Interview: Arnaud Lagesse – CEO, GML, Mauritius



16.10.2015

Tags: Research, Exclusive Interviews, CEO interviews, Executive insight, Executive Interviews, Pharma, Pharmaceuticals, Mauritius, Clinical Trials, Healthcare, Human Resources, Scholarships, Education,

Arnaud Lagesse, CEO of GML, the largest company in Mauritius and the third largest company in the Indian Ocean, discusses his company's successful diversification into the life sciences sector, with the creation of GML Life.



The history of GML has always been linked to the development of the Mauritian economy. Diversification is a key strategy for GML and in 2010, the company started a new business line with the creation of GML Life. What was the vision behind it?

Diversification has always been our core strategy, both for GML and I dare say for Mauritius. The Mauritian economy has developed from an agricultural-based economy to a value-added services one. GML has always played a key role in this economic development. We are on the verge of entering the next economic era, which will have research and development and other related services as its primary focus.

Our vision was – and is – clear: Mauritius has to develop more value-added services industries. Costs associated with pre-clinical and clinical research in Europe will continue to increase. In Mauritius, we have the expertise, the resources and the advantage of a very slight time difference with Asia and Europe to deliver the same quality of pre-clinical and clinical research for a fraction of European prices. We believe that the life sciences will be one of the new driver of economic growth in Mauritius. The creation of GML Life was intended to efficiently channel our energies into that specific sector.

What steps have you taken to ensure the success of GML Life?

Most notably, there have been four main opportunities or events that have helped establish us in the life sciences sector.

The first was when Gerald de Senneville, the Director of GML Life, joined our team four years ago. His expertise has enabled us to adapt swiftly to the changing economic climate by setting up a subsidiary in the field of toxicology.

The second opportunity was the option to acquire a minority stake in Centre International de Developpement Pharmaceutique (CIDP). We were certain that clinical research was a significant avenue of growth for Mauritius. We have since increased our stake in CIDP from 30 percent to 75 percent, and we are happy to say that its full operations have been very successful. CIDP now operates internationally, with headquarters in Mauritius.

The third opportunity has been the setting up of a Joint Venture called Proximed, which operates as a supplier of radiology, cardiology and laboratory equipment to private clinics and hospitals in Mauritius, Madagascar and the Seychelles. This has allowed us to establish ourselves in the medical and research devices market and we are now a major player representing leading brands such as Abbott Diagnostics, Lifetech and Biorad, and a significant strategic partner for scientific research institutes.

The fourth opportunity has been our participation in the development of the Socota Phoenicia Business Park, where CIDP and one of our subsidiaries, Quantilab, are located. Quantilab is an ISO 17025 multidisciplinary laboratory employing highly-qualified scientists with a client base including such names as the Mauritius Turf Club, France Galop and Le Trot Français. The company is also a partner of Mérieux NutriSciences, a global market leader in food quality and safety. As regards the business park itself, we took a sponsorship role and in this instance do not hold equity. Nevertheless, we value the unique opportunities the BioPark offers in terms of organisation and security parameters for Mauritius.

In addition to the above, one of our group's companies, Cervonic, a constituent element of the IBL Seafood Hub, extracts fish oil from tuna heads which is used as a human food additive and also goes into the manufacture of pharmaceuticals and cosmetics.

In his recent Vision 2030 speech, the Prime Minister emphasized that a dialogue between the public and private sector was necessary for the success of the Mauritian life sciences sector. Where does your company stand on this issue?

The success of Mauritius has always had its roots in the partnership between the public and private sectors. The success of the life sciences sector now depends substantially on the pace at which the public sector will implement the necessary administrative changes. We – the private sector as well as GML – are willing to do everything that needs to be done to move forward.

At GML, for instance, we own the leading company trading in medical devices, the leading company in clinical research and the leading multidisciplinary science laboratory. We want to be fully involved in the development of the life sciences sector, which will naturally create jobs and prosperity for the Mauritian economy. We have already implemented the fundamentals; now we are merely waiting for the required legal and administrative framework to be implemented.

One interesting topic that has come up in this dialogue is the need for a much clearer framework for pre-clinical research in Mauritius. Do you agree that this issue is of paramount concern?

Of upmost significance to us is the Pre-Clinical Research Bill, which has been pending for years now. Currently, we are only allowed to engage in clinical research in its final stages, mostly in cosmetics. As diabetes is an important issue for Mauritius, our aim is to grow into medical research, but our fundamental aspiration is to have a full-service supply chain provider, from drug discovery to the final stages of clinical sciences. For instance, even after a drug is marketed, extensive monitoring is still required throughout its product life. This is very expensive in Europe and the US. It is particularly in this service area that we see further employment opportunities for Mauritians.

To do this, we need clear legal definitions and structures, and an adequate regulatory framework. Pre-clinical testing is politically sensitive but it must be discussed. Once it is in place, we shall then be able to attract numerous investors and partners.

A related issue, which we discussed with her Excellency Ameenah Gurib-Fakim, is the human resource situation in Mauritius and how it may affect efforts to rebrand the country as a life sciences hub. How would you assess the HR situation, and how can

GML contribute to a solution in the context of the life sciences?

I agree with her Excellency the President that Mauritius must be rebranded. It is essential that our government utilizes its best talent to brand Mauritius for its diverse offerings, which extend vastly beyond simply nice beaches and tourism.

As previously discussed, public-private engagement and cooperation is an indispensable component of any solution. Traditionally, young Mauritians attend educational institutions abroad and, unfortunately for Mauritius, they then remain abroad for employment. We are certain that if the Pre-Clinical Research Bill is passed, there will be major employment opportunities for Mauritian talents as scientists and technicians in the pharmaceutical industry. I anticipate that 1,000 new jobs could be created by GML alone.

Even now, GML and GML Life are contributing to the development of Mauritian talent through the implementation of numerous incentives. For instance, we offer a one to three years research scheme for Mauritian postgraduate students. Additionally, we have established the GML Joseph Lagesse Foundation, which sponsors students on a multidisciplinary basis in terms of development, training and promotion of local talent. We have the structure, we have the financial ability and we have the partners. All we need now is the appropriate action from our government. Ultimately, it is a matter of collaboration at national level.

After your preliminary successes in establishing GML in the life sciences sector, what is the next step for GML Life?

We have identified two developmental paths for GML Life.

The first is further expansion of our portfolio. Now a flagship company and a leading Contract Research organisation (CRO) in the Indian Ocean with a significant database of plants, CIDP is already active in Singapore, Romania and Brazil. The next target is the US market.

The second depends on the enactment of the Pre-Clinical Research Bill. Mauritius is geographically of strategic significance. In terms of pre-clinical research, we have joint ventures lined up with renowned companies from France and India. There is also potential within the African region. We have established relationships with African countries, for instance with the University of Cape Town, South Africa, which believes in the potential of Mauritius as a pre-clinical hub and is eager to partner with us.

Do you have a final message?

We can offer leading services, quality solutions and speedy drug discovery processes at a fraction of European costs. Mauritius has an immense potential to offer as a business location: just examine our fiscal framework, especially our taxation law. Notice the potential of our maritime environment and our flora and fauna, as well as the significant changes our government is implementing in terms of environmental preservation. Observe and appreciate Mauritius for the wealth of opportunities we have to offer.

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