
MONOFIA	38	103	237	3	381
KALUBIA	41	94	175	3	313
ESMAILIA	26	47	57	2	132
SUIS	12	25	24	0	61
=====	=====	=====	=====	=====	=====
SUB TOTAL	309	756	1477	43	2585
=====	=====	=====	=====	=====	=====
ALEXANDRIA =====					
KAFR ELSHIKH	80	103	95	3	281
BEHERA	126	158	191	8	483
ALEXANDRIA	146	388	497	23	1054
MARSA MATROH	14	6	4	0	24
=====	=====	=====	=====	=====	=====
SUB TOTAL	366	655	787	34	1842
=====	=====	=====	=====	=====	=====
DELTA =====					
DAKAHLIA	128	248	548	3	927
GHARBIA	99	224	326	7	656
SHARKIA	105	193	291	7	596
DOMIAT	40	40	76	2	158
PORT SAID	16	51	47	1	115
=====	=====	=====	=====	=====	=====
SUB TOTAL	388	756	1288	20	2452
=====	=====	=====	=====	=====	=====
SOHAG =====					
ASSUIT	87	136	173	17	413
SOHAG	120	163	193	24	500
KENA	107	111	145	4	367
ASWAN	31	36	36	3	106
RED SEA	2	8	14	0	24
EL-WADY	1	2	5	0	8
=====	=====	=====	=====	=====	=====
SUB TOTAL	348	456	566	48	1418
=====	=====	=====	=====	=====	=====
TOTAL	1925	3323	5196	214	10658
=====	=====	=====	=====	=====	=====

NUMBER OF PHYSICIANS COVERED / GOVERNORATE

GOVERNORATE	GYN.	GP.	TOTAL
CAIRO	1014	476	1490
SIZA	410	177	587
FALYUUBIA	94	91	185
FAYOUM	58	75	133
BENI SUEF	66	23	89
ALEXANDRIA	435	847	1282
BEHERA	117	77	194
SHARBIA	127	191	318
MENOUFIA	152	354	506
BAHR EL SHEIKH	80	140	220
SHARKIA	160	171	331
DAKAHLIA	208	300	508
DEMIAT	65	101	166
FORT SAID	70	55	125
ISMAILIA	50	73	123
SUEZ	37	61	98
MENIA	95	205	300
ASSIUT	102	189	291
SOUHAG	112	275	387
KENA	62	66	128
ASWAN	59	64	123
TOTAL	3573	4011	7584

In the Ministry of Health . I have been responsible for the implementation of the pilot Family Health Service project sponsored jointly by the M.O.H. and the G.T.Z. - Germany .

The project included renovation of health units, training of personnel, development of management, information, and supervision systems as well as special program for stimulating public participation and implementing outreach programs .

In the Arab Office of Youth and Environment, I was responsible for two major projects in terms of planning, preparing project documents, fund raising, supervision of project implementation as well as reporting on different phases of the project .

One of the two projects (1986-1990) was the Environmental Information Center for Arab States, E.I.C., funded by the United Nations Environment Program, UNEP, and aimed at stimulating public environmental awareness within the Arab-speaking countries

The other project was the Mediterranean NGOs Information System, (1989-1990), which was funded by the U.S. Fish and Wildlife Service .

(2) Working on personal computer systems and the different main related programs including the D-Base, word Processors, Spread Sheet, in addition to the applications of the operational research methodology in solving problems .

I am also experienced with computer networking and setting up of information systems .

(3) Experienced in preparing, planning all types of meetings, conferences, training courses, exhibitions, and festivals .

I acquired this practical experience through organizing more than 50 different conferences, seminars, training courses, and exhibitions on different themes mainly environmental .

(5) Experienced in working with different international organizations and The United Nations agencies in addition to The League of Arab States and many other international organizations.

(6) Working with different mass media including the press, radio, and TV. I also have very good connections with many of the Egyptian journalists and T.V. and Radio people.

(7) Experienced with preparations of different publications including the lay-out art work.

Production of different audiovisuals, slides, videos, pamphlets is another area in which I have good experience.

(8) Working with grass root groups and NGOs was major part of my work for long time. Through this work I was experienced in outreach programs and community based activities.

(9) Frequent travel abroad for different parts of the world for meetings and conferences. This includes, USA, Canada, Jamaica, France, Germany, Sweden, Denmark, The Netherlands, Belgium, Switzerland, Italy, Greece, Turkey, Austria, India, Tunisia, Algeria, Kenya, Uganda, Sudan...

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Appendix G

Marketing Managers and Sales Representatives

CURRICULUM VITAE

NAME
PLACE OF BIRTH

Raed Michael Rizkalla

EDUCATION

Cairo University , Faculty of Chemistry and Horticulture Science B.A. 1970.

Courses:

Six training courses in PHARCO
Management course in Bristol Myers
Management course by Ashraf Sabet

EXPERIENCE

1990-1993	Sales & Distribution Manager, PHARCO
1980-1990	Branch Manager, PHARCO
1979	Assistant Manager, PHARCO
1977-1978	Sales representative, PHARCO
	Pharmacist at Strand, El Ensania, El Shatie Pharmacies.

CURRICULUM VITAE

NAME Fatma Al Sayed Awad
PLACE OF BIRTH [REDACTED]
PRESENT ADDRESS [REDACTED]
TELEPHONE NO. [REDACTED]

EDUCATION

Cairo University , Faculty of Veterinary Medicine B.Sc.

Training:

Marketing, AUC 1986
Marketing, Sadat's Academy, 1989
Financial Management, SOMARC 1990

EXPERIENCE

1992-present

Assistant to General manager, MEDTEDC,
Following up marketing activities
supervising central marketing staff and
following up on new agreements with
pharmaceutical companies.

