Interview: Giorgio Calderari – Chairman, Farma Industria Ticino (FIT), Switzerland

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With a population of only 350,000, Ticino has a remarkably well developed pharmaceutical cluster. FIT Chairman Giorgio Calderari explains that the cluster's key strength lies in the diverse range of capabilities which its members are able to offer as contract services to one another, and of course other interested third parties.

What are the key points in the story of how a pharma cluster was born in Ticino?

We can define two real stages in the cluster's growth. While there were a few older family companies founded in the early part of the 20th century here in Ticino, the real start of what we can see as a broader industry began in the 1960s. This was when several pioneers, some of them pharmacists who developed patents on certain formulas for instance, started laboratories in Ticino. These ventures then became family-owned and run businesses.

Then in the 1980s, the industry experienced a jump in growth when several Italian pharmaceutical entrepreneurs chose to move or build their companies here in Ticino instead of in Italy. This was of course driven by the instability in Italy which was particularly pronounced from the mid-1970s through most of the 1980s, where there was one political crisis after another, and internal acts of terror. There were also signs that the Italian government might move to nationalize private businesses, discouraging private investment. As such, given this environment, many entrepreneurs decided that in terms of both business, quality of life, and safety, it made more sense to run

businesses from Switzerland rather than Italy, particularly considering Switzerland has always been an open and trading nation.

With this infusion of new blood, the Ticino pharma industry began to gain some structure which led to the creation of Farma Industria Ticino (FIT) in 1980. In the early years, FIT operated as a basic association where companies could share ideas and perhaps work to gain leverage in buying raw materials and the like. Later, in the early 2000s FIT started to become much more collaborative and expanded its mission.

What prompted FIT to take on a broader mission in the early 2000s, and what was this mission?

This was when the current generation came to the front, with several sons taking over leadership of their family companies, some other structuring their business in a more industrial way by hiring professional managers, and a few newer entrepreneurs creating and acquiring companies here in Ticino. It also happened to be around the time I took over as president of the association. We saw the opportunity for FIT to have a more impactful role within the industry, but also the canton, and thus aimed to accomplish two things; to work towards building a true pharma cluster and support cluster dynamics and synergies, and to collaborate to jointly promote and brand Ticino within the international pharmaceutical industry.

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To really forge an identity as a cluster and community, we took several steps to combine forces to tackle shared issues, but and for the larger and more established companies to transfer some knowledge to our smaller associates. One of the early efforts was establishing an ethical code which all of FITs members must comply with, as well as a set of regulations on how to manage HR; these are things that smaller companies would likely not have the time and resources to prepare on their own.

We have also taken on a greater responsibility in the area of training, and today FIT is responsible for organizing and administering apprenticeships in the pharmaceutical industry for the canton’s applied education system, and more than 100 people have been trained through these apprenticeships thus far. FIT also ran a big training module for middle management across our member companies. All such steps have really contributed to forging a stronger identity across the cluster, and have helped it to become about more than just business and technology, but more about the people really.

On the other front, we have worked to capitalize on the opportunity to jointly build a brand around Ticino being “the life sciences valley in the heart of Europe.” In this sense, Ticino becoming known as a hub or cluster of pharma and life sciences activity will be to the benefit of the entire pharma industry in Ticino. As such, we have taken steps to change how we present the Ticino pharma industry and FIT internationally through several initiatives. The most important has been organizing the Piazza Ticino at CPhI, starting in Paris in 2014 then Madrid and Barcelona. This is essentially a physical grouping of FIT members’ booths at the conference, such that we each still maintain an individual presence, but also can project FIT as a cluster organization or community. To this end, we have had the participation and support of the Ticino Department of Economy & Finance at the Piazza Ticino to present a Cantonal business development angle and brand the FIT entity a bit. However, the Piazza really has two key functions: to provide shared space for organizing meetings that can be used by (smaller) members who don’t have their own booths, and to provide a shared kitchen with a chef that hosts lunch and happy hours for our members and their guests so each company doesn’t have to do so on their own.

