TAMER

Tamer Group: from strength to strength in pharmaceutical healthcare, logistics & digital innovation

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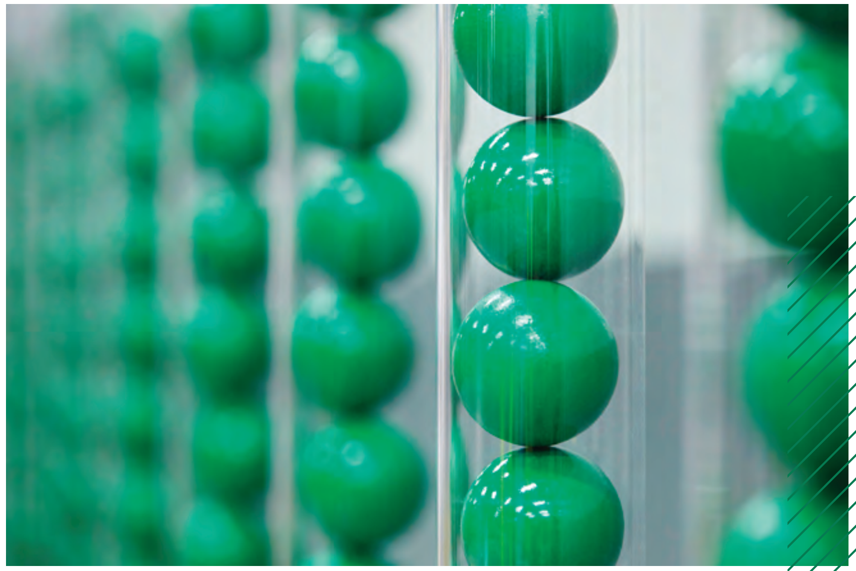

FROM HEALTHCARE TO LOGISTICS, TAMER GROUP IS A TRAILBLAZER IN DIGITAL INNOVATION

At a time of unprecedented technological transformation, Saudi Arabia is seizing the digital opportunity and making its economy more diversified, inclusive and dynamic

According to the IMF, the digital economy now contributes 15% to Saudi Arabia's economic growth, up from just 0.2% in 2016. Digitalization is transforming the public and private sectors and helping create high-value jobs for a new generation of Saudi talent. The IMF estimates that the share of Saudis in high-skilled jobs rose from 32% in 2016 to 42% in 2022, while female participation in the workforce has doubled in the last four years to 37%.

At Tamer Group, Chairman, Ayman Tamer says that digitalization is driving a new chapter of growth across all the conglomerate's business areas, from healthcare, biotech and pharmaceuticals to transport, logistics and e-commerce.

A prominent presence at the World Economic Forum (WEF), Tamer sees digital innovation not only as key to the expansion of Tamer Group, but also to shaping the economic and social future of Saudi Arabia for generations to come.

As one of Saudi Arabia's leading private healthcare providers, with a proud 100-year history behind it, Tamer Group is a major player in the ongoing digitalization of the country's healthcare sector and beyond. As a result of the Healthcare Transformation Program, 90% of the population is now covered by a unified digital medical records system, up from just 13% in 2018.

Tamer says that e-health services such as those rolled out by Tamer Group are helping make health provision in Saudi Arabia more efficient and are delivering better outcomes for patients. By 2025, 100% of the country's population will be covered by the digital records system and will enjoy access to healthcare coverage, even in remote rural areas.

Tamer Group is also accelerating the digitalization of logistical services. A close partner to some of the world's largest multinationals in the fast-moving consumer goods (FMCG) sector, the company is using AI and data-driven insights to transform the delivery of products to Saudi Arabia's rapidly growing market. As well as lowering costs and improving efficiency, these innovations are reducing the environmental impact of goods transport for Tamer Group's customers and improving their sustainability metrics.

Meanwhile, in the e-commerce space, the Group's acquisition of Dubai-based Mumzworld in 2021 has provided it with an extended footprint in the Middle East's fast-growing online market. The largest mother, baby and child e-commerce platform in the region, Mumzworld forms the foundation of Tamer Group's plans to expand its e-commerce operations and reach new markets.

The company is also helping to introduce the latest innovations from the pharmaceutical and biotech industries into Saudi Arabia. Tamer Group has long-term partnerships with large international pharmaceutical companies and is one of the largest distributors of healthcare and biotech products in the region. In 2023, it reached an agreement with US biotech firm Celularity to distribute regenerative biomaterial products in Saudi Arabia.

In the same year, Tamer Group began distributing a state-of-the-art system from Digital Diagnostics which uses AI to detect diabetic retinopathy. Celularity and Digital Diagnostics will work together to develop additional applications for AI in healthcare.

Reflecting Tamer Group's unwavering social commitment to the Saudi people, the local development and manufacturing of vaccines is another key priority in the post-pandemic world.

