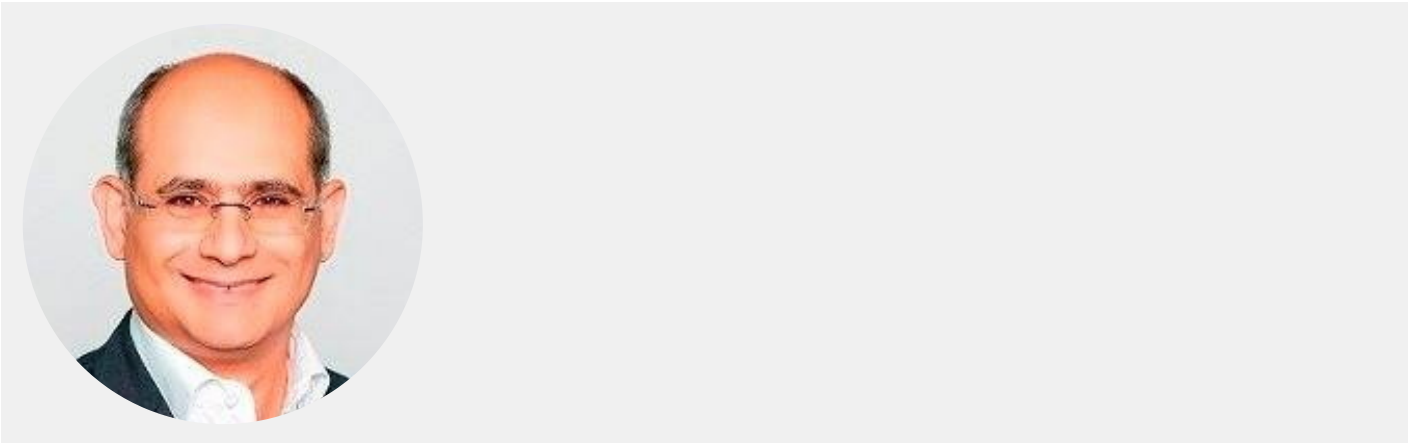
Samer Al Hallaq – Gulf President, AstraZeneca, UAE



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Samer Al Hallaq, Gulf President of AstraZeneca, speaks about the company's strategy to align its portfolio with the increasing presence of lifestyle diseases like diabetes, and how innovation is the driving force behind continued growth for the future.

Let's begin by speaking a little bit about AstraZeneca's global focus on emerging markets. Where does the Gulf region fit into this part of the company's global strategy?

Since 2012, under our new CEO, our global strategy focuses on three key areas: 1) bringing scientific leadership 2) growing market opportunities and 3) becoming a great place to work. Our vision is to become a leading biopharmaceutical company that brings innovation and new medications that will add value to the lives of patients. These are the same three pillars that we are focusing on in each market here in the Middle East, and we are making sure that everybody is aligned behind this strategy.

Now, we come under the international market. The international market first is divided into three areas; we have the international, we have Europe, and we have the US. We fall into the Middle East-Africa area. Likewise, the Middle East-Africa area falls into the international market and the international market is also divided into China, Brazil, Latin America, Egypt, Middle East-Africa, Turkey and Russia. The gulf, within the Middle East and Africa is one of the drivers for growth within MEA, and MEA is the second largest within international sector. The aim of international is to

deliver, as MEA would say, a high single digit growth in the coming period. I think that it is the emerging market that’s driving the growth over here within AstraZeneca. So this is where we are, we are part of the drivers for growth for AstraZeneca globally, being part of MEA and international sector, I would say.

In terms of creating market access for these innovative medicines, what are the challenges that you experience in this region?

Generally, the challenges in the Gulf region are related to the fast pace of the market, which demands the introduction of new products to these markets. I would say these are positive challenges rather and we are lucky to be considered early launch markets within the Middle East, because the healthcare system here allows for speedy approvals and registration. We can bring innovation very quickly to this part of the world here and because of this support we can bring breakthrough and innovative medications. The real challenge then becomes ensuring access of the medication to all patients in the market and in all parts of the country. Given that we have to deal with both private and public sectors, and each one has a different timeframe and approval process, bridging those two is our priority. The advantage is that the private sector generally has a quick uptake of innovative products, and governments support the fast entry of those products into the market to benefit those patients who can afford them.

While fast registration processes are evolving quickly in the region, there is still a lack of harmonization across the different regulatory systems in the Gulf. How does AstraZeneca cope with this diversity?

