Interview: Javish Abichandani – CEO, AGlobal Care, Philippines

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Javish Abichandani

, Chief Executive Officer of AGlobal Care Inc. in the Philippines, outlines the company's extensive product portfolio as well as their ambitions to bring more high-quality, affordable medications into the Philippines. He also discusses how the company is evolving to meet the demands of the dynamic pharmaceutical industry in the country.

As an introduction to our readers, could you briefly describe your background as well as what your ambitions were when founding AGlobal Care?

By background, I am an industrial engineer. When I founded the company, you could very clearly see the inequality in the healthcare system in the Philippines. With my experience, I was able to compare the healthcare system to other countries in the region, and it was heartbreaking to see that much disparity. This was the motivation behind the founding of the company. Additionally, my father is a chemist, so we had that pharmaceutical background as well. In general, we were aspiring to bring in low-cost and high-quality generics to the Philippines. We created a standard to identify the best manufacturers, and from there we started the business, working to discover and develop affordable, effective and safe healthcare solutions while ensuring excellent customer and principal relations

What is the company's current footprint here in the Philippines, and what is the company most known for?

We distribute our products nationwide, and we are known to always have been keen for quality. Even though our products are affordable, we never sacrifice the quality and efficacy of the products. We are known throughout the industry for having quality products, delivered quickly and on time. When our distributors bring our products to the hospitals and doctors find out that it is AGlobal Care, they know it is a quality product.

One of the biggest challenges in the Philippines is logistics as the country is an archipelago. How has AGlobal care worked to address these challenges?

Logistics is a very big challenge in the Philippines. At AGlobal Care, we have nationwide distributors, and we ensure that we partner with the right companies. In the Metro Manila area, we have our own distribution team, and for outside of Metro Manila, we have partnered with a variety of companies, including trucking companies and airlines. We are not distributing goods or trading items, so we have to be sure to partner with the right people that will handle our products in line with the standards of the FDA. We do this so we can focus on our core competencies, and our distribution partners have been able to handle the work extremely well, and we see this as the path forward in the future.

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What is the current product portfolio of the company, and which segments are the biggest growth drivers for the company?

Right now, we carry the whole range of therapeutic products, with the fastest growing being the anti-bacterial and the anti-viral lines. We have leading products in these areas, the broad spectrum penicillin, calcium antagonists and anti-rheumatic segments are also doing very well. Despite all of this, we know that in the Philippines, due to Western culture and the lifestyle trends, cancer is still on the rise, meaning that we see room to expand our portfolio in oncology. Oncology used to be a niche segment, but now many generic companies are tapping into the segment as well. Oncology is still not that prevalent in the trade segment, but in ethical promotion it is doing very well. The diabetes and cardiovascular segments are also still prominent in the Philippines, and our products are performing well in those areas.

With the industry as dynamic and growing as it is in the Philippines, there are obviously a lot of changes happening. How has AGlobal Care adapted to the evolving landscape in

the pharmaceutical industry?

From 2014 until now, changes in the industry have been rapid. The pressure from ASEAN member countries to revamp and tighten the registration process has shaken many companies. As we not only face new requirements such as expensive Bio-equivalence studies and GMP/PICS Plant inspections but also expect a 10-fold spike in the registration fees. There has also been changes with DOH and FDA in their policies. However, the way I see things is that these steps are made for us to be geared towards greater growth. It might be challenging, but we are addressing it by selecting the right suppliers, especially with our partners abroad. With the registration process as it is now, this is a necessity.

How has the company collaborated with other actors in the pharmaceutical industry to better adapt to the changing demands of the market?

No man is an island, so as much as possible we collaborate with all of the players in the industry. What is most important is that we are able to launch our products. To accomplish this, it does not matter who we partner with, be it other companies or with the FDA, that is what we will do. We are still a young country, and these processes are new to both us as a company and the regulatory departments as well, so we need to work together to move forward. Anytime there is a new policy, there is always going to be resistance, with change that is always the case. However, with these changes we are moving forward, and in the long-term they will be very beneficial to all involved.