1991-1992

Marketing Manager, Family of the Future

Responsibilities:

Marketing Research: Identifying the market
capacity, distribution and sales areas,
analyzing results of research and their
implications. Pricing products, advertising
plans and analyzing the economic situation.

Product Improvement: Responsible for
planning and implementing the plans for
products and presenting the suggestions to
the executive director about the features
required for selling products.

Advertising and Promoting: Responsible
for directing advertising and promoting
efforts, planning, conferences and sessions
including the advertising budgets, strategic
plan development and implementation.

Sales: Responsible for sales and distribution section, establishing targets, programs and budgets, recruiting, selecting and training sales and distribution staff and selecting the marketing supervisors for regional offices.

Records and Programs: Responsible for establishing and implementing the system for recording targets, sales records, statistics, customers requests, marketing expenses and analysis.

Permanent field passes: Visiting regional offices (East Delta-West Delta-Upper Egypt) and making field visits to subject customers periodically asking for their opinions of products and marketing services provided for them. Responsible for visiting companies interested in the FOF activity and bringing new product development. Attending the scientific conferences and sessions interested in FOF activities and presenting reports for the Executive Director concerning this matter including his suggestions. Attending the marketing committees held in the Board of Directors and also the FOF sales committee. Performing other required tasks.

1989-1991

Medical Promotion Manager

1985-1989

Distribution Sales Manager

1984-1985

Senior Medical Representative

1981-1984

Medical Representative

CURRICULUM VITAE

NAME Raafat Ibrahim Refaat Shaker
PLACE OF BIRTH [REDACTED]
PRESENT ADDRESS [REDACTED]
TELEPHONE NO. [REDACTED]

EDUCATION

Cairo University , Faculty of Oral and Dental Surgery (Dentistry) B.A. 1981.

EXPERIENCE

1992-present Marketing Manager, MEDTEC. Identifying product market, developing advertising and promotional materials, and monitoring sales activities.

1/11/1990-1992 Head of Medical Promotion & Sales Department at the Social Marketing Project (EFPA).

21/2/1987-1/11/1990 Medical Representative at the Social Marketing Project (EFPA).

This Association is financed by the USAID and is working in promoting contraception products and hormonal drugs.

Areas of Work:

1- Giza Governorate: in all its health units, i.e. Giza, Imbaba, El Haram, El Saf, El Ayyyat, El Hawamdeya and El Badrashin.

2- El Gharbeya Governorate: in all its health units i.e. El Mahalla, El Santa, Zefta and Samannoud.

3- Cairo Governorate: visiting gynecologists and pharmacies of Heliopolis, El Zeitoun, Hadayek El Kobba, El Matareya and Ein Shams.

1/1/1984-21/2/1987 Private Dental Clinic

1/6/1981-31/12/1985 Ministry of Health Army Forces Hospital (Air Forces)

CURRICULUM VITAE

NAME
PLACE OF BIRTH
PRESENT ADDRESS
TELEPHONE NO.

Sameh Hosny Reyad



EDUCATION

Cairo University , Faculty of Veterinary Medicine B.A. 1981.

EXPERIENCE

1992-present

Sales Manager, MEDTEC supervising and reporting on promotional activities. Managing sales supervisors.

1991-1992

Sales Supervisor in Middle Egypt in Family of the Future Association

1986-1991

Medical Representative in Family of the Future Association

Responsibilities Included:

Meeting sales representatives and distributing plans from the main center to the representatives.

Receiving the time schedules of each sales representative to achieve his sales target.

Follow up the time schedule of each sales representative and distributor.

Solving any problem for the sales representative.

CURRICULUM VITAE
=====

I PERSONAL DATA

NAME	Nabil Sobhy Elias
BIRTH DATE	[REDACTED]
ADDRESS	[REDACTED] E
TEL.	[REDACTED]
I.D.CARD No.	[REDACTED]
PASSPORT No.	[REDACTED]
MILITARY SERVICE	Exempted
MARITAL STATUS	Married & have two children

II QUALIFICATIONS

EDUCATION

- * University degree:
M.B.B.CH.
Faculty of Medicine
Ein Shams University 1980
- * High School diploma:
Grade A - 90%
Collede De La Salle
(French school) 1973

SPECIAL TRAINING

- * Integrated Marketing
Communication Strategies
Porter/Novelli (SOMARC) 1992
- * Development of Managerial
Skills
Sadat's Academy For Political
Studies 1986

SPECIAL SKILLS

- * Foreign languages:
English & French
(Speaking & writing)
- * Use of PCs:
WS2000
DBase III Plus
Lotus 123

III CAREER DEVELOPMENT

PRODUCT MANAGER & SCIENTIFIC ADVISOR
INTERNATIONAL MEDICAL TECHNOLOGY CO. Ltd.
February 1993 - Present

Scope of work:

- * Develop product marketing plans:
Market research, objectives and strategies,
product positioning and pricing, promotion,
advertising, public relations, training and
procurement.
- * Schedule and follow up on commodities ship-
ments, batch quantities and medical clear-
ance.
- * Planning for new product development.
- * Responsible for all scientific activities
related to the products : conferences,
seminars, workshops, promotional materials.

Product lines:

- | | |
|---------------------------|--------------------------------|
| * Intrauterine Devices: | Multiload 250
Multiload 375 |
| * Barrier Contraceptives: | Condoms |
| * Pregnancy Tests: | Pregcolor |
| * Lubricating Gel: | K-Jelly
Blue Scan |

PRODUCT MANAGER
CONTRACEPTIVE SOCIAL MARKETING PROJECT (CSMP)
November 1991 - December 1992

Scope of work:

- * Develop, follow up and evaluate marketing plans.
- * Develop and execute promotional plan and training programs.
- * Planning for new product development.