I would say that the divergence and challenge is more from a pricing perspective not from the regulatory side. There are some markets like UAE and Kuwait that are willing to pay premium prices for innovation, but then when those products entered lower-income neighboring countries, there needs to be an alignment in terms of prices. Typically this means that we have to set lower prices in the higher priced markets, so that they are comparable to prices in other countries.

A major concern in the Gulf region is the rapid surge in lifestyle diseases, such as diabetes and hypertension. How are you aligning your portfolio to meet the needs of patients with such diseases?

AstraZeneca’s scientific leadership is strongly focusing on the cardiovascular and metabolic segments, which is aligned with the fast growth of non-communicable diseases. Much of this is due to the lifestyle changes that they are experiencing and the environment that they live in. Here in the UAE, for example, the heat is overwhelming most of the time so people only move between different air conditioned spaces; from a car, to their office, to a meeting, to their home. There is very little physical exercise involved in the lifestyle, while the diets are also shifting to unhealthier westernized fast food options.

In our pipeline we have a breakthrough innovative product aimed at cardiovascular conditions and cholesterol. We also recently launched a product for acute coronary syndrome, and one of the first markets where it was launched was in the UAE. AstraZeneca also has a large diabetes portfolio consisting of five brands that can truly help in managing the burden of the disease. Overall I would say we are in the right place at the right time, and we can clearly add value to the patient with the right products.

There is a great need to create awareness about the lifestyle changes, about these diseases, about how you can prevent them. What is AstraZeneca doing in this respect?

We conduct a number of initiatives in collaboration with the health authorities to address unmet medical needs. The initiatives are devised based on hard data or non-interventional studies (NIS) conducted in partnership with the health authorities to determine where there is most need. Essentially, our awareness campaigns are divided into two parts; the initial study and later the actual campaign.

These non-interventional studies are designed to generate local data, which is generally lacking in this part of the world. The authorities are working hard to compile this sort of data, because they realize it is essential to better tailor healthcare services by identifying the true needs of the population. As a European healthcare leader, AstraZeneca is well positioned to develop these programs with local authorities as we have much experience in managing similar initiatives. Regarding our latest campaigns, most of them have been focusing on how we can bring a healthy lifestyle to the people by alerting them about the risks of cholesterol and hypertension.

Indeed most of the pharmaceutical companies have mentioned the difficulty in forecasting due to a lack of data. Have you been noticing any improvements on this

front?

It truly depends on which market we are talking about. The Emirate of Abu Dhabi, for example, has been implementing advanced data software to build a comprehensive database of healthcare services rendered. These figures have even shown great improvements in diabetes and cardiovascular areas, as illustrated by the mortality rate due to such diseases.

By using this data and analyzing the general trends, the aim is to learn how to better prevent the diseases by determining the risk factors and population groups. Primary prevention is the key, especially when we talk about the young population and the same population having the risk of cardiovascular disease ten years earlier than the previous generation. Overall the trends illustrate that there have been great improvements in terms of data collection and also how the authorities are using that data to shape the healthcare sector. They have done a great job so far in adding the number and quality of healthcare services that are available to the local population.

So far we have a noticed a lack of clinical research in the region because of insufficient facilities and trained professionals. What opportunities do you see in this regard?

We are already conducting some local studies, but nothing truly at a global level. As I mentioned earlier, some of these studies are done in conjunction with local health authorities to assist in their own data generating initiatives. As a whole, AstraZeneca tries to bring those clinical trials that fit within the market needs, which has led us to conduct some studies in psychiatry and in schizophrenia.

By conducting these studies we are also looking to actively contribute to improving the protocols for clinical research so that in the future more of this can be brought here. This is what makes the difference at the end of the day because you build a relationship with practitioners and authorities, while at the same time bringing alternative options for patients through such clinical studies.

While AstraZeneca is one of the global leaders in cardiovascular medication, many of your top products will be coming off patent in the coming years. How do you foresee that this might affect your competitiveness in the Gulf region?

That’s definitely a question that we have been asking ourselves. We understand that generic erosion will happen and we are prepared for that, because we already see it happening. The upside

is that the erosion rate in this part of the world will not be as fast as what is experienced in Europe for example. As you probably know, the Gulf markets are very much driven by brands, and as such all generic medicines in this market are also branded. Overall, the brand of our products will hold value longer meaning that even though another product might be cheaper, patients will still choose our brands.

The other factor you have to keep in mind is that these markets are still growing very fast and our products are also growing on an annual basis. Such growth trends also help us to counterbalance any future generic erosion, so even though a generic version of our product is introduced, we can still experience growth even if at slower rates. The point is that our products still haven’t reached all the patients that might benefit from them, so there are still opportunities in that regard. From a growth perspective, we are expecting to continue growing at high single digit growth rates as we are doing today.

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