Drawing on the international expertise available to him at the WEF and leveraging years of experience in pharmaceutical manufacturing, Ayman Tamer wants to deploy all of Tamer Group's passion for innovation to ensure vaccine equity for the entire population of Saudi Arabia. ●

Q&A

EXCELLENCE THROUGH LEADERSHIP & GOOD BUSINESS PRACTICE

Tamer Group sets the standard in Saudi Arabia and across the region as the World Economic Forum Begins in Davos

What role do individual business visionaries like you play in the World Economic Forum?

I have been with the World Economic Forum for over a decade now, and I still see myself as a student. It is a remarkable place for learning, with numerous mentors both within and outside my industry. The constant exposure to new ideas and diverse backgrounds is invaluable. The Forum's extensive network brings together individuals from various sectors and assembles young global leaders, shapers, and even healthcare forums, each with its unique focus. The common agenda among these diverse participants is to create a better future for our global community.

My contribution lies in offering a regional perspective, particularly from the dynamic Middle East and West Asia, influenced significantly by Saudi Arabia. This regional insight, while my mentors are highly experienced in their fields, adds a deeper understanding to our shared industry.

Over five decades, Tamer Group has invested in biological vaccines, and this mission has evolved from regional to global through various initiatives. These platforms unite experts from academia, manufacturing, research, technology, regional health ministers, government, non-governmental entities, and industry stakeholders. Together, our common goal is to prepare for the future and ensure effective responses.

The WEF encourages forward-thinking, not just about the next few decades, but even the next thousand years, emphasizing a commitment to shaping the future beyond our lifetimes. Ultimately, what sets these initiatives apart is the diverse expertise they draw upon, enabling a holistic approach to address complex challenges. Their global commitment also draws upon past experiences, such as learning from events like the COVID-19 pandemic where centralized vaccine manufacturing led to significant delays, emphasizing the need for a more rapid response and regional accessibility.

Tamer Group is originally from Jeddah, what is your personal vision for the coming years?

Jeddah holds a special place in my heart as it is my hometown. What makes Saudi Arabia truly unique is its ongoing transformation. This can be witnessed first hand in the city of Jeddah, which has become a bridge between the past and the future, mixing heritage with the aspirations of a modern 'Smart City.' I believe this transition will attract a steady stream of tourists, not only to Jeddah, but also as a gateway to Mecca in the west. The city's strategic location, offering both air and sea access, gives it a distinctive edge within the Kingdom.

How does Tamer Group continue to develop its workforce?

In today´s rapidly evolving workforce, conventional academic institutions furnish the fundamental knowledge necessary as an entry point into various industries, but there is still a growing need for more specialized skill sets. At Tamer we are committed to continually investing in learning and development solutions. Whether we are preparing pharmacists, or operators, we recognize the significance of providing our colleagues with the skills of the future. As a result, we are making significant investments in digital training platforms with a wide array of courses through different channels and platforms. The engagement and enthusiasm of the workforce in adopting these digital tools has exceeded our expectations.

Our ultimate objective is to nurture a digitally proficient Saudi workforce as we strongly believe that it is our people who drive the industry´s success.

How has the process of digitalization transformed the logistics of the company?

Digitalization in logistics plays a pivotal role in improving efficiency, accessibility, minimizing damage, and reducing the environmental footprint. Embracing technology in logistics has led to 'just in time' inventory management.

The central/northern region will serve as the main route for the Middle East, disrupting existing logistic routes.

That role can the Kingdom of Saudi Arabia & business leaders play in the region?

The continued investment and diversification of the economy is essential to sustainability. Saudi Arabia has exhibited resilience and is testament to the sound investment strategies of the nation.

Our economy has been steadily progressing across all sectors and the positive effects are being felt throughout the region.

Saudi Arabia plays a pivotal role in global oil prices and this constitutes 25% of our GDP. The steady supply of oil is not only vital for our nation, but also for the global economy. Despite recent slowdowns due to changing consumption patterns, we remain one of the world's fastest-growing economies. One of the reasons our economy keeps growing is because of diversification. Sectors like tourism, hospitality, manufacturing, and technology have not only enhanced our competitiveness, but have also facilitated technology transfer, paving the way for future social and economic growth.

While we remain on the path of prosperity, we must acknowledge that recent events have been extraordinarily challenging for our region and its people. In these times, it's our duty as business leaders to ensure that we reinforce our sustainable business practices and continue to invest in our workforce development, as it is a cornerstone of economic stability. We should also foster

AYMAN TAMER
Group Chairman
Tamer Group Saudi Arabia

collaboration with the government through partnerships that can lead to innovative solutions and engage with the community while continuing to support their development.

You have many international joint ventures that contribute to the continued knowledge sharing.

We initiated joint ventures with our Japanese partners back in the 1990s, and later partnered with several trading companies like Novartis, Sanofi, and Johnson & Johnson, among others. Our scope expanded from pharmaceutical chemicals to biological and medical supplies. These elements are crucial, not only for our growth, but for any company looking to provide tech transfer and to train and educate the local population.

