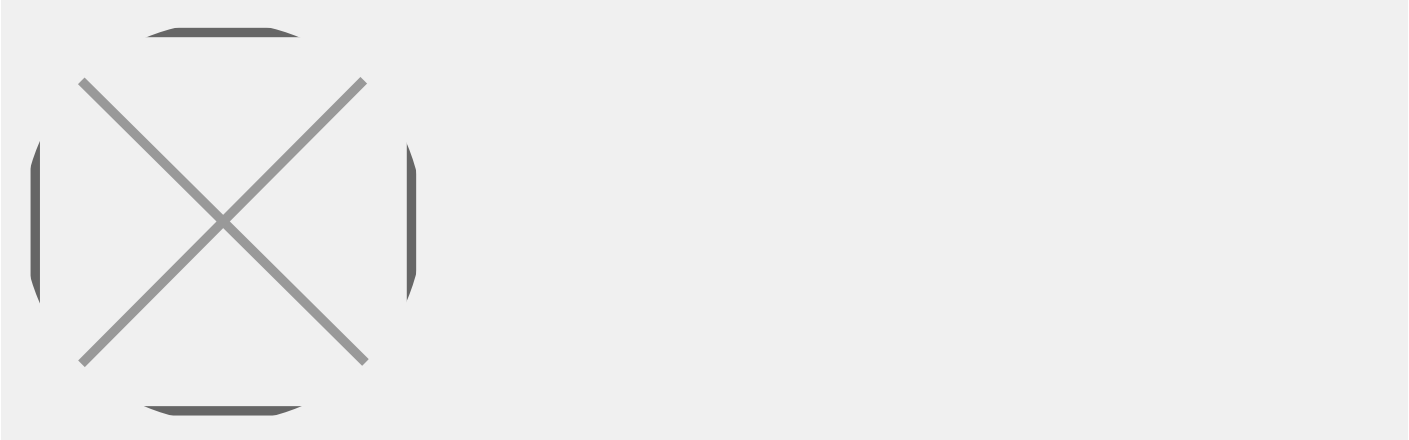
Interview with Angel Sosa, Director General, Octapharma Mexico



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angel-sosa-director-general.jpg

Could you give our readers a brief rundown of the major milestones and challenges that you have faced at Octapharma since becoming Managing Director?

When Octapharma first came to Mexico in 1994, it was through a distribution agreement with a local company. Six years later in the year 2000 they decided to create a joint venture with the same company: a wise decision because Octapharma then had those local employees with in depth knowledge of the local Mexican market firmly onboard.
The next important decision was made in 2003 when Octapharma decided to establish a manufacturing site in Mexico through an asset purchase operation in order to manufacture albumin, and since then Octapharma has not only imported and distributed finished products, but also added the manufacturing of both albumin and factor VIII to the portfolio.

Octapharma's only manufacturing plant outside of Europe is here in Mexico. Why did the company choose to manufacture in Mexico and not somewhere else?

Firstly because of the size and potential of the Mexico market in all respects, and the fact that only one manufacturer was active at the time the decision was taken. Secondly, Octapharma was able to take advantage of a plant that already existed, making it easier to start operations than if we had had to build a facility from scratch: not only a financial saving but a time saving operation. Thirdly, the Mexican side of the joint venture with Octapharma was very insistent on this point!

Was manufacturing cost ever part of the consideration?

The manufacturing cost benefits were not the decisive factor. It was more of a long-term vision, because Mexico deserves, in our opinion, a fractionation plant given the size of the market and the huge plasma-generating potential of the population, including the rest of Latin America.
Given this potential, Mexico has been doing very well inside the company's global operations and we represent 5% of the company's total turnover.

Are there any other strategies or areas that Octapharma in Mexico is considering pursuing in the next few years?

Octapharma is already branching out into biotech products in Europe, building an interesting pipeline. Not only will we remain in the plasma fractionating business, growing in our core areas, but we will also grow from the biotech products which Octapharma is currently developing. It is an extremely important investment for the company, and they are making very good progress. As soon as those products are ready for the European market, they will of course be transferred to Mexico for licensing, and eventually be marketed and distributed across the country.

When we spoke to your Octapharma counterpart in Brazil, we were talking about leading the Hemophilia revolution, and now becoming the leader in IVIG (Intravenous Immoglobulin). Please can you explain IVIG to us in the Mexican context?

There are many similarities between the Brazilian and Mexican markets, but in the hemophilia treatment field Brazil has developed more rapidly than Mexico. All of the stake holders in Mexico still have a lot of work to do in this hemophilia treatment field, but we are getting there.
As far as IVIG is concerned, it is a similar story. I believe the Brazilian authorities are purchasing a significantly larger amount per capita of IVIG than the authorities here in Mexico. So once again, we have a lot of work to do in order to provide the population with the minimum requirements for the treatment of immune deficiencies. We are moving forward.