One of the biggest changes to the healthcare landscape in the Philippines has been the implementation of PhilHealth. How has this legislation impacted the operations of AGlobal Care?

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The implementation of PhilHealth in 2013 was an excellent initiative by our last President, and the idea is there, but it is still far from what it should be, especially compared to other countries. This system as created a greater market for generic medicines, however, this does not always mean greater profits, as with a greater market, government agencies are pressuring local players to bring down prices. Regardless, the out-of-pocket spending in the Philippines is very high, and the subsidies from the government are not 100 percent, highlighting the fact that there is still room for improvement. From a company perspective, we have seen a growing demand from our government distributors, compared to 2 or 3 years ago. One of our main product lines are in the anti-infective area, which is one of the fastest growing areas in government hospitals.

When seeking out partnerships, what are the key factors that you take into consideration?

Niche product lines along with quality and price are the biggest considerations that we have when looking for partnerships. In terms of pricing, just because a manufacture is from Turkey, China or elsewhere does not always mean that their pricing points will be workable here in the Philippines, and our overarching goal is to bring in affordable medicines into the country, so this is something that we must take into account. Quality is also key, and when it comes to manufactures, GMP & PICS practices must be very stringent. In the near future, even though pricing is tight now, that it will become a secondary issue. You can always buy or sell something that is cheap, but as quality and brand equity become more important, that is what will keep the product going.

For us, we attract partners because they know we are very open, straight forward and transparent, we do not keep anything from our customers or suppliers, we keep an open book to them. They are able to get a whole package, as they do not only get high-quality services but also receive full support with local laboratory testing to back up the claims of the manufactures abroad, as well as additional marketing support. For the price they are paying, which is not different from many trading companies, they are getting a larger basket or services.

Throughout the growth of AGlobal Care and your operations in the Philippines, what accomplishment are you proudest of?

I would not say that we have accomplished anything yet, because the best is yet to come. We consider ourselves as being young in the industry, striving not to be better than anyone else but ourselves year in and year out. Our goal is to be able to serve the Filipino people well, and to shorten the gap between the global pharmaceutical industry and the Filipino pharmaceutical industry. Given that the FDA is gearing up for greater changes within the ASEAN region, I see that there are many more opportunities to come. The Philippines has a long way to go, even in terms of generics, so there is still a lot of progress to be made.

One of the accomplishments that I am proudest of is the way that we have been able to focus on anti-bacterial lines and strongly develop our portfolio. We are working to provide more quality, affordable medicines to the people, and we have accomplished this, but there is still much more to go.

Looking forward to the next 3 to 5 years, where do you envision AGlobal Care?

We see ourselves having a more diversified portfolio, not only in pharmaceuticals but in other segments as well, such as medical supplies and vaccines. We also see ourselves continuing to build the brand equity of not only each product, but the company itself, and the whole packages of services that we offer to our clients. Additionally, we hope to see a more streamlined registration process and a better competitor playing field as well, where companies are more willing to collaborate with each other.

Do you have a final message for our readers in the Philippines and around the world?

The Philippine healthcare industry has been and still will be very promising in the future. We are heavily dependent on out-of- pocket sales, thus use of off-patent medications has surged. Today the country stands third after India and China in terms of the market share held by generics, at 56 percent, and that percentage will likely expand in the near term, as familiar products lose their exclusivity. We see all these challenges by the WHO, ASEAN, Philippine FDA and DOH as means to fine-tune the industry players in gearing up for greater growth. It is true in doing so that many players or products might be wiped out by the cleaning up efforts of the regulatory bodies. The companies that are here to adapt to change and stay as long term players would be basically braving the storm initially, but after all the commotion has settled down, the industry would be left with superior products and services not only to save lives but to change them for the better.

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