Interview with Oscar Parra, General Manager, Lundbeck Mexico

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To cause back to Mexico last July- what in your view have been the biggest developments in the Mexican pharmaceutical market since you were last here 11 years ago?

The last time I lived in Mexico was in 2002 when the pharmaceutical industry was growing strongly and most companies were seeing double digit annual growth. I would say one of the main changes since being back in Mexico has been a rather more stable market. In February of 2010, the deadline for all new drug renewals was put into effect and caused a fantastic change. These renewals and requirements are necessary for products that change yearly and it is a way for both the government and the companies to keep a check on quality and to update information related to every product on the market.

Many countries in Latin America have a certain stigma surrounding CNS diseases- how much of a taboo does it remain in Mexico? What is your view on the situation?

I believe Mexican attitudes have changed a lot. For example, when I left the country people were talking about depression as a weakness, and now people refer to it as a disease. Patients are much more likely to see a general doctor or a psychiatrist to talk about it now than they were ten years ago, but having said that I do feel there is still a lot of progress to be made in terms of diagnosis as there is very low level of identifying the disease in Mexico: the stigma is receding, but we're not at 100% yet.

1 in 18 people are suffering from some kind of CNS problem in Mexico; has Lundbeck engaged with the Mexican Government or any other stakeholders in the healthcare industry in order to increase either public awareness, or its priority within the healthcare system?

It is true that 1 in 18 people are affected by CNS illnesses, which is huge so we work a lot on awareness and medical education not only with the patients, but also the family members. A lot of the diseases we work with are very complicated and many are chronic and debilitating: to take Alzheimer's as an example, it is not only the patient but the family that suffers greatly so we support a lot of programmes that give support tools to the carers, the family members and also the doctors. One particular programme brings together physicians and carers in order to discuss the difficulties of each disease, and how it can be addressed more efficiently in order for everyone to cope better.

Do you think there is enough infrastructure in Mexico surrounding CNS diseases?

The short answer is no, there is a long way to go. Access to medicines is not necessarily optimal and I think the problem is universal: Europe also has its own set of issues along these lines. Another issue is that the economic burden of CNS diseases is not fully understood. Taking Alzheimer's again as an example, it is hugely costly and not only for the patients: usually they are older people who have already stopped working but their families end up with the burden of paying for care – if they are lucky enough to afford it- or they stop working in order to take care of their elderly relative. You can put a huge price on that. If you also look at depression, there is both a direct and indirect cost: first you have the medication and treatment, and secondly you must take into consideration people who don't go to work because they are depressed, or they come to work but cannot do their work correctly. The indirect cost of depression is higher than the medicine itself so economically it should be a priority. Furthermore the World Health Organization recognises depression to have one of the highest burden, and in twenty years depression will be the disease with the highest burden in the world even more than diabetes of heart diseases.

Why will the indirect cost of depression rise so much over twenty years?

Our economy and our lives are becoming more developed each day, and as we become more developed we are more prone to diseases such as depression. A lot of the growth that the World Health Organization mentions is coming from emerging markets: as awareness increases, the more people go to their doctors to get diagnosed and treated.

Lundbeck is traditionally recognised as a Great Place to Work in every single country that we meet the company. How would you define the culture in Lundbeck, and why have you always been so successful in winning this award?

We have recently been recognized as one of the ten best companies to work in Mexico by the Best Place to Work Institute. . How do we do it? It is because people are our biggest asset, and without people all we have are walls and computers. To recognise this has been one of our key success factors.

One of the main challenges for the industry worldwide is related to attracting, developing and retaining talent. How are you facing the situation here in Mexico?

I think there are some great people and great professionals here in Mexico. I've worked in Europe, the United States and Asia, and I know that in comparison to those parts of the world you can find a lot of very good talent here in Mexico. As a result there are a lot of other companies in Mexico hunting for the same talent. To retain this talent you need to make sure you have all the necessary processes available to take care of your employees and to have people that are committed. It is a two-way street: you must be committed to your staff, and they will be committed to you.

Lundbeck Mexico is a reasonably sized operation with 130 employees: what can we expect to see when we come back in 2016?

In five years we will be bigger; growing with more products, a different product mix, and more employees working for us. As the population demographic is shifting, and also getting older, the need to treat chronic diseases such as CNS disorders will increase. As I said, depression will become more important, as will Schizophrenia and sleep disorders, Alzheimer's disease will also become more prevalent in an ageing population so we will most likely focus on those areas.

We know that Lundbeck in Mexico is partnering with Cephalon in order to distribute some of their products through licensing rights. How does that fit in with Lundbeck's structure and do you have any other partnership agreements?

Right now we have a Cephalon product here in Mexico that we market and distribute for them. It is a medication for excessive fatigue and fits well into our CNS range in sleep disorders: a perfect complement for what we do in Mexico, and our portfolio structure. This particular product has been very successful and we have two more Cephalon products in the process of being approved at the moment. Locally we also work very closely on our partnership with Teva co-promoting a product for Parkinson's disease, and we still have our long-standing partnership with Merz.

Do you have a final message for the 40,000 readers of Pharmaceutical Executive?

Lundbeck is very committed to Mexico, it is a very important market for us and I believe there is a huge untapped potential here. The CNS market in Mexico is growing much faster than the rest of the market: depression at 9%, Alzheimer's at 16%, and we at Lundbeck are very well-positioned in this market where needs are changing. There are a lot of opportunities here because the infrastructure surrounding the disease is not yet fully developed and we will continue to keep our

commitment to the neurological patients of Mexico.

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