Product lines:

- * Intrauterine Devices: CuT360A
 Multiload 250
 Multiload 375
- * Pregnancy Tests: Pregcolor

MANAGER OF SCIENTIFIC DEPARTMENT
FAMILY OF THE FUTURE ASSOCIATION
July 1991 - November 1991

Scope of work:

- * Prepare scientific conferences, seminars and workshops addressing target physicians and pharmacists.
- * Prepare a quarterly issued scientific and social review addressed to pharmacists in Arabic language.
- * Quarterly issue a scientific review in English language addressed to physicians.
- * Prepare printed promotional materials for different products.
- * Revise scientific aspects of different training programs.
- * Prepare product profile for any suggested new product.

ACTING MANAGER OF MEDICAL AFFAIRS
FAMILY OF THE FUTURE ASSOCIATION
May 1991 - July 1991

Scope of work:

- * Responsible for the performance of 36 family planning clinics.
- * Prepare, follow up and evaluate plans of the department to pursue the expansion strategy of the association.

PROGRAM COORDINATOR
FAMILY OF THE FUTURE ASSOCIATION
December 1988 - April 1991

Scope of work:

- * Revise annual and quarter plans of different activities to fit in the needs of the organization.
- * Set up scheduled programs for target activities (research, marketing, health education, scientific and medical services)
- * coordinate procedures, working plans and achievements of different departments to ensure accuracy and keep performance standards.
- * Supervise financial aspects of different programs.
- * Follow up, feed back recruitment and evaluation of each program.

TRAINING PROGRAM MANAGER
FAMILY OF THE FUTURE ASSOCIATION
March 1985 - November 1988

Scope of work:

- * Set up regular training programs for target staff in the association.
- * Design training programs addressed to interested physicians (GPs)
- * Prepare, execute and evaluate the above mentioned programs.

SALES REPRESENTATIVE
JOHNSON & JOHNSON BRANCH
FOREM CO. FOR INVESTMENT AND MANAGEMENT
February 1984 - February 1985

Scope of work:

- * Promoting and selling (order taking) Johnson & Johnson baby product line.

MEDICAL PRACTICE

MEDICAL DEPARTMENT MANAGER
AL SHARK FACTORIES FOR PAPER & PLASTIC PRODUCTS
(RIYADH - SAUDI ARABIA)
December 1982 - December 1983

GENERAL PRACTITIONER
MINISTRY OF HEALTH HOSPITALS IN CAIRO
September 1981 - December 1982

HOUSE OFFICER
AL SAHEL HOSPITAL - CAIRO
September 1980 - September 1981

MANAGER & OWNER
AL RAEI POLYCLINIC - GIZA
April 1986 - April 1990

OWNER
AL RAEI PHARMACY - GIZA
April 1985 - Present

List Of MEC'S Branches

<u>CAIRO Branches</u>	<u>Activities</u>	<u>Address</u>
1 - BMS E (East)	BMS + Nutritionals	6 Ebrahim El Refai St. N.C
2 - BMS E (West)	BMS + Nutritionals	10 Samir Said St. ElManial
3 - Pharco East	Pharco + Gillette	24 El Shakh Ghorab St. El Koba - Cairo
4 - Pharco West	Pharco + Gillette	7 Salah Maghraby El Haram
5 - M U P (East)	MUP + P/G	6 Moustafa Yawer St. Aain- Shames.
6 - M U P (West)	MUP + P/G	10 Sabin St. El Maady Cairo
7 - Sedico (East)	Sedico + Colgate Palmolive + J. W	3 Ebrahim Swidan St. Hadaek El Koba Cairo
8 - Sedico (West)	Sedico + Colgate Palmolive + J.W	428 M. Abed El Wahab St. Hadaek El Koba
9 - Swisspharma	Ciba + Sandoz + Zyma	30 A.Aboul Ella St. N.C
10 - Minapharm	Minapharm + Consumer- Products	16 Ebrahim El Refai St. N.C

Middle East Chemicals Co . LTD

Head Office : 5 Samir Said Ahmed - Manial - Cairo

Tel : 3621242

Fax : 3631523

<u>Delta Branches</u>	<u>Activities</u>	<u>Address</u>
B M S	BMS + Nutitionals	37 Aly Bash MObarek St. Torail
Swisspharma	Ciba + Sandoz + Zyma	102 Saad Zaghoul Kolangil Mans
Phizer	Phizer	34 El Shahid Atef El Sharkawy St
Pharco	Pharco + Gillete	37 Aly Bash Mobarek St. Torail
MUP	MUP + P/G	2 El Farouk St. Tourail Mans.
Sedico	Sedico + Colgate Palmolive + J. W	21 OM Kalthoum St. Naser City
Minapharm	Minapharm + Consumer Products	

Alex. BranchesActivitiesAddress

1 - B M S- E	BMS + Nutritionals	30 M.Abed El Salam Sidi Bes
2 - Pharco	Pharco + Gillette	7 El Doha St. zizenya
3 - M U P	MUP + P/G	Abd El Mohsen El Hosainy St
4 - Sedico	Sedico + Colgate Palmolive + J.W	2037 Horia Road Montazh
5 -		34 El Sagh Mohamed Abe Salam Sidi Beshar Alex.