"First Movers" in these endeavors reap the long-term benefits. It requires courage to be a pioneer, but I have complete faith in the Saudi market. I strongly encourage companies to explore partnerships with robust collaborators who can offer value in terms of access, knowledge, and what I like to call 'Glocalization.' Glocalization is like globalization, but with global companies becoming local. It is all about finding a dependable partner that truly understands the local landscape.

How is the biotech revolution directly influencing your company?

Biotechnology, particularly in Saudi Arabia, holds the promise of significantly improving the quality and duration of the population's life. Tamer Group is actively investing in Saudi biotech startups, and it is evident that many local players are forming partnerships with global counterparts in Asia. This collaboration is poised to reshape the future of healthcare.

The key challenge moving forward will likely be ensuring broad accessibility to these innovations to a larger segment of the population.

As a seasoned businessman with a lifetime of experience in a family company, what advice would you offer to investors?

Our country is led by visionary leaders who understand the importance of a strong private sector. Their commitment to our vision and the chosen trajectory is unwavering. As long as we stay true to our path, Saudi Arabia will continue to thrive and expand.

What is particularly exciting is our platform for nurturing startups and new businesses. We welcome both local and international companies with open arms. Due to its robust economy, Saudi Arabia stands out in a world with limited opportunities for growth.

We invite Saudi and international companies to invest directly in our thriving business landscape. The ease of doing business in Saudi Arabia is evident, with consistent improvements in the business index. Moreover, we have a wealth of human capital readily available to support your endeavors. Saudi Arabia offers not only a promising market but also excellent access to it.

TAMER GROUP: PLAYING A FUNDAMENTAL ROLE IN GROWTH

Local companies like Tamer Group offer needed cooperation and know-how as a surge in foreign investment drives private sector growth in Saudi Arabia

As Saudi Arabia implements wide-ranging pro-business reforms, international companies are entering the country in unprecedented numbers and forging deep partnerships with leading local conglomerates like Tamer Group.

Government reforms have led to a dramatic improvement in the business environment for foreign enterprises. By raising foreign ownership limits, slashing licensing and customs requirements and digitalizing key government services, Saudi Arabia has managed to attract a large influx of overseas businesses and unlock the potential of the non-oil parts of its economy.

In 2023, the World Competitiveness Center of the IMD Business School in Switzerland ranked Saudi Arabia as the 17th most competitive economy in the world, up from 24th in the previous year's report. Saudi Arabia improved its ranking for government efficiency from 19th to 11th in the world and for business efficiency from 16th to 13th.

At Tamer Group, Chairman, Ayman Tamer says that the government's reforms have laid the foundations for a new era of economic expansion. From healthcare and pharmaceuticals to transport and logistics, from mining and renewable energy to entertainment and tourism, partnerships and joint ventures between foreign companies and local firms are transforming nearly all sectors of the Saudi economy.

Across its own operations, Tamer Group is teaming up with international partners to launch new projects and create high-value jobs for a young generation of Saudis.

In 2023, Tamer-Portfolio pharmaceutical company Arabio signed an MoU with Sanofi of France and Saudi pharma business Lifera to manufacture and distribute vaccines in Saudi Arabia. Later in the year, Tamer Logistics entered an exclusive partnership agreement with Kuehne+Nagel, one of the world's largest providers of logistics services.

And by the end of 2024, a factory being built by Tamer Group and Swedish medical solutions provider Mölnlycke will begin working with hospitals across Saudi Arabia.

The new wave of foreign investment is having a significant macroeconomic impact. The IMF estimates that the country's non-oil economy will grow by around 5% in 2023, well ahead of the overall growth rate. Business reforms have accelerated the Kingdom's diversification, the IMF says, with new investment deals and licenses increasing by 95% and 267% respectively in 2022.

Since he joined the World Economic Forum more than a decade ago, Ayman Tamer has seen his peers at foreign companies express rising interest in setting up businesses in Saudi Arabia. It is a trend that he expects to intensify in the coming years as ongoing business reforms attract ever-growing flows of international investment. As part of the National Investment Strategy, Saudi Arabia is aiming to become one of the world's top ten most competitive economies by 2030 and attract foreign investment of over $100 billion a year. The government's strategy aims to increase foreign direct investment (FDI) from an estimated 2.4% of GDP in 2023 to 5.7% by 2030.

The International Trade Administration of the US government recommends that new entrants to the country partner with a local company so that they can navigate regulations with confidence and identify new business opportunities more easily. "Increasingly, Saudi partners are seeking joint ventures with foreign firms versus serving as agents or distributors," the ITA says.

As Saudi Arabia opens its economy to the outside world, Tamer says that foreign companies with experienced local partners will enjoy the best possible access to all the exceptional opportunities of a country in transformation. ●

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