Guillaume Seillier – General Director, Servier Algeria



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Guillaume Seillier, general director of Servier Algeria discusses recent changes in the affiliate, localization strategies, and Algeria's importance to Servier's regional and global operations.

Could you introduce the current face of Servier and the main changes and emerging trends over the last four years? Last time we spoke in 2014 there were plans to open a liaison office. How did that progress?

In 2014, because of the uncertainty about the way regulations would evolve we wanted to take some more time to make the best strategic decision and therefore put our efforts on our first priority: switching from importation to local production of our mature portfolio.

Back in 2014, we only had one product manufactured in Algeria; it was produced by our first CMO partner. We decided then to work with a second partner and we made good progress together since we have now three products manufactured locally. By 2019 we plan that 80 percent of our mature portfolio will be produced in Algeria; that includes one of our key anti-hypertensive which will be launched directly through local production.

Our priority is to reinforce our presence in the Algerian market through locally produced mature products and we would like to reach 100 percent local production by 2020. This shall be one of our major milestones in the coming years. As per today, we are proud to exceed the objective of the Ministry of Health which is to have 70 percent of production local.

How easy is it to localize in this way?

Moving from importation to production currently takes a minimum of two years for a given product. Yet we have developed skills and trained teams in order to accelerate this process of know-how transfer. It definitely requires investments but following localisation, you can finally become a real competitor in the market.

Contrary to finished product, we have never faced problems with importation programmes of API, since it is the strategy of the Ministry to support local production of medicines. The pressure which we used to face in 2014 on the importation of finished products is still the reality of 2018, therefore patients' access to innovative medicines is unfortunately often restricted.

What are your other priorities?

Now that our production process is on track, our priority is to consider our options regarding a possible change of legal entity. With our current status, we sell the API to the producer, and the producer sells the products. Thus, we are not in full control of the business, as some commercial aspects become the responsibility of our partners. In 2019 we will analyse the situation and think about which could be the best legal entity to create in order to further develop our interests in Algeria.

Our objective in the medium to long term is to set up an entity which will allow us to develop our activities in our 5 therapeutics areas [1] and better serve Algerian patients' needs.

We have observed other mid cap firms, investing heavily in their own in-house manufacturing. How far along the path are you of setting up your own production facility?

We are considering all possible options, yet we need to make sure that our business model in Algeria will be able support the research efforts and the vocation of the Group on the long run.

We have certainly a strong interest in continuing the building of sound operations in the country, because it is the second largest market in Africa. In addition, the healthcare coverage is one of the best in the continent, with an efficient patient coverage for medicines and treatments which covers

80 percent of the population.

How would you describe Algeria's strategic importance? There has been this mention of diversifying the geographic footprint, but as Africa only constitutes 6 percent of Servier's revenue, where does that place Algeria worldwide?

Algeria is of strategic importance to the Group in the region. It is the reason why we initiated a diversification of our geographic footprint through different partnerships with the local players. We were one of the first in the Group to enter into local partnerships and with 100 percent of our mature portfolio produced locally we will be something unique within Servier.

We are in the process of a consultation to propose an idea to both match with our priorities in this country and be acceptable in terms of investment and market footprint. This could be under the form of a JV or a partnership. There may be the option to follow the dual track strategy, with some of the portfolio distributed through a partner, and the rest produced at our own facility, analogous to other players' strategy. But it is too early to say more.

Importantly, we will try to find a legal entity, allowing us to produce and sell finished products, not only produce. By selling the finished product, we can act by ourselves on a commercial level, and manage 100 percent of the value chain. This will be critical in any future project.

You have mentioned some of your local partnerships. What determines the choice of local partner?

In 2012, there were few players matching with our quality requirements with whom we could partner. We began an auditing process, and the first of those audited that could match our requirements were signed between 2012 and 2014. At that time options were limited and it took us some time to enter into partnership. There are more options today, although there remain limitations. The auditing process is critical since we have many facilities claiming that they are ready for operations, but who will probably fail to deliver the required quality.

In which therapeutic areas are you seeking to expand?

We want to become a key player in the field of oncology in Algeria since it is a priority to both the Group and the government (through the national cancer plan).

Last year, we submitted an application for a first innovative cancer treatment, for patients with metastatic colorectal cancer. We believe that this treatment can help large number of patients because colorectal cancer is one of the most common types of cancer in the world, with an incidence of around 4,500 new patients every year in Algeria.

In addition, you have probably seen in the media the recent acquisition of Shire‘s oncology branch by Servier on 3first August 2018. This is not only an exciting step in the history of our Group, but also another demonstration of our commitment to take care of patients suffering from cancer. At this stage, this acquisition includes 2 products: ONCASPAR in the treatment of acute lymphoblastic leukaemia and ONIVYDE in the treatment of pancreatic cancer. These 2 products are not yet on the Algerian market. We will do our best to submit the dossiers as soon as we can so as to propose new treatment options to the Algerian patients.

How would you describe your relationships with the authorities?

We have pretty good respectful relationships with the authorities.

They see that we are increasing our efforts to produce locally and that other multinationals with a similar sized portfolio are not always implementing so fast these changes. They are aware that we always play by the spirit of the regulations and policies.

How are you performing in relation to your main competitors?

Year on year we are becoming a stronger player in particular in our 2 major therapeutic areas in Algeria, which are the treatment of diabetes and cardiovascular diseases.

We believe that we are also different from others, because in addition to our medical information activities, we have also driving a number of initiatives towards both the medical community and the patients.

As an example, we launched recently, in partnership with the Servier Institute, the first “Servier prize”. Its objective is to support a medicine research student in endocrinology – diabetology who is conducting a post-doc project. More particularly, we support the selected researcher with an

internship of 1 year in France in a lab connected with teaching hospital.

Another important initiative with the Servier Institute which we are currently developing is a training course for doctors in the underprivileged areas of southern Algeria. The objective here is to help them preventing, diagnosing, treating and managing the complications linked to the diabetes.

We develop also patients support programs which we disseminate nationwide to facilitate the communication between doctors and patients and help the patients to improve their lifestyle habits.

Looking forward, what are your aspirations for Servier in the next four years?

Our vision for Servier in Algeria is to keep providing innovative therapeutic solutions to Algerian patients. In the next four years we foresee a stronger Servier presence in Algeria with a full locally produced portfolio together with an innovative portfolio of oncology solutions for cancer patients.

[1] Cardiovascular, immune-inflammatory and neuropsychiatric diseases, cancer and diabetes, as well as by its activities in high-quality generic drugs. Servier also offers eHealth solutions beyond drug development.

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