Upper Eygpt (Sohag) Branches

	<u>Activities</u>	<u>Address</u>
1 - BMS E	BMS + Nutritional	Naser Road Akhmim Gezira Mahrous
2 - Swisspharma	Ciba + Sandoz + Zyma	1 Hanzala E. Rabia St. Asut Road
3 - Phizer		2 Osama E. ziad St.
4 - Pharco	Pharco + Gillette	12 El Gomhoria St.
5 - M U P	MUP + P/G	1 shehata St.
6 - Sedico	Sedico + colgate Palmolive + J.W	1 Hanzala E. Rabia Asiout Road
7 - Minapharm	Minapharm + Consumer Products	

Appendix H

Sales Targets

SALES TARGETS OF COUNTRY 380 (OCT. 93 - DEC. 94)

GOVERNORATE	Q01	Q02	Q03	Q04	Q05	TOTAL	%
CAIRO	29215	32361	35058	32361	35058	164053	22.7
GIZA	14157	15682	16988	15682	16988	79497	11
KALYUBIA	6911	7655	8293	7655	8293	38809	5.37
FAYOUM	1236	1369	1483	1369	1483	6938	0.96
BENI SUEF	862	955	1035	955	1035	4842	0.67
ALEXANDRIA	15161	16794	18193	16794	18193	85134	11.78
KAFREL SHEIKH	3514	3892	4216	3892	4216	19730	2.73
MENOFIA	4389	4861	5266	4861	5266	24644	3.41
GHARBIYA	5843	6472	7012	6472	7012	32811	4.54
BEHERA	5199	5759	6239	5759	6239	29197	4.04
MATRUH	232	257	278	257	278	1301	0.18
SHARPIYA	9858	10920	11830	10920	11830	55359	7.66
DEMIAT	5006	5546	6008	5546	6008	28113	3.89
DAHAHLIA	11622	12873	13946	12873	13946	65260	9.03
SUEZ	759	841	911	841	911	4264	0.59
ISMAILIA	2291	2538	2749	2538	2749	12864	1.78
FORT SAID	1956	2167	2347	2167	2347	10985	1.52
SINAI	386	428	463	428	463	2168	0.3
MENIA	2149	2381	2579	2381	2579	12069	1.67
ASSIUT	2098	2324	2517	2324	2517	11780	1.63
SOUHAG	1351	1497	1622	1497	1622	7588	1.05
KEENA	1390	1540	1668	1540	1668	7805	1.08
ASWAN	2638	2922	3166	2922	3166	14815	2.05
AL WADI MRED SEA	476	527	571	527	571	2674	0.37
TOTAL COUNTRY	128700	142560	154440	142560	154440	722700	100

BEST AVAILABLE COPY

FEI

FINISHING ENTERPRISES, INC

TELEFAX MESSAGE

DATE: May 13, 1993

Please contact Darlene Tomak at 716 693 6230
if there are any transmission problems.

PAGES TRANSMITTED: 1

TO: International Medical
Technology Inc.

ATTN: Dr. Khaled Abd Elaziz

FAX: 011 202 363 8534

Dear Dr Elaziz,

Thank you for your fax dated May 2. In regard to your request for pricing on 100,000 units. pricing is as follows:

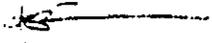
Copper T Model TCu 200B

US\$ 0.85 each FOB Niagara Falls

Pricing is valid for 90 days. Payment policy is wire transfer, letter of credit, or clearance of check prior to shipment.

Please feel free to contact me if you should need any additional information.

Sincerely,



David Stinson
Sales and Marketing Director

146

Mr. Lance J. Bronnenkant
President
Finishing Enterprises Inc.

FAX . (716) 6936368
USA

Dear Lance

Following your meeting with Dr. Magdy Alaam in New York , I received a letter from Mr. David Stinson , FEI , concerning the prices of the CuT200B.

We will be ready to receive this amount on consequent consignments , as available at FEI. Furthermore we suggest that the following items to be considered ;

(1) Reconsidering the price mentioned in your fax to be the same price for CIF Alexandria rather than FOB Niagra Falls . I would like to draw your attention to the fact that the current prices of the CuT IUDs still very low . A marked sudden increase in the prices will not be appreciated at this stage .

(2) Payment will be made through a Letter of Credit , 120 days validity , and conditioned with the MOH release .

(3) The sole -distributor status for the CuT200B IUDs , should be given for MEDTEC .

We appreciate receiving your comments and reactions about this .

Magdy had also informed me about his discussions with you on different subjects, on which I am giving you our reactions right here :

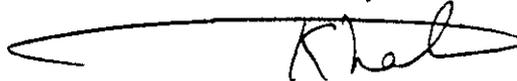
(1) We are willing to cooperate in introducing the Norplant into Egypt . Training , real market capacity and prices , are subjects to be examined carefully .

(2) Going back to the idea of assembling , backing and sterilizing the modified CuT380A in Egypt . I think it is time to take practical steps towards achieving this .

I can see that a future meeting with you and along with PROFIT will be very helpful to bring these ideas through .

Thank you for your cooperation and attention ;

Sincerely Yours ,



Dr. Khaled A. ElAziz



بسم الله الرحمن الرحيم

المركز العربي للصناعات الدوائية والكيمائية
ARAB CENTER FOR PHARMACEUTICALS AND CHEMICALS

التاريخ : ١١ / ٤ / ١٩٩٣

اشارتنا : مع/ق/٣٥٨/٩٣

السادة / الشركة الدولية للتكنولوجيا الطبية المحترمين
م - ب ٥٤ مجلس الشعب
القاهرة - جمهورية مصر العربية

لامر الدكتور / خالد عبدالعزيز خالد
المدير العام

تحية واحتراما وبعد ،

أود الإشارة الى رسالتكم المعبّرة عن رغبتكم باستيراد وتسويق مستحضر (سندوسين) واننا اذ نشكركم على اهتمامكم ننتقدم اليكم بالعرض التالي :

Product	F.O.B/Unit Price U.\$	CIF/Air Unit Price U.\$
Sendocine - 9	1.35	1.45

- عرض الاسعار اعلاه ساري المفعول لمدة ١٢٠ يوما من تاريخه .
- الاسعار اعلاه سارية بالكميات التي لا تقل عن خمسة عشر الف قطعة
- طريقة الدفع : اعتماد متتسدي معسز غير قابل للنقض .
- فترة التسليم : خلال شهرين من استلام طلب الشراء .