What would you point out as the key strength of the Ticino pharma cluster?

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The great strength of this small territory is that if you view the pharma industry as a sort of “virtual company”, you will essentially see a CHF 2 billion (USD 2 billion) entity with over 2000 employees, and a huge range of capabilities and specializations. Almost all of our members offer some third-party contract capabilities in addition to their own business, and as such you can view FIT as a big CDMO with a great range of capabilities, which can handle the entire development cycle from developing a synthetic route, to manufacturing the API, developing the galenic form, and producing a range of final dosages with a range of special technologies in terms of different delivery forms. Moreover, nearly all our members are approved by regulators worldwide, including the FDA, EMA and Japanese PMDA. This is very much the image we try to project at CPhI, where we say whatever your need, someone in Ticino will be able to help!

Aside from the members of FIT, what would you highlight as the other important entities in the Ticino life science cluster, and what is still missing?

First of all, I think it is quite remarkable that for a canton of just 350 000 people that we have such a well-developed cluster. This has been a relatively recent accomplishment, and we are still in the phase of getting all the pieces to fit together and work together smoothly and productively.

Aside from the FIT members, who span pharmaceutical R&D, API and finished dosage manufacturing, commercialization, and a range of specialized services, I would also highlight the contribution of the excellent academic research community in Ticino. Together with the University of Italian Switzerland (USI) and Applied University of Applied Sciences and Arts of Italian Switzerland (SUPSI) as the two big players, there are also a number of more specialized institutes which are well respected within their relevant international scientific communities. Of course, there are organizations in place to ensure the technology which is created in these institutes can be developed and commercialized, the big player being the AGIRE Foundation which helps to get technology spun out of the university ecosystem, and then the Tecnopolo Ticino offers spaces and support to startups.

What we are still missing is an international business aspect of the cluster, as we have no international pharma companies which are headquartered here. I think it would be great if a mid-sized innovative pharma company were to bring their European headquarters in Ticino, as it would bring a different flavor to our cluster, and help us be a bit more on the map in certain circles. Of course, Ticino is too small for big pharma players, but I think a mid-sized US biotech could find a very good fit in our community; Celgene, for instance, currently has their European headquarters in Boudry, Canton Neuchatel, which is a small town at a decent train ride from either Geneva or Zurich. Now that the AlpsTransit project connecting Ticino to the rest of the country, the train from Zurich to Lugano now takes only two hours! The prospect of having a mid-cap multinational biotech set up a hub in Ticino is very reasonable, and in fact if you look at the fashion industry, you will see that the very large VF Corporation, which owns North Face, already has their European headquarters in Stabio, Ticino.

What would be your final message regarding FIT's role in Ticino, and the opportunities that lie ahead of the Ticino life science cluster?

Many people associate Ticino with banks and tourism, which is true, but 21 percent of our canton's economy is industry, and at least 38 percent of that comes from the pharmaceutical sector. Generating over CHF 2 billion (USD 2 billion) in revenue with only 2200 employees, within the context of the canton's economy our industry creates a lot of value, and moreover, out of the CHF 650 million (USD 656 million FIT members plan to invest over the next three years, CHF 500 million (USD 504 million) will be invested in Ticino, with 60 percent of that in R&D.

From an outside perspective, little canton Ticino with a population of just 350,000 has a robust and dynamic cluster in the life sciences space, with mature companies represented by FIT, investment possibilities with a cluster of newcomers supported by the AGIRE Foundation and the Tecnopolo

Ticino among other organizations, and a world-class academic research community working at the USI, SUIPSI, the Bellinzona Biomedical Research Institute, the Institute for Oncology Research, and many others which are well recognized internationally. Finally, within 100 km we have access to the thriving metropolitan area of Milan and much of Lombardy, including all of its academic institutions and commercial capabilities. And of course, the quality of life in Ticino, ranging from weather to food and wine, is really beyond compare.

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