Interview: Miroslav Secerov – VP Sales & Marketing, NATEC Medical, Mauritius



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Miroslav Secerov, VP Sales & Marketing NATEC, explains the choice of Mauritius for NATEC's headquarters as well as the unique assets that make Mauritius the ideal business location. He also analyses Mauritius' recent emphasis on development of the life sciences sector and the public-private relationship required to make that a successful enterprise.

NATEC was set up in Boston in 1998, and relocated to Mauritius in 2000. What were the reasons for choosing Mauritius and what are the advantages of being located on Mauritius?

In 2000, NATEC was still technically a start-up, to remain competitive and hire people with the required competencies; Vincent Lagarde was faced with the decision of choosing headquarters located outside of the US. Several options were possible at that time; India, China, Mexico and Mauritius. His analysis of the economic, political and social conditions of these countries made it clear that Mauritius was the natural choice. Political and economic stability were of utmost importance to him, because they are crucial for the sustainability and viability of any long-term business investment. Mauritius had and still holds a spotless track record for sustainability amongst other things..

A specific asset was Mauritius' multiculturalism and multilingualism. A company incorporated in Mauritius, can easily recruit employees who speak a variety of languages, such as English, French, Hindi, Mandarin and Creole. Compared to the rest of the African continent, Mauritians have the highest rate of education. This results in the ability to uphold the same quality standards as in Europe for only a fraction of the European human resource costs. Most importantly, is the deep loyalty that Mauritians possess towards their employer, which explains how we are able to maintain a staff turnover of less than 3%, a factor of paramount importance for a skill-intensive business. The Mauritian educational system provides "ready to employ" human resources that you can train directly in your manufacturing set-up for medical devices; a situation not commonly found in the biotechnology industry where more than 50% of the human resources required needs to be hired from abroad.

Is the "Made in Mauritius" label a challenge when conducting business with international clients and partners?

Yes, it is a challenge for us because we always have to sell Mauritius alongside NATEC. There is an understandable concern to explain that Mauritius is not like China – we do not sacrifice quality for cost savings. Mauritius stands for quality, as does NATEC. We maintain the highest quality standards: we are FDA (U.S. Food and Drug Administration) approved as well as certified by multiple internationally renowned institutions. We are regularly audited to reassure our clients and ourselves of our quality. As we like to say, at NATEC, we design in quality; we do not qualify the design. Once we explain the advantages that Mauritius offers, these concerns disappear. There are worse places in the world to conduct a supplier audit.

Mauritius may be an excellent business location but, ultimately, 60 percent of your exports go to India. The Mauritian market only accounts for a minor proportion of your company turnover. Why did you not choose India?

Indian companies know their strengths and weaknesses very well. There are highly-skilled companies specialized in diamond cutting, which could have transitioned to the production of medical devices used for cutting. Indian medical device companies, however, prefer to source the high quality components needed for the production of their medical disposables outside India. NATEC Medical is the reference in India; for its reliability quality, which is mandatory once you decide to assemble several components from several suppliers. As we often say, making a good product once is easy, building up a structure which allows us to deliver all our products in perfect condition is a different story. This can only be the result of a long experience, and huge specific investments. India is our "domestic" market, but we could do much more than that in India if we

had incentives such as tax free exports to India. Today, we are taxed 7 to 12% when selling in India, but when our Indian customers are selling our products or Indian products in Mauritius, it's absolutely tax free. A fair trading agreement for medical device (HS9018) needs to be urgently negotiated with our Indian economic partners.

What is the relevance of the US market for NATEC? Does NATEC have any plans to expand to the US market?

The US market has become a significant prospect for us and we are working on realizing its full potential. With US Endovascular, we already have a professional partner in the US. However, the time difference is a significant hurdle, as is the geographical distance: travel time between the US and Mauritius would take a full 24 hours. The time difference does mean that our partners in the US can give us assignments or tasks in the evening and have the results the next morning, which is convenient. These difficulties aside, we remain committed to the long-term prospects of expanding our presence in the US market, which will be vital to our image and strategy.

What are the major goals NATEC is currently working towards?

There are two achievements that we're currently striving for. The first is to further develop our horizontal integration. In the medical devices industry, you need a functioning service industry to maintain operations. You need medical tubing extrusion, sterilising, biological testing and more. In 2015, we set up three companies with the goal to be less reliant on external suppliers. Now we have to consolidate these companies in order to realize their full synergy potential.

The second is to persuade public decision makers to make a clear distinction between the biotechnology sector and the medical devices cluster. The medical devices sector has been much more easy to implement and beneficial for the Mauritian economy. Biotechnology, by definition everything related to DNA, means that it is an extremely broad industry. The full development of this field means that substantial investment is necessary, which inevitably leads to unfocused investment efforts. That is both resource-and time-inefficient. On the contrary, the medical devices sector is transparent and focused. Mauritius needs to install a support sector for the medical devices cluster such as facilities for prototyping or plastic modelling. These are specific investments that will lead to significant returns both in terms of jobs and tax revenue, especially when compared to the biotech cluster.

In his recent speech to the nation, Prime Minister's Sir Anerood Jugnaugh exhorted the private and public sector to engage in dialogue regarding development of the life sciences industry. How do you assess your current relationship with the public sector?

The success of our industry is directly linked to 2 development axes:

- Improving the level of infrastructure present in the country; so there is definitely a need for this dialogue.
- Helping medical manufacturers to become more competitive outside the country (tax agreements with BRIC countries).

Coming back to the collaboration between private and public sector, our current business impact on the Mauritian market is very low, however there is a unique opportunity to become, as Prime Minister Jugnauth says, a “knowledge-sharing partner”. We have a very good relationship with our domestic partners and can also attract talent and business here. Currently, we are recognized as a local manufacturer, but we need to do more to become recognised as a knowledge-sharing partner in the Mauritian health care sector, bringing to Mauritians a high quality level of medical and educational resources.

How do you think your personal experience and professional background have allowed you to contribute successfully to the company?

Initially I trained as a cathlab nurse. This medical background and experience was topped up by an MBA in marketing. After my medical career, I garnered work experience in a conglomerate and a start-up. These different business and working environments provide an individual with vital experience and a unique set of skills. In the conglomerate, I learned about structure and organisation. The start-up taught me initiative and the value of speeding up the decision-making process. This is a valuable combination. What has been interesting is that while a conglomerate is long-lived but very slow-paced and the start-up is fast-paced but with a set time limit, since it either gets acquired or fails, today I work in a fast-paced yet long-lived environment. The product life cycle of medical devices is roughly 18 months. Even as I launch a product, I am already working on the next generation of products. My diversity of experiences has definitely helped me deal with this.

Do you have a final message?

The sky is the limit. As I said, we set up three companies in 2015 alone. We are proactive instead of reactive. We are now able to develop our own equipment, as well as sterilize and test the degree of sterilization of medical devices in-house. We will definitely be even faster and stronger in terms of our development in the future.

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