آملين ان ينال عرضنا موافقتكم ،
وتفضلوا بقبول فائق الشكر والتقدير ، ، ،

خليل السارائي

عضو مجلس الادارة / المدير العام

شركة المركز العربي

مصناعات الدوائية والكيمائية

ف ب / و ز



Telex: 02225204
 FUJITOK J
 TEL: 3293) 5686
 3259) 2530 (DIRECT)
 FAX: 3293) 5683
 3293) 0073 6070

FUJI LATEX CO., LTD.

19-1, 3-CHOME,
 KANDA NISHIKI-CHO, CHIYODA-KU,
 TOKYO, JAPAN.

BANK :
 THE KYOWA SAITAMA BANK, LTD.
 THE FUJI BANK, LTD.
 THE BANK OF TOKYO, LTD.
 THE SANWA BANK, LTD.

Dr. Khaled A. Elaziz
 General Director
 INTERNATIONAL MADICAL
 TECHNOLOGY INC.
 61 El Hussin St. - El Mouhandsin
 P.O.Box 54 Magles El shaab
 Cairo - Egypt

TOKYO, June 11, 1992

OUR REF. NO. : EX- 6088

Subject : Condom Project

Dear Dr. Elaziz,

Thank you for your letter of May 28, 1992, asking if we are interested in participating with your project.

I would like to comment on the two alternatives you proposed.

A. Local manufacturing of condoms

To begin with, I would like you to understand the economical size of plant capacity must be more than 1,000,000 gross (144,000,000 pcs.) per annum from the points of the production & quality control, and that the approx budget only for machineries will excess US\$ 12,000,000.- additionally with building construction.

Therefore, unless the project is fully supported by the Government finance & purchase of the out-put production, it will not be feasible for a private company to invest such a huge amount of business risk. And we regretably have not any perspective to have an additional production capacity at present and in the near future.

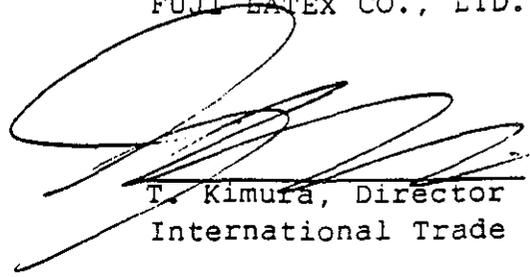
B. Local Processing

As far as 20-25 million pieces/year of the market consumption is expected in Egypt, installation of packing machine will be suitable to start in this industry due to a smaller investment risk.

Whether or not, the cost calculation by local processing would pay for your project, please consult with M/S Sumitomo Corporation, Liaison Office, Abu El Fida Bldg., 10th Floor, 3Abu El Fida Street, Zamalek, Cairo, Tel No. : 3411504.

Looking forward to hearing from you soon.

FUJI LATEX CO., LTD.



T. Kimura, Director
 International Trade

PROFIT

Promoting Financial Investments and Transfers

Suite 601
1925 N. Lynn Street
Arlington, Virginia 22209

Telephone: (703) 276-0220
Facsimile: (703) 276-8213

MEMORANDUM

TO: Dr. Khaled Abdel Aziz

FROM: Donald R. Nicholson II

DATE: March 2, 1993

RE: MEDTEC - Proposed Business Plan, January, 1993

We are very pleased to acknowledge your letter of February 10th, and the enclosed copy of MEDTEC's Five-year Business Plan. You are also to be congratulated on the incorporation of MEDTEC, and the fact that you and your colleagues are continuing to carry forth the efforts and initiative to provide a much needed family planning service.

As we review your marketing, technical and financial reports, we wanted you to know that PROFIT remains interested in your project, and looks forward to an early opportunity to meet with you in Cairo. In this respect, we would be interested in learning the results of your recent meeting with USAID, as this will have a direct bearing on the timing of our visit.

Awaiting your notices, we are with very best regards,

Yours sincerely,



Donald R. Nicholson II
Project Director

DRN/cs

**Deloitte &
Touche**



Member of Deloitte Touche Tohmatsu International

in association with:

Boston University Center for International Health

Multinational Strategies, Inc.

Development Associates, Inc.

Family Health International

150

Appendix I

Future Activities

PROFIT

Promoting Financial Investments and Transfers

Suite 601
1925 N. Lynn Street
Arlington, Virginia 22209

Telephone: 703 276-0220
Facsimile: 703 276-8213

June 18, 1993

Mr. Khaled Abdel Aziz
61 El Hussin Street - El Mouhandsin
P.O. Box 54 Magles El shaab
Cairo, EGYPT

Dear Dr. Khaled:

I am writing as a follow-up to Dr. Allam's recent visit to the U.S. and his conversations with Dr. Bronnenkant of Finishing Enterprises.

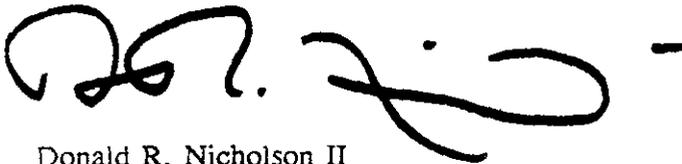
While we did not have an opportunity to meet Dr. Allam personally, we understand he reported on MEDTEC's continuing development and plans for the future.

