



# **INVESTMENT OPPORTUNITY**

## **State Company for Drugs Industry and Medical Appliances**

### **Samarra – S.D.I - Iraq**

### **Samarra Plant for Drugs**

#### **– Introduction**

The State Company for Drugs Industry and Medical Appliances Samarra– Iraq (SDI) is one of the Ministry of Industry companies and one of the most important Companies of drugs industry in the Middle East for its good history in drugs industry and applying the GMP rules as well as binding to the international Pharmacopeias especially American and British.

The company produces the drugs and Medical appliances depending on:

- 1- Samarra factory:- It is the basis for Company, the total of Medical products about (350) pharmaceutical preparations Include ( tablets, capsules, suspensions, powders, oral drops, ointments and creams, ampoules suppositories eye drops and antiseptics).
- 2-Baghdad factory: - It produces (N<sub>2</sub>O)Nitrous oxide gas, scientific ware glass, and empty glass ampoules and medical oxygen (O<sub>2</sub>)..
- 3- Babylon factory: - It produces Medical syringes, and (O<sub>2</sub>).



The center of the company is Samarra.

Also, the company has a research and development department in addition, it has number of Research centers in Baghdad:

A- Al-Razy Researches Center.

B- Ibn Sena Researches Center.

C- Ibn Al-Bitar Researches Center.

D- Veterinary drugs Researches Center.

Despite difficult circumstances during last two decades and because of difficult security circumstances, the Company is still operating through the best efforts of its employees.

### – Investment Concept

The concept is that the investor shall implement the activities to rehabilitate the plant in accordance with modern technology, manage and operate the plant against share of accomplished production, for a certain period.

### – Plant Data:

#### ▪ Design Capacity

NO	Item	Unit	Qty of annual designed capacity
1	Tablets	1000 tabs	1500000
2	Capsules	1000 caps	615000
3	syrops	1000 bottles	24000
4	Ointments & creams	1000 tubes	15564
5	Oral drops	1000 bottles	5000
6	Eye drops	1000 bottles	7500
7	Suspensions & powders	1000 bottles	9500
8	Disinfectant solutions	1000 bottles	600
9	Oral re hydration salts	1000 sachets	9000
10	Ampoules	1000 ampoules	10000
11	vials	1000 vials	20000
12	suppositories	1000 supp	12000

## ▪ Target Capacity

No	Item	Unit	Target capacity
1	Tablets	1000 tabs	1200000
2	Capsules	1000 caps	360000
3	Syrups	1000 bottle	18000
4	Ointments & creams	1000 tubes	12000
5	Oral drops	1000 bottles	4000
6	Eye drop	1000 bottles	6000
7	Suspension powders	1000 bottles	7000
8	Disinfectants Solutions	1000 bottle	300
9	Oral rehydration salts	1000 sachets	7000
10	Ampoules	1000 amps	8000
11	Vials	1000 vials	12000
12	Suppositories	1000 sups	7500

## – Economic Data:

### ▪ Strong Points of the Opportunity:

S.D.I has a pioneer rank in the pharmaceutical production in Iraq and all over Arabic Area. It managed to export its products to more than eight countries inclusive former Soviet Union (Russia) during the 80s of the last century but imposing the embargo on Iraq affected directly the volume of sales though the economic elements are not affected.

These elements are summarized by:

1. High quality of its products that depends on international pharmacopeias British, and American (BP&USP).
2. Applying firm quality control (Q.C) system on all productional stages.
3. Availability of scientific cadres with high technical and administrative experiences gained through the long history of the company as well as the active apprenticed labor.
4. Using raw materials of reliable origins depending on international pharmacopeias.
5. All the machines and instruments which are used in production process have high efficiency of well known international origins specialists in pharmaceutical industry like Italy and England



6. The company has large areas which enable it to enlarge and develop its job.

❖ **Availability of Raw Material**

Most raw materials are imported from abroad and from different international sources and they may cover the increasing production capacity in natural circumstances. The company needs different kinds of raw materials that come to (2500) items.

