Interview: Higinio “JP” Porte – President, Philippine Pharmaceutical Manufacturers Association (PPMA), Philippines

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Higinio "JP" Porte

, president of the Philippine Pharmaceutical Manufacturers Association, discusses how his extensive pharmaceutical background led him to his current role as well as the main objectives of the association moving forward. He also discusses his work to create comradery within the association, fostering an environment where members are actively working to improve the industry as a whole.

As an introduction to our international readers, could you please provide for us a brief overview of your dynamic career in the pharmaceutical industry?

I worked for 13 years at Interphil Laboratories Inc., under Zuellig Group, eventually rising through the ranks to become division head for logistics and materials management. During this time, I worked in the production department for 8 years, where I was the youngest department head at the age of 25. In 2000 I moved into a cosmetics and personal care company where I was hired to build the plant facility, which, as I graduated from the University of the Philippines with a degree in chemical engineering, was a dream come true for me. My last position at that company was COO for domestic operations where I handled the entire domestic operation, including sales and marketing, manufacturing and logistics. In 2010 I was hired by Pascual Laboratories to head the manufacturing operations, and in 2012 I was promoted to my current position. Additionally, I

represent the company to the PPMA and was initially elected as one of the members of the board of trustees in 2012 when I joined the association as a representative, and in 2014 I was elected President.

When you rose to the position of President of PPMA in 2014, what were some of the main challenges you were facing, and how did you plan to address them?

The challenge that we are facing as an association is that, even though the pharmaceutical industry in the Philippines is valued at 132 billion pesos, less than 50 percent that is supplied by local manufacturing companies, we need to enhance the manufacturing capabilities of these companies. The first priority of the association is to help the members keep up with regulatory requirements, especially in terms of educating them as most of our members are local manufacturing companies who are manufacturing for multinational companies (MNCs). In order for us to be competitive, we need to comply with Pharmaceutical Inspection Co-operation Scheme (PIC/S) requirements. During my term, my priority is to ensure that the members of the association know about these guidelines. To accomplish this, we launched a training seminar for our members covering the different chapters of the guidelines and invited some of the competent members of the industry to share with our members some of their best practices. During my first year as President of PPMA, we became very active in hearing the issues and concerns of the industry. We have even collaborated with presidents of other pharmaceutical associations, for example in our efforts to fight the 1000 percent increase in the FDA license and registration fees, which would obviously have a huge impact on our operations.

Increasing the manufacturing capacity of local manufactures is something that PPMA is actively working to accomplish. What roadblocks do you see moving forward?

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We do not have economies of scale in manufacturing the product. We have several products that we are manufacturing, but in a very small quantity, a fact that makes our product very costly, meaning we do not have a chance to bid for government tenders. This is a big challenge. If we do not strengthen our association and our membership, and have a bigger share of the industry, then we cannot compete. We can only become competitive if we are up to par in terms of technology and regulation. To address these issues, we meet with the Department of Health (DOH), including former Secretary Ona, because one of the big problems that we have as a manufacturer is that it takes a huge amount of time to register the product. In other countries, this process takes only 3-5 months, however, here in the Philippines it takes more than 2 years. Prior to the registration, we

have to do several development processes, such as stability testing, so developing can take up to one year as well. The problem is that you already have incurred huge amounts of costs, but are still unable to market. We have a chance to market some of our products outside of the Philippines, but before you can accomplish this you have to register it, even if it is exclusively for export. There are several instances where our members bid for government contracts in other countries, but due to the delay in the registration process in the Philippines, are unable to compete. Currently, we have monthly meetings with the FDA undersecretary, and hopefully with the new FDA director soon as well. We need to iron out how they will be working to resolve these issues in terms of delays in registration. Currently, our hopes are high, because in the past two meetings of the advisory council for the DOH, they have been very receptive in hearing out our problems. Hopefully, they will be solved soon.

Within PPMA you have a broad membership, including large MNCs and smaller local manufacturers. Does this ever cause disagreement, and how does the association work to advocate in a way that represents your entire membership?

There are always going to be small issues in any organizations, but the environment within PPMA is very friendly. In fact, during seminars companies show certain examples of their processes that are meant to be internal in their desire to help the smaller companies to uplift their process. We have fostered a very friendly environment within the association, changes I have made over my tenure. I used to participate, 20 years ago, in similar PPMA seminars. However, when I joined PPMA in 2012, I saw a different environment, one that was not as friendly and genial. I therefor had the goal of reviving this the environment, and my first task was to have team building activities. For this we would bring members for 3-day seminars filled with team building activities. These events were hugely successful at fostering a friendlier and more cooperative atmosphere.

One of the biggest changes recently in the Philippines healthcare market has been the implementation of PhilHealth. How has this program impacted your member companies?

The challenge we are seeing with PhilHealth is that the coverage includes medicines that are being supplied from the government. Unfortunately, we do not have access to supply medicines to the government currently. This is something that I have raised as an issue in many of our meetings with the DOH, stating that in fact they were our biggest competitor. The DOH is very strict in implementing the regulatory guidelines and requirements for local manufactures, but not as strict when importing products from countries such as India and Pakistan. Fortunately, in the past few years they have become stricter on these imports, for example, they are now requiring that when importing from other companies, especially generics, the plant as to be visited first. Additionally, in

the past meeting, we have agreed to select molecules where we can have the chance to compete in terms of cost, so we are seeing progress through our collaborations with the DOH.

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Throughout your active and productive tenure as President of PPMA, what have been some of the accomplishments that you are proudest of?

I am extremely proud of my work to build back up the lively comradery that we are currently seeing in the association. In addition to this, I believe my biggest achievement in the association has been improving our finical situation. For the past 10 years, the association has only had a small amount of money in the bank to support our programs. Through the programs that I have instituted, including the seminars that I have discussed, we have already doubled our budget, meaning more funding to support the initiatives of the association. In general, the association is becoming much more active within the industry.

When we come back to the Philippines in 3-5 years, where will we see PPMA, what do you hope to have accomplished?

Broadly speaking, I want our members to have a bigger share of the market. It is less than 50 percent now, and I hope to see it raised above 70 percent. There is great opportunity in the Philippines for local manufactures. 33 percent of the consuming public currently have access to the right medicines, meaning that 66 percent does not have access. As the middle class continues to increase, especially considering the Philippines is one of the 5 fastest growing countries in terms of the middle class, we will see a corresponding increase in purchasing power. This represents huge growth opportunities for our members, as does our eventual participation in government tenders, something I hope to achieve during my tenure.

One final message, information, such as the *Healthcare and Life Sciences Review*, is very important in terms of crafting strategies for companies like our members. Companies need to be able to read about the experiences of other companies around the world and learn from their best practices and see what have been their major success factors. Through this we will continue to grow and accomplish our objectives.

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