Georg Schroeckenfuchs – President, Middle East & Head, MEA Cluster, Novartis



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Georg Schroeckenfuchs, Novartis' president for the Middle East and head of MEA cluster, is a 32-year veteran of the pharmaceutical industry and describes the company's footprint within the MEA region, provides insights into its strategy of segmenting their markets into three categories. Furthermore, he discusses the company's strategic priorities when entering the region and the innovative and attractive ecosystem the UAE has to offer.

What is the one thing or event that has struck you most since arriving in the UAE?

When I first arrived in the UAE, I immediately noticed there was a substantial difference with other regions regarding the innovation-friendly environment offered here. For example, we launched an innovative migraine treatment in 2018 which is an absolute game-changer. This development was recognized by the government, specifically the Ministry of Health. It is an investment in line with the UAE's vision to become an innovation hub for the healthcare industry in the region; the treatment was approved only two months after the FDA approval. That alone was a unique experience for me because it is a lengthy process in the majority of countries. In my 32-year long career, I have never experienced an environment quite like this one. Another example is the fact that the UAE government was the third worldwide to approve our gene therapy treatment for genetic blindness disease affecting children, a treatment that started in January 2020.

You came into the position in February 2018, what have your strategic priorities been since taking over the cluster?

Upon commencement of my assignment in the region, I immediately realized the potential of the market. The main priority was to position the company towards capitalizing on this market's potential by investing in the many untapped opportunities. To handle such a target, the market was segmented, thus clearly defining lines of responsibilities, which has given Novartis' associates the opportunity to develop and grow with the company.

In addition, it was fundamental to collaborate with the relevant bodies within country governments in order to share goals and commitment towards delivering innovative solutions specific to every country across the many therapeutic areas that Novartis covers.

Can you describe the importance of the Middle East and North Africa (MENA) as a cluster to Novartis, and how you organize the company to reflect on very different market realities?

The MENA region is key for Novartis because it currently produces USD 1.4 billion in sales for the company. Furthermore, we have a large footprint in the region with 3,000 employees, along with ten manufacturing sites across all of our divisions. In MENA, we separate our markets into three segments: the first encompasses the launch powerhouses which are innovation-friendly environments such as the UAE, Kuwait, Saudi Arabia, Lebanon and to a certain extent Egypt, where there is preferential and faster registration, even though it is also an out-of-pocket market. Considering Novartis boasts one of the richest drug pipelines across the industry, with approximately 44 products to be launched in the coming 10 years.

The second segment is based on established medicine, where healthcare systems are not as developed, and it can be a lengthy process to receive reimbursement. An example would be countries like Algeria. In these types of markets, we try and find new and innovative solutions for patients to create affordability as well as entry agreements in collaboration with the government.

The third and final segment is what we call the crisis markets, those that have sanctions or are in post-war situations. For these markets, our model is entirely different, as it requires us to take ethical responsibility into higher consideration. Subsequently, we provide the governments of these countries with the essential medicines they require.

Cardiovascular disease, diabetes, and oncology all top the medical needs within the region, which seems a perfect match with the company's portfolio. What are Novartis' key products within the region?

Indeed, that is one of the main reasons why Novartis has invested heavily in the Middle East. Key areas of focus for us are cardiometabolic syndrome, diabetes (which is linked to hypertension), heart failure, oncology diseases, as well as genetic diseases.

We are currently building gene technology hubs and already have one in Abu Dhabi and in Riyadh. In hypertension and diabetes, Novartis leads the pack. For heart failure we also launched an innovation that improved life expectancy by 40 percent a few years ago.

There has been a clear commitment from Novartis that at the core of all our activities is R&D. This is where Novartis has begun to heavily invest, and as aforementioned, in the next ten years, there will be 44 new innovations launched. Furthermore, the company has been investing heavily in gene technology and is now one of the leading organizations in both gene technology and gene cell therapy. It is from this point that we begin to move into individualized medicine, where there is a shift from helping patients to not only deal with their disease but curing them.

One of Novartis' ambitions is to increase the accessibility of medicinal treatments and reduce medicinal costs. How realistic is it and what operational margins does a global company such as Novartis have to achieve this?

Looking at the future of the pharmaceutical industry here, there is a tremendous change from pricing medicines to outcome-based solutions. The closer one moves to gene technology, outcome-based becomes more important as we move towards individualized medicine. This is where we have altered the pricing models for our treatment and healthcare solutions; many activities related to patient access and patient affordability programs may not be covered by insurance or only partially covered depending on patient's status. On the other hand, when considering gene technology and curing, there is a substantial layout in terms of cost at the very beginning, but there is also a positive contribution to society as the patient is cured rather than needing continued treatment.

What is Novartis doing beyond the pill for patients?

We have many programs, not only in the UAE but in many other countries across the region. This includes co-payment, pre-financing, micro-financing and so on. We are also developing additional services for our patients. For example, we found that management for heart failure patients could be improved. Therefore, we have been working in tandem with hospitals as well as clinics to better increase management for heart failure patients. Furthermore, we have advised on the creation of heart failure clinics and are involved in supporting the education of nurses. Our mission is to support activities which improve patient outcomes and create a more efficient healthcare system.

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