▪ **Estimated Cost of Rehabilitation**

The rehabilitation cost is (47) millions US \$



## – Special care

The investor is requested to pay special attention to the following points when preparing and submitting his proposal:-

1. The aim is to rehabilitate and upgrade the plant by modern technology, to reach targeted production capacity, all at the "investor" expenses, against share of the product for certain period of time to be agreed upon with Ministry of Industry & Minerals.
2. The rehabilitation works shall be comprehensive for all production lines of the plant and facilities to ensure that the plant shall work at the targeted capacity.
3. The "investor" in cooperation with his supporters, specialized in concerned industry, shall depute technical experts to visit the plant site to evaluate the technical requirements of rehabilitation & conclude detail investigation at the same time. The plant management shall provide all needed assistance to help the expert's team to perform the technical investigation of the plant including providing technical data and drawings.
4. The investor shall present his investment proposal containing the details of the rehabilitation work that he shall perform, procedure for implementing the work, the final and stages production capacity targeted, the period of the investment agreement, the share of the Ministry of the production that he offers and the procedure to operate and manage the plant after completing the rehabilitation work (see General Condition for detailed terms of the eventual agreement).
5. The proposal shall contain the undertaking to supply, install, and operate power generation unit (s) sufficient to meet the plant needs.
6. It is preferable for the interested investors to arrange seminar for the project team and the related staff, to show his qualification and experience and points of view for the rehabilitation approach.
7. The proposal shall contain the undertaking to keep the plant personnel, pay their salaries and allowances throughout the agreement period.



## – Evaluation criteria

A specialized team from the Iraqi side shall study all the proposals submitted by the investors and select the best proposal, negotiate the investor of the best proposal to finalize the agreement to be signed with the Ministry.

The evaluation criteria for selecting the winner investor shall be:-

1. The share of MIM as a percentage of the production.
2. The scope and level of rehabilitation works and technological modification offered by the investor.
3. Readiness of the investor to install power generation unit/(s) of a certain capacity to cover the need of all activities in the plant as the national grid is no more sufficient.
4. Readiness of the investor to keep the existing workforce of the plant paying their salaries & incentive according to the production increments.
5. The period planned to implement the rehabilitation activities to achieve the targeted production capacity of the plant.
6. Minimum period of the investment contract agreement.
7. Maximum production capacity undertaken to be fulfilled by the investor.
8. The investor financial capability to fulfill his undertaking to rehabilitate the plant supported by :-
  - Financial statements for the last three years.
  - Supporting letter from banks and financial houses showing the investor financial capabilities.
  - Documents on the financial capabilities of the investor partners or the supporting parties.
  - Documents on financial facilities that banks may grant to the investor.
9. The technical and managerial capacity of the investor and his supporting partners (Engineering Companies, Vendors, Site Work Contractors), to achieve the rehabilitation works, operate and manage the plant after completion the rehabilitation and organizational structure of the investor/group of investors (to be provided).
10. The similar experience of the investor and his supporting companies in similar works with documental references.
11. The readiness of the investor to accept and fulfill the conditions and obligations mentioned in the rehabilitation file.
12. The Applicable standards (Weights) for the evaluation of each accepted offers will be according to the following marks:-



<b>The Standards of the Criteria</b>		<b>Marks Assigned %</b>
	Financial Capability:	20
	- Providing a certificate from the banks or financial body/institution with other documents that support the financial capabilities of the investor and his partners.....	10
<b>1</b>	-The documented financial facilities presented by the banks to the investor.....	5
	-Evaluating the financial position of the investing company and the partners, through studying financial data's of the last three years.....	5
	Technical capability:	20
	-Similar project works of the investing company and his partners (Implementation and operation).....	10
<b>2</b>	-Presenting documented information on the engineering companies cooperating with the investing company.....	5
	-Authentic documents related to the original suppliers of materials, equipments foreseen dependable by the investing company.....	5
	...	5
<b>3</b>	The production share given by the investing company to the Ministry of Industry and Minerals .....	25
<b>4</b>	The targeted production capacity offered by the investing company.....	10
<b>5</b>	The period required by the investing company for the rehabilitation works.....	10
<b>6</b>	The scope of works specified by the investing company in the investment plan.....	10
<b>7</b>	The specific period of the investment agreement offered by the investing company.....	5

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