Interview with Shiv Bhasin , President Director, Solvay pharma Indonesia

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While the level of sales for pharmaceutical products is plunging in the US and Europe one of the core pillar of Solvay's strategy is to have a stronger focus on the Asia Pacific region, which for the Pharmaceutical segment represents still less than 9% of the sales. In this respects, as a recently new company in the market what is the perspective Solvay has toward the Indonesia?

Indonesia is the largest economy in South-East Asia and its increasing and ageing population makes the market very attractive for pharmaceutical companies. Therefore, three years ago Solvay took the strategic decision to enter the Indonesian market and although the company has still a small market share, the perspectives are very promising and Solvay will grow very fast.

Which segments will represent the main growth drivers for Solvay Indonesia?

Solvay is exploring different possibilities in the fields where the company has developed top class specialization. We have decided to focus on cardiology where we have created two lines of field force and recently launched two new molecules. Solvay Indonesia will follow the Asian strategy and the set of products will be similar to the one proposed in other countries in the region. However, considering the specificity of the Indonesian market the classic strategy adopted worldwide will be slightly modified to the specificity of the market.

How the decree 10/10 will impact on Solvay's strategy?

The Decree 10/10 offers pharmaceutical companies two options: either they establish a manufacturing facility or they create a partnership with companies having manufacturing facilities. In order to preserve the economies of scale, multinational companies cannot open a manufacturing facility in every country; they have to choose their centers of excellence for R&D and production and then distribute their products across the globe. Conversely this solution will force research based companies to disclose their dossiers to other companies, which might represent a risk. Necessities of scale economy and technology spillover are the main reasons why international companies believe the decree 10/10 to be impractical.

What are the characteristic that make Solvay the partner of choice?

Indonesian domestic companies are looking to reliable partners able to bring good research molecules, potentially marketable products both regarding medicines that are already sold worldwide and others that will be developed in the future, in order to guarantee the sustainability of the business. Solvay was already serving Indonesia in the past and when the company took the strategic decision to come back three years ago, we entered the market partly through partnerships. Consequently, Solvay already has a track record of cooperation in Indonesia.

To offset the criticisms of MNCs only exploiting Indonesia, what will be the main activities in which Solvay will be involved to contribute to the development of the Indonesian healthcare sector?

As we are still new in the market, our focus is to create a good base in Indonesia. As not all the most advanced medications have been introduced to the Indonesian domestic market, our first goal is to bring as large set of products to guarantee the best medications to the local population. Secondly, we intend to make the doctors, hospitals and pharmacist aware of what Solvay is and what we can propose.

Considering the cost cutting policies and the absence of an insurance system, what are the challenges for research based companies to present innovative high quality products in Indonesia?

Even if 80% of the medicines are still paid out of the pocket, Indonesia has steadily increased the access to medication for its population. In the last few years more and more patients have gained an increasing purchasing power that has permitted them to afford quality products. Moreover, as in other developing countries, the scope of insurance is increasing and this will create solid base for further development. Therefore, research based companies have to be a little patient.

What are your ambitions in terms of where Solvay Indonesia should be positioned in five years' time?

Solvay started its activities only three years ago. As Solvay has only 0,2% of the market share, the vision and the goal that we want to achieve within the next five years is to increase our market share to 0.5% . The main drivers of this strategy will be the cardiology segment, which is the segment that is more likely to grow at a high pace. Solvay is also investing to have a stronger geographical expansion, to increase its consumer base and have the right numbers to introduce our therapeutic medicines and the vaccines.

Considering this ambitious plan how will Solvay manage to attract and retain the adequate workforce in a country where less than 6% of the population has a university degree?

Worldwide Solvay can be described as a medium size specialty company focused on good people training. Solvay provides its employees with extensive training, good incentives and good products that really contribute to develop a higher quality of life and make our people proud of being part of our group. The combination of those factors attracts people to Solvay. In my personal case I feel myself very comfortable with the company's culture and the perspective of growth here in Indonesia really motivates me to elaborate the expansion plan to make Solvay grow stronger.

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