Why is the Mexican government not investing more?

It is mainly a budget issue, but you can also relate it to a lack of awareness surrounding these diseases and the justification for treating these diseases: however expensive the treatment process is, the long run- returns are of much higher value. Octapharma is working on this every day to help create awareness within the authorities, the physicians and of course the patients and their families.

As we understand, the Government is now implementing a more efficient purchasing model based on a patient-by-patient approach. Do you see this as an opportunity to work more with the government?

Absolutely. It is something on which we have to work very closely with the institutions and at the same time be aware of their cost-containment policies. It is not easy to show the government

authorities the savings to be made in giving patients the treatments that they require, but it is possible, and it is also the key to further developing the immune deficiency treatment in Mexico. We participate in both government and scientific meetings in which authorities, physicians and patients discuss awareness issues openly: Octapharma is an important supporter of this.

We have received comments that COFEPRIS should be an economic promoter for Mexico as opposed to a regulator. What are your thoughts?

I am not sure about COFEPRIS being an economic promoter, but it certainly plays an important role in the development of the pharmaceutical industry in Mexico. Having said this, COFEPRIS within the field of being a regulatory agency can also help by being more agile in the processes that lead to the licensing of new products and new treatments. COFEPRIS is taking actions in this direction.

With Seguro Popular now covering 50 million Mexicans, how have you see this larger Institutional market shape the industry in the last five years?

Not as much as it should have. I believe the Seguro Popular initiative is an extremely important step that the government took in order to finally provide every Mexican access to proper medical treatment. Previously, half of the Mexican population did not have any access to treatment. What that means for the pharmaceutical industry is, potentially, double the market we have today. If Seguro Popular doubles the coverage of patients, it should also double volumes in the pharmaceutical market. However, we have not seen this and I believe it will take time and effort on the government's part to manage the significant amounts of money that are transferred from Seguro Popular to the local health authorities more efficiently. In this respect, the pharmaceutical industry has to work with every state health authority and with Seguro Popular itself, so that money spent on the purchase of pharmaceuticals is done so effectively, and this in turn will help the market to grow.

How much has your sales volume grown in the Institutional market? Has Seguro Popular made a significant difference to Octapharma?

Not yet, because of the nature of our products. Octapharma produces complicated products, to treat very complicated diseases which require physicians that are able to identify the patients, diagnose the patients, and finally treat the patients. In this sense it is not an easy market- the physicians require very specialized knowledge on the diseases we treat, and it takes time to train, identify and to diagnose. Before this happens, we cannot expect that Seguro Popular necessarily equals larger sales volumes for any of the companies involved in the field of blood derivatives: it will depend on having the right physicians, sufficiently trained.

Do you have any programs to increase awareness?

In the field of immune deficiencies, we have been working very closely with a patient organization by sponsoring a road trip across the country that transmits the key focal signs of the diseases to local physicians- the key signs on which they should focus their attention when examining any patient that could potentially have these deficiencies.
In the field of coagulation- more specifically in the field of hemophilia- we are doing something similar with several organizations. We sponsor the workshops they organize in major cities across the country where the idea is the same- to give local doctors and physicians a bullet point checklist on what they should look for to identify potential hemophilia patients.

How has Octapharma helped to shape the blood derivatives industry in Mexico?

Since arriving in Mexico in 1994, all the companies involved in plasma derivatives have been doing their part. I would say it has been the collective effort from all companies involved that has acted as a driver in the coagulation market growth on one side, and the immune deficiency market on the other side and the intensive care market. Octapharma is very active in promoting this growth and believe that the most effective way to provide better treatment is to create the necessary awareness among physicians, authorities, and patients.

You started working for Octapharma 18 years ago. What lies ahead for you?

I consider that I still have some years ahead of me with Octapharma- we have some very interesting projects coming up in Mexico, and I want to be part of them! This includes the introduction of new pipeline products- not only blood products, but also biotech products on which we are working intensively. There is also another project related to Mexican plasma: Mexican authorities have to decide what to do with Mexican plasma, and Octapharma has been actively participating in the decision-making process by contributing our extensive experience in this field, We also want to improve the production plant here in Mexico.

So the suppression of the manufacturing plant requirement in 2008 did not scare Octapharma away?

Not at all, the plasma business has its specificities and if you want to do business long-term in the Mexican plasma market, a manufacturing plant can be a strategic asset.

Do you have a final message for the readers of Pharmaceutical Executive about Mexico and about Octapharma as a company to work for?

Mexico is a challenging market- a growing market- and there are many things still to be done. For those people who want to join Octapharma, it’s important to note that the most valuable characteristic of the company is liberty. Even if you have a frame of basic rules, within those rules, you have the freedom to use your initiative and innovation skills.

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