Interview: Benoit Martineau – President Director, Sanofi Indonesia



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Benoit Martineau, President Director at Sanofi Indonesia, explains the transformation of the Indonesian affiliate and reaffirms the strong commitment of Sanofi in helping the Indonesian government to successfully implement their patient access roadmap.

Mr. Martineau, could you please introduce yourself to our international audience as well as your main areas of focus and priorities since your appointment as head of Sanofi's Indonesia operations in April 2015?

I have been working for the pharmaceutical industry for more than 15 years – all of them in Sanofi – where I have held various roles. I have spent most of my career in South East Asia in countries such as Singapore, Vietnam, and Cambodia and most recently in Indonesia when I became the President Director of the affiliate more than two years ago.

Expanding on my mission in the country: my main focus is giving sustainability to our business as well as maintaining a leadership position in a country that is rapidly changing. Even though Sanofi is positioned as the top pharmaceutical MNC in the country, Indonesia is one of the most challenging markets in the SEA region where more than 70 percent of the pharmaceutical value is in the hands of local players and, as a multinational, we need to have very well defined short- as well as long-term strategy to maintain our leadership.

What steps have you taken to maintain such a strong positioning over the last few years?

I have been really focused on building up an affiliate with a high degree of flexibility in order to successfully react to any unexpected challenge or seize any sudden opportunity. However, we also need to be totally aligned with our long-term objectives. Anticipating future dynamics in a fast changing environment is very challenging but at the same time highly important to successfully navigate the Indonesian ecosystem. To give an example: there have been structural changes in less that three years such as the increasing importance of the public market since the start of the implementation process of the universal healthcare coverage program (JKN).

Emerging markets represent more than 28 percent of Sanofi's global revenues. What is the significance of the Indonesian affiliate within this context?

Sanofi is positioned as the top one multinational pharma companies across emerging countries due to its high commitment to such markets – being there in both bright and challenging moments. As a consequence, these markets have always been a strong contributor to our global business.

Though we already have a significant positioning in Indonesia, we believe that we can become an even more important contributor in the future. The strong potential of the Indonesian pharmaceutical market is certainly taken into consideration in our national as well as regional ambitions.

What is the footprint of Sanofi in Indonesia?

We have been operating in this market since 1956 and we currently have more than 800 employees supporting the quality and effectiveness of our operations. In terms of product portfolio, we enjoy a very unique positioning in comparison to the rest of the MNCs as we have most of our corporate portfolio in Indonesia across our three main divisions: prescription medicines, consumer healthcare, and vaccines. In addition, I am proud to confirm that our business here has been growing over recent years to reach approximately 100 million euros in 2016 and we expect high single digit growth in 2017.

I would also like to pinpoint our rare disease medicines that we are starting to register in Indonesia. In this sense, we are targeting children born with Mucopolysaccharidoses (MPS) and Gaucher, which are metabolic disorders caused by the absence or malfunctioning of enzymes, to receive an adequate and high-quality treatment.

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Looking at your portfolio of prescription medicines, vaccines, and consumer healthcare – what is the breakdown of revenue per business unit?

The main contributor to our revenues in Indonesia is our prescription business representing 50 percent of our total turnover. Within our ethical division, we have several medicines that target key therapeutic areas such as diabetes, cardiovascular, oncology, and general care medicine. The remaining 50 percent is equally divided between vaccines and consumer healthcare.

In January 2017, Sanofi and Boehringer Ingelheim successfully closed a business unit swap in which Sanofi acquired Boehringer Ingelheim's CHC unit exchange for your animal health business. How has this swap impacted your operations in Indonesia?

This corporate operation has been highly transformational for our business in Indonesia since our animal health and CHC businesses in Indonesia were really small in the past. Hence, the inclusion of Boehringer Ingelheim's CHC business to our portfolio in Indonesia has tremendously strengthened our portfolio to a degree that it now 25 percent of our total business.

Sanofi's economic model is based on considerable investments in innovation investing approximately 15 percent of its total revenues in developing R&D activities. There is still a lot to be done in Indonesia in terms of R&D. What is your take on the national R&D landscape?

Innovation is highly under-developed in this country but Indonesia is being more and more integrated in our corporate research pool, especially for carrying out late stage clinical studies when relevant. In fact, most recently we carried out a significant part of the clinical trials run for the development of our Dengue vaccine (Dengvaxia®) in Indonesia, which makes total sense considering that Indonesia is the country with the second largest number of Dengue cases worldwide.

Nevertheless, I would like to highlight that innovation goes beyond product innovation but also includes the products are distributed for example in order to enlarge patient access to healthcare solutions. Distribution and access are certainly challenges that need to be addressed. Innovation should always go beyond product development and Sanofi Indonesia is very active in this regard.

Sanofi has launched several innovations since 2015: Dengvaxia®, Praluent®, and Toujeo®. In Indonesia particularly, Sanofi launched the first Dengue vaccine (Dengvaxia®) in October 2016. How has the market received this product?

Even though it has been more than eight months since we first launched Dengvaxia® in Indonesia, it is still too early to share any interim results. The introduction of Dengvaxia® is still in its inception process but we are actively collaborating with other stakeholders to successfully enlarge patient access to such disruptive healthcare solutions.

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Nonetheless, it is interesting how Dengvaxia® was developed and launched since it is primarily targeted at emerging markets rather than developed countries. This makes full sense considering that most of the Dengue cases are present in developing countries. It has certainly been a disruption in the way big pharma develops innovation and it showcases the commitment that Sanofi has towards emerging countries.

The Indonesian Universal Healthcare Program (Jaminan Kesehatan Nasional – JKN), aiming to cover every Indonesian citizen by 2019, is going to be one of the main growth drivers of the Indonesian pharmaceutical industry. How is Sanofi collaborating with the government to increase access to innovative medicines?

Sanofi is highly committed to all emerging markets where it has operations. This also means that we actively support the governments in such countries to achieve their respective national health goals. In Indonesia specifically, we have been providers of JKN since its foundation back in 2014 and even before, we were collaborating with the public market through the previous public health system (ASKES). We applaud the outstanding results obtained so far as well as we actively support the vision of the government in terms of covering all 250 million citizens of the country.

However, it is important to bear in mind the inherent challenges that need to be addressed within the JKN scheme such as financial sustainability, the number of healthcare professionals and healthcare infrastructure in order to accurately understand and shape the future as well as the role that Sanofi can play within this environment.

What are the two main objectives that you would like to achieve in the upcoming years?

The main priority on my agenda is to ensure that Sanofi will maintain its leadership position in Indonesia, following the right path in both the public and private market in terms of ensuring sustainable revenues and increasing our reach to patients. Secondly, my goal is to continue in focusing our efforts in those areas that are highly needed in Indonesia, those innovations to the country that Indonesian patients urgently need and where Sanofi can make a significant impact.

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