



# ECA Flags Abuse of Dominance in Pharma Distribution

On 5 November 2025, the Egyptian Competition Authority (ECA) issued their findings that a leading distributor of Cetrotide, a scarce and medically essential IVF medication, abused its dominant market position, signaling scrutiny for distributors of critical or limited-supply medicines. The case highlights risks for companies controlling exclusive imports or distribution of essential products and the potential consequences of restricting supply, discriminating among customers, or enabling resale at inflated prices.

In their investigation the ECA worked in coordination with the Egyptian Drug Authority (EDA) to refine its investigative tools and strengthen market oversight. The cooperation contributed to uncovering anti-competitive practices in this market.

The ECA found that the distributor of Cetrotide restricted access by prioritizing supply to its own pharmacy chain while withholding it from competitors. Furthermore, evidence indicated fictitious sales, which diverted the product to the informal market at prices exceeding official rates by over 35 percent. Cetrotide is medically essential and listed on the Egyptian Drug Authority's Red Label, a list tracking pharmaceuticals that are subject to supply constraints or scarcity in Egypt. The distributor's exclusive import and distribution rights gave it decisive control over pricing, availability, and access nationwide. Hence, the ECA found that the distributor held a dominant position, since the distributor was able to operate independently of competitors and customers, due to the distributor's exclusive imports and distribution rights. The distributor's actions limited competition and forced other pharmacies to source the product from the distributor's chain to meet patient demand.

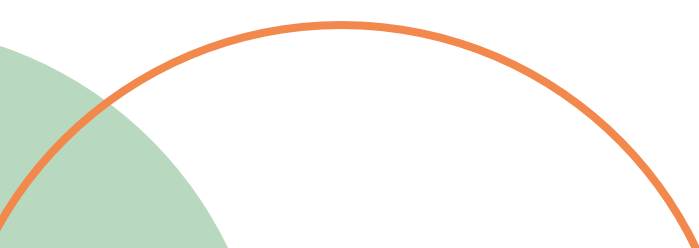
The distributor's conduct falls under Egypt's competition law prohibitions on abuse of dominance. By restricting access, discriminating between pharmacies, and enabling resale at higher prices, the distributor distorted competition and harmed patient access to an essential medicine.

Holding a dominant position is not *per se* unlawful, as it may result from legitimate economic efficiency. However, it is a prerequisite for assessing abusive conduct. Dominance exists when a company holds a market share exceeding 25%, calculated primarily on sales value or quantity, and can materially influence prices or output, regardless of competitors' actions due to their relatively small market share. Dominance may also result from regulatory, structural, or strategic barriers that limit entry or expansion as in the pharmaceutical sector.

An undertaking in a dominant position bears a special responsibility not to abuse its powers. Under Egyptian law, practices such as restraining from distributing a scarce product when supply is feasible, favoring affiliated or exclusive outlets, or enabling resale at inflated prices through fictitious sales as seen in this case, may trigger enforcement action. Engaging competition counsel is advisable to ensure compliance, avoid competition law violations, and manage interactions with competition authorities proactively.

The ECA has confirmed that the distributor of Cetrotide abused its dominant position. Specific sanctions have not been announced. Still, the authority is expected to issue a cease and desist order ordering the distributor to stop the abusive conduct and apply corrective measures to undo the practices that limited access to the medication. In addition the distributor could potentially face fines or criminal proceedings since abuse of dominant position was intentional by engaging in deceptive anti-competitive practices that included reporting of fake sales. Thereby creating illusion of supply and misleading competitors and regulators.

The ECA's action against the Cetrotide distributor signals heightened scrutiny for dominant players in essential or scarce product markets. Businesses with exclusive distribution or supply rights must ensure their allocation, pricing, resale practices are transparent, fair, and non-discriminatory. Proactive compliance, clear documentation, and audit of supply practices are critical to avoid enforcement action or potential criminal liability. Companies should review and adjust distribution frameworks to reduce risk and stay ahead of regulatory scrutiny.

A decorative orange arc is located in the bottom left corner of the page.

## AHMED ELHAGUINE

### Associate

ahmed.elhaguine@bremerlf.com

Ahmed is an associate of the region law firm BREMER and part of the firms Antitrust & Merger Control team. He advises international corporates and PE firms on antitrust matters and merger control review under Egyptian law as well as regional regimes such as COMESA, EAC, and ECOWAS. He works in English, French and Arabic languages.



## NICOLAS BREMER

### Partner

nicolas.bremer@bremerlf.com

Nicolas is a partner and attorney with the regional law firm BREMER where he heads the firm's Antitrust & Merger Control team. He oversees the firm's Riyadh and Cairo representations and has extensive experience in advising international and domestic clients on merger control and antitrust matters in Saudi Arabia, Kuwait, Egypt and the wider Near and Middle East. He works in English, Arabic and German language.