In this respect, we would be very interested in learning of your current discussions with USAID/Cairo, and what the expected future program will consist of.

PROFIT remains interested in the possibility of initiating a program in Egypt, and would appreciate your comments on the current status of the project.

Awaiting your comments, I am with very best regards,

Yours sincerely,



Donald R. Nicholson II
Project Director

DRN/cs

cc: Lance Bronnenkant, Finishing Enterprises

**Deloitte &
Touche**



Member of Deloitte Touche Tomatsu International

Association with

Boston University Center for International Health

Multinational Strategies, Inc.

Development Associates, Inc.

Family Health International

152



الشركة الدولية للتكنولوجيا الطبية
(ميدتاك)

INTERNATIONAL MEDICAL TECHNOLOGY Inc.

Statement of Intent

This statement is written to declare the interest of the business MEDTEC-Egypt, in the assembling and manufacturing in Egypt of the CuT 200 and the CuT 380 (modified/improved) IUDs in full cooperation with Finishing Enterprises, Inc., U.S.A., the leading manufacturer of the CuT IUDs.

MEDTEC will provide all capital investment needed for this process, as well as assume responsibility for the distribution of the products in Egypt.

Finishing Enterprises, Inc. will provide the needed technology, knowhow, product components, raw materials, as well as the machinery required, on behalf of MEDTEC.

Arab Medical Equipment Company (AMECO) will provide the facilities for the manufacture of the IUDs through its plant in 10th of Ramadan City. The AMECO plant is suitable and adaptable for the manufacture of IUDs.

The costs of these categories will be paid by MEDTEC, plus a royalty on terms to be determined.

MEDTEC will use, and cooperate, with existing facilities in Egypt wherever feasible to perform this process.

MEDTEC will ensure the quality of the products which are to be monitored by Finishing Enterprises and manufactured by AMECO.

The local manufacturing process may begin by the assembling of imported components, packing and product sterilization, then progress to a second stage to include the manufacturing of the components themselves as part of a production process to take place entirely in Egypt.

For MEDTEC

A. ELAZIZ
Director

For FINISHING ENTERPRISES,
INC.

James J. Bronnenkant
PRESIDENT

For AMECO

61 El Hussin st.- El Mouhandsin
P.O. BOX 54 Magles El shaab
CAIRO - EGYPT
Tel 3494114

٦١ شارع الحسين المهندسين
ص. ب ٥٤ مجلس الشعب
القاهرة
تليفون : ٣٤٩٤١١٤

١٥٣



FINISHING ENTERPRISES, INC.

AGREEMENT FOR NON-DISCLOSURE OF SECRET BUSINESS AND TECHNICAL INFORMATION

This is an agreement made as of the 14th of August, 1992 between Finishing Enterprises, Inc. ("FEI") and International Medical Technology, Inc. ("IMTI"), located at 61 El Hussin St., El Mouhandsin, P.O. Box 54 Magles El shaab, Cairo, EGYPT.

WHEREAS FEI has certain rights, licenses, know-how and clinical information relating to the manufacture of intrauterine devices (IUDs) including the Copper T brand ("PRODUCT"), and

WHEREAS IMTI desires FEI to disclose such information for the sole and limited purpose of assisting IMTI in the manufacture, sale and distribution of PRODUCT manufactured by FEI.

NOW THEREFORE, in consideration of the disclosure of information and the covenants hereinafter set forth, it is agreed as follows:

1. Unless otherwise agreed to in writing by FEI, IMTI shall keep confidential any and all technology and other information including, without limitation, knowledge, know-how, Trade Secrets and practices relating thereto or to the business, operations, or manufacturing processes of FEI, divulged or disclosed to or in any manner obtained by IMTI from FEI.

IMTI will disclose such information only to such of its directors, officers, employees, agents, representatives or advisors who need to know such information for the purpose of assisting in the manufacturing, sale and distribution of PRODUCT manufactured by FEI, it being understood that such directors, officers, employees, agents, representatives or advisors shall be informed by IMTI of the confidential nature of such information, shall be directed by IMTI to treat such information confidentially, and shall be directed to segregate such information at all times from the confidential material of others so as to prevent any commingling.

IMTI hereby acknowledges that it shall be deemed responsible for any disclosure of the confidential information by its directors, officers, employees, agents, representatives and advisors whether or not such persons are employed by IMTI at the time of such disclosures.

2. In the event that IMTI and/or FEI shall decide to terminate joint efforts with respect to the manufacture, sale and distribution of PRODUCT manufactured by FEI, then IMTI agrees to return all documents, plans, specifications, memoranda, exhibits, unused samples and other materials, and any copies it may have of same, of whatever kind or nature, furnished by FEI to IMTI in the course of making the disclosures aforesaid.

3. The above information shall not extend to any of the information which:

- a. At the time of disclosure was known to IMTI and was not acquired from FEI, or
- b. At the time of disclosure or subsequent thereto, it is or becomes available to IMTI from a public source through no fault of IMTI, or
- c. Is obtained by IMTI on a non-confidential basis from a source other than IMTI or FEI provided that such source is not bound by a confidentiality agreement with FEI or is otherwise prohibited from transmitting the information to IMTI by a contractual, legal or fiduciary obligation.

IN WITNESS WHEREOF the parties have caused this agreement to be executed as of the date first above set forth.

Finishing Enterprises, Inc.

International Medical Technology, Inc.

