Interview: Pantis Papaloizou – Managing Director, Papaloisou, Cyprus



"We are looking to attract new suppliers, placing emphasis on the high quality of the services we can provide. Indeed, we are inspected and audited very regularly by international partners and we perform well, offering stability and security. We are also efficient and competitive covering the entire island, both public and private sector."

10.08.2018

Tags: Cyprus, Papalouisou, Pharma, Distribution, Healthcare

Pantis Papaloizou, managing director of the family company CG Papaloisou Ltd, gives his insights on the healthcare changes that will happen in Cyprus and their impact for local importers of innovative medicines. He also highlights the key role of Papaloisou in the local market and how he plans to strengthen the company in the future.

Can you give us an overview of Papaloisou's key activities?

The company was founded by my father in 1950 and I took on the management of the company in 1985. We have been in existence for nearly 70 years and we consider the company successful in its primary activity, the marketing and distribution of ethical pharmaceuticals. We are distributing products from several multinationals, such Merck, Lundbeck, Mylan, Recordati as well as AstraZeneca through a joint-venture with a partner company. We can offer our partners full services from marketing to logistics, regulatory, pharmacovigilance, government tenders. We are market leaders in therapeutic areas such as cardiovascular, diabetes, respiratory and psychiatry. Recently, we have created a separate department for OTC pharmaceuticals, medical devices and food supplements which is growing steadily. We believe that with the introduction of the new healthcare system, GeSY, there will be more opportunities for OTC products.

What are the main differences you have observed between the moment you started in the industry and the current Cypriot environment?

The distribution environment has changed dramatically in the last decades. When I started

working, every importer/distributor had his own warehouse and distribution network. However, only four or five major wholesalers are currently serving the industry. The consolidation of the sector came with accession to the EU and implementation of Good Distribution Practices. To ensure the growth of the company, Papaloisou with partners invested in the construction of a purpose-built warehouse and distribution centre which houses our wholesaling partner, Marathon Distributors. With accession to the EU in 2004 and harmonization of our legislation and practices with those of the European Union, the regulatory environment also changed significantly. Multinationals became more active with the establishment of their own subsidiaries to handle marketing and sales operations in the country. Because of these changes and also changes in the pricing environment many pharmaceuticals with dated regulatory dossiers or low volume of sales or very low prices were discontinued in the few years after accession.

[Featured_in]

With your experience, how are you preparing the company for the upcoming changes happening in Cyprus?

When it comes to the Falsified Medicines Directive, we have been working closely with our suppliers and we expect to be ready before the February 2019 deadline. When it comes to GeSY, the new national healthcare system, we are still exploring the next steps to take because there are still many unknowns. We believe that GeSY is the way forward. Cyprus needs a modern universal healthcare system. Indeed, our current system dates back to the British colonial times and it is reaching its breaking point, especially in the public sector. Moreover, the private sector cannot be afforded by a majority of the population. Modern innovative pharmaceuticals are slow to adopt in our country because patients cannot afford them privately and the public sector delays their introduction for budgetary reasons. Within GeSY it should be possible to adopt modern treatments earlier, as happens with most other EU countries. However, expectations are high and the financing planned for GeSY may not allow these expectations to be met. Total healthcare expenditure in Cyprus is approx. 7.5% of GDP which is low by European standards and needs to be increased if we are to have better healthcare services in our country.

[related_story]

In what direction would you like the company to develop in the upcoming years?

Papaloisou experienced significant growth in 2017 and we expect a similar performance in 2018. However, a question mark hangs over 2019 with the introduction of GeSY. The global budget and cost control measures will influence our performance in the next years. However, to maintain our growth, we are currently in the early stage of developing new partnerships. We are looking to attract new suppliers, placing emphasis on the high quality of the services we can provide. Indeed, we are inspected and audited very regularly by international partners and we perform well, offering

stability and security. We are also efficient and competitive covering the entire island, both public and private sector.

In terms of infrastructures, we will be investing more as the business volume within GeSY will be much higher. Now, 60 percent of medicines by volume are handled by the Ministry of Health. After the implementation of GeSY, most of this volume will be handled by the private sector. To cope with more than double the volume, we will have to increase storage space and distribution capabilities.

Our main goal is to successfully introduce innovative products satisfying unmet medical needs and this is my personal motivation. Our strategy is to maintain and enhance the quality of the services we provide to our partners and of the products we offer to healthcare providers for their patients. For us, this is the key to success and growth.

See more interviews