By: Lance J. Bronnenkant
Lance J. Bronnenkant
President

By: Dr. Khaled A. El Aziz
Dr. Khaled A. El Aziz
Managing Director

Date: 8-14-92

Date: 8.14.1992

Attachment C
BUDGET SUMMARY

**Advertising, Promotion and Public Relations Expenditures by Product
SOMARC Egypt, 1993 - 96**

Funding Source - SOMARC/USAID Funds

	Cut 380 - A IUD	Norminest OC	New Golden Tops Condoms
Mini-Launch" 12/93 - 3/94			
1. Television (3 packet Ad) Production and Air Time	\$15,000	\$15,000	\$15,000
2. Radio Production and Air Time	\$5,000	\$5,000	\$5,000
3. POP Materials		\$2,000	\$2,000
4. Packaging			\$34,500
SUB TOTALS	\$20,000	\$22,000	\$56,500

Major Launch Campaign - 6/94 - 12/95

1. Television (Production and Air Time)**	\$127,450		\$20,250
2. Radio (Production and Air Time)	\$6,200	\$7,100	\$5,850
3. Print (Production and Media)			\$19,400
4. Cinema (Production and Media)			\$3,500
5. Outdoor (Train Stations, Bus Panels, Stadiums)		\$18,500	\$19,250
6. Promotional Items (Brochures, Flyers, Examinations, Gloves, Matchboxes, Dispensers, Rx Pads/Kits)	\$20,500	\$20,400	\$10,250
7. Packaging	\$61,000		\$57,400
Physicians Contraceptive Technology Update Seminars (10)			\$23,225
SUBTOTALS	\$215,150	\$46,000	\$159,125

**TV ad taken off air 2 1/2 weeks (condoms)

**Advertising, Promotion and Public Relations Expenditures by Product
SOMARC Egypt, 1995- 96**

SOMARC Egypt/USAID Funds

Depo Provera

**SOMARC - Pan Arab Funds
Norminest Relaunch - Sept., 1995**

1. Television - Production and Air Time	\$52,711	\$23,587
2. Physicians Launch Seminar (4)	\$16,077	
3. Hospital Presentations (150)	\$9,735	
4. Pharmacists Training Sessions (15)	\$11,947	
5. Brochures and Acceptor Cards	\$17,507	
6. Physicians Binders	\$1,770	
7. Promotional Pens	\$590	
8. Public Relations	\$7,109	
TOTALS	\$117,446	\$23,587

**Advertising, Promotion and Public Relations Expenditures by Product
SOMARC Egypt, 1993- 96**

Return-to-Project Funds

	Cut 380-A	Norminest	General (all products)
Television - Air Time	\$17,389		
Brochures	\$6,785		
Surgical Gloves	\$4,130		
Print Ads			\$17,429
Rx pads		\$2,434	
Brochures		\$12,389	
Packaging		\$12,666	
Inserts		\$2,655	
Promotional Materials		\$11,209	
Folders		\$2,596	
Business Card Files		\$8,318	
Promotional Pens		\$7,434	
POP Hangers		\$2,478	
Pharmacist Training Program			
Curriculum Materials			\$5,457
Two seminar			\$5,574
Subtotals	\$28,304	\$62,179	\$28,460

Advertising, Promotion and Public Relations Expenditures by Product
SOMARC Egypt, 1993 - 96

	Cut 380 - A IUD	Norminest OC	New Golden Tops Condoms	Depo Provera	General
GRAND TOTALS (SOMARC and Revenue Funds)	\$263,454	\$153,766	\$159,125	\$117,446	\$28,460

Attachment D

MEC/MEDTEC SALES, DECEMBER 1993-JUNE 1996

SOMARC Product Sales per Quarter by Sales Units

Product	Dec., 93*	1994				1995				1996	
		1 st, QTR	2nd,QTR	3rd,QTR	4th QTR	1 st, QTR	2nd,QTR	3rd,QTR	4th QTR	1 st, QTR	2nd,QTR
I.U.D's	57,789	145,754	110,376	195,654	87,910	50,332	33,619	2,877	497	(2,874)	(307)
N.G.Tops	181,979	421,700	420,112	1,311,924	188,231	469,266	418,747	373,633	373,273	372,424	27,879
Norminest	492,471	482,685	350,228	906,897	72,912	(320,557)	(70,227)	406,062	409,062	328,800	273,042

*No sales were made between January, 1993, December, 1993.

Selling Units Are:

IUD's : One package contains one unit

New Golden Tops : One package contains six units.

Norminest : One Cycle

Attachment E

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT
BETWEEN
UPJOHN SCIENTIFIC OFFICE
UPJOHN EGYPT
P.O. BOX 5848, HELIOPOLIS WEST
CAIRO, EGYPT

and

N.V. UPJOHN, S.A.
RIJKSWEG 12, B-2870
PUURS, BELGIUM

(Manufacturer and supplier, a wholly owned subsidiary of The Upjohn Company, Kalamazoo, Michigan, USA hereinafter referred to as UPJOHN)

and

PORTER/NOVELLI
1120 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C., USA

(Subcontractor to, and acting on behalf of, The Futures Group International, Washington, D.C., USA under the Futures Group SOMARC (Social Marketing for Change) contract with the United States Agency for International Development [USAID])

I. Purpose of Agreement

The purpose of this agreement is to define those areas of responsibility to be undertaken by UPJOHN and PORTER/NOVELLI (hereinafter referred to as P/N) for the support of the marketing of the Depo Provera contraceptive injectible through the private sector (pharmacists and physicians) in The Arab Republic of Egypt (A.R.E.).

While Depo Provera has been available in A.R.E. since the 1980's, supply of the product has been limited and erratic, and to this point has been donated by the United Nations Family Planning Agency (UNFPA) to the Government of Egypt (GOE) principally for the public sector, with modest amounts distributed to pharmacies though the Egyptian Pharmaceutical Trading Company (EPTC), a

department of The Ministry of Health. The EPTC currently has an ample supply of Depo Provera in stock, available only to the public sector under its revenue agreement with the UNFPA. It is anticipated that UNFPA will continue to donate Depo Provera to the GOE for the public sector through June, 1995.

Therefore, the recently established availability of Depo Provera to the private sector at a retail price of LE 7.00 established by the GOE constitutes, in effect, an introduction or product launch which will require educational, training, and advertising & promotion support to ensure the widespread acceptance and responsible use of this important method category.

II. Responsibilities

As signatories to this Agreement, UPJOHN and P/N agree to the following responsibilities and understandings:

P/N Responsibilities

1. P/N will provide programmatic and financial support at reasonable levels for the following (full details of these activities are described in a separate launch plan document):
 - a) Five physicians' launch seminars to be held in five cities selected to provide nationwide coverage for transmitting technical information to leading Egyptian physicians.
 - b) Group presentations in 150 hospitals to provide technical information to those hospital-based physicians not attending the launch seminars.
 - c) Fifteen contraceptive technology update seminars for pharmacists at sites throughout Egypt. Curriculum will include injectibles, in addition to other modern contraceptive methods, and will be provided by SOMARC-Porter/Novell.
 - d) Support materials for physicians' launch seminars, including folders/binders with block note pads and pens.
 - e) Printing costs for support materials for medical representatives/detail men, including technical brochures, pamphlets, and consumer brochures. Films/mechanicals to be provided by UPJOHN.

f) Advertising and Promotion - Adapting SOMARC Pan-Arab campaign television commercials for use in The A.R.E., including redubbing in Egyptian Arabic and adding UPJOHN Depo Provera package tag (at UPJOHN's expense). P/N plans to support airing of the commercials for an estimated four months.

g) Public relations campaign, including press coverage at seminars, television and radio talk shows.

h) Medical Association Ob/Gyn Congress (2) - one in Cairo, one in Alexandria.

UPJOHN Responsibilities

2. UPJOHN will be responsible for:

a) Ensuring a steady supply of Depo Provera for marketing to the private sector.

b) Detailing Depo Provera to an estimated target audience of approximately 7,000 physicians and 5,000 pharmacists by utilizing the services, under contract, of a qualified contraceptive distribution and marketing company.

c) Packaging and making available Depo Provera in individual carton packs containing one (1) Depo Provera Contraceptive Injection 150 mg vial; (1) empty sterile disposable syringe with needle; one (1) patient card with required information; and one (1) product insert.

c) Provide the following promotional materials

- Information binders for detail men/women.
- Patient information binders.
- Posters for contraceptive options.
- Five films/mechanicals for printing brochures, pamphlets.
- Four video tapes for group hospital presentation.
- Brochures and pamphlets for five physicians' launch seminars.
- Free product samples for physicians.
- Exhibit booth panels.
- Product tags for television commercials

3. Reporting to P/N with monthly and quarterly reports on sales to pharmacists and physicians, and meeting with P/N on a monthly

basis, or more frequently if appropriate, to assess progress and issues.

III. General Provisions

1. It is understood that Porter/Novelli currently holds a subcontract with The Futures Group International which, in turn, holds a contract with USAID to support contraceptive social marketing efforts in The A.R.E. and elsewhere. The funds provided by P/N for programmatic and financial support are subject to availability from USAID and The Futures Group. Any reference in this agreement to P/N's commitment to support activities including disbursing funds is contingent upon approval and concurrence by FUTURES. P/N assumes no liability hereunder without the express concurrence of FUTURES.
2. UPJOHN and P/N each shall comply with all decrees, laws, and regulations of The A.R.E. pertaining to the activities undertaken through this agreement. Likewise, each party shall maintain at all times the permits and licenses necessary to carry out the intended activities, according to the laws of The A.R.E..
3. UPJOHN will absolve P/N and FUTURES from any and all liability regarding or resulting from approved product use. UPJOHN shall have the right to control the defense or disposition of any product liability claims. P/N and FUTURES will cooperate with UPJOHN in its defense of any such claims.
4. This agreement shall become effective on the date of signing and shall be valid until December 31, 1995, but may be extended beyond that date on the written agreement of both parties.
5. Any amendments to this agreement are valid only if executed in writing and signed by both parties.
6. If the continuing availability of Depo Provera to the Egyptian private sector is cancelled or suspended for any reason, this agreement may be terminated by P/N upon written notice delivered by registered mail or courier to UPJOHN.

JP

167

MOA...Page 5

By their signatures below, the parties to this agreement
subscribe and agree to the provisions contained herein:



Signature Date
For
Upjohn Egypt
P.O. Box 5848, Heliopolis West
Cairo, Egypt



Signature Date
For
Porter/Novelli
1120 Connecticut Avenue, N.W.
Washington, D.C., USA

Signature Date
For
N.V. Upjohn S.A.
Rijksweg 12, B-2870
Puurs, Belgium

Attachment F

TOTAL SALES BY MEC/MEDTEC CSMP CONSORTIUM

**SOMARC All 3 Products sales
and inventory up to July,31 1996**

Product	Beg. Inventory	Sales, Dist.	End. Inventory	Expired	Valid	% of sales/ Beg. Invent	%of expired Beg.	% ending /Inv. Beg.Inventory
I.U.D's	731,791	728,890	2,901	2,901	-	99.6	0.04	-
N.G.Tops	4,674,799	4,664,023	10,776	10,776	-	99.77	0.023	-
Norminest	3,658,107	3,398,850	323,976	202,467	121,500	91.15	5.53	8.85