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Filipa Mota e Costa, General Manager, Janssen

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**AMPLIFIED CONTENT**

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Founder and CEO, Eurotrials, Portugal

**JORGE SEQUEIRA**
Country Manager, Cerner Portugal

**HENRIQUE MANUEL GIL MARTINS**
Chairman, SPMS, Portugal

**IN BRIEF**

@pharmaboardroom
Portugal’s Potential as a Pharma Testing Ground

Read the article

@pharmaboardroom
Digitalizing Healthcare: A Portuguese Success Story
#digitalization #digitalhealth #Portugal

Read the article

@pharmaboardroom
Portugal’s Minister of Health Adalberto Campos Fernandes details his three-tiered plan for national health @saude_pt #Portugal

Read the interview

@pharmaboardroom
Antonio Portela, CEO of #Bial, one of #Portugal’s leading #pharma companies, on market trends, internationalization and future patent challenges

Read the interview
LOCAL CONVERSATIONS
GLOBAL CONNECTIONS

We are present in more countries than anyone else.
We speak directly with healthcare leaders and pharmaceutical executives.
We are ready to share their insights and experiences with you.
As the President of the National Authority of Medicines and Health Products (Infarmed), I am proud to introduce this 2018 edition of the Portugal Healthcare and Life Sciences Review, which I consider to be an excellent opportunity to display the capabilities of the sector in the country as well as abroad.

Infarmed tasks itself with the careful supervision of medicines and health products across the value chain. We adhere to the highest standards of public health protection, ensuring the quality, efficacy, and safety of our healthcare products and technologies, and ensuring their access to citizens and health professionals. Infarmed is a fundamental driving force behind Portugal’s healthcare sector, and my objective as President is to guarantee that our values of quality, efficiency, innovation, compliance, and transparency become more deeply entrenched in our processes every day.

The Portuguese government responded with agility and poise to the crisis between 2010-2014 and ensured consistent access to medicine despite financial constraints. The role of generics within healthcare played a role in allowing twice as many patients to access drugs for vital therapeutic areas such as diabetes, depression and cardiovascular diseases. Simultaneously, Infarmed approved 60 innovative drugs in 2017, nine more than the previous year—showing positive signs for local and multinational innovators in the Portuguese pharmaceutical sphere.

Nevertheless, challenges lie ahead and Infarmed does not plan to rest on its laurels, especially when it comes to designing strategies that aim to simplify approval processes without compromising on standards. As with many EU nations, we face an aging population and must facilitate an evolution to meet this surge in consumption for healthcare products. In this endeavor, nurturing Infarmed relationships across the local and international value chains will serve as a critical success factor, and we will continue to favor an approach utilizing scientific knowledge in the field of pharmacoconomics to improve the information provided to decision makers.

Overall, Portugal is not only strengthening its positioning as one of the most attractive and future-focused pharmaceutical and healthcare markets in Europe; our country also demonstrates genuine leadership in maintaining, an affordable, accessible and safe healthcare environment that consistently invests in new healthcare centers and areas of academia exploration. Collaboration amongst stakeholders from start-ups to industry to academia, and the integration of innovative digital technologies into the healthcare system will pave the way for Portuguese pharmaceutical progression.

As President of the Infarmed, I invite you and the international community at large to take a look at the exciting developments that the healthcare and life sciences industries in Portugal are making through this in-depth report.

Sincerely,

Maria do Céu Machado,
President, Infarmed
Preface

Portugal, home to Europe’s westernmost point, has navigated its way out of economic crisis and achieved its healthiest GDP growth in a decade in 2017. In parallel to this macroeconomic revival, serious investment in healthcare is back on the Portuguese political agenda, with healthcare spending rising to 8.9 percent of GDP.

Furthermore, multinational companies – many of which ditched their Portuguese affiliates in favour of managing pan-Iberian operations from neighboring Spain during the crisis – are increasingly seeing the USD 3.4 billion Portuguese market as a worthwhile bet. Portugal, for example, holds significant potential for hosting clinical trials and for testing new treatments before rolling them out to other, larger developed European markets.

The crisis saw the Portuguese market move away from being brand-oriented to become more open to non-originator drugs; a boon for generics companies. However, Portugal has not become closed to innovation; indeed, the country approved more new treatments between 2015 and 2017 than in the previous five years combined, although a market access maze, beset with delays, still awaits companies attempting to launch innovative treatments in Portugal.

Through the insights of politicians, regulators, association heads, multinational affiliate managers, local entrepreneurs and key opinion leaders, this report also explores Portugal’s enthusiastic uptake of digitalization and e-health initiatives, the wealth of talent available in the country, its burgeoning biotech scene, as well as its rapidly growing medical tourism sector. 🌟
PORTUGAL FACTSHEET

- **POPULATION:** 10.8 MILLION
- **CAPITAL:** LISBON
- **AREA:** 92,090 KM²
- **CURRENCY:** EURO
- **GDP (PPP):** USD 311.3 BILLION (2017)
- **GDP PER CAPITA (PPP):** USD 30,300 (2017)

REAL GDP IN PORTUGAL AND GREECE (2000-2017)

Source: Financial Times; Eurostat


Source: Financial Times; Eurostat
### TOP 20 PHARMA COMPANIES IN PORTUGAL (MAT MARCH 2018)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Sales (EUR)</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MSD</td>
<td>147,595,183</td>
<td>5.4%</td>
</tr>
<tr>
<td>2</td>
<td>MYLAN</td>
<td>127,228,600</td>
<td>4.6%</td>
</tr>
<tr>
<td>3</td>
<td>BAYER</td>
<td>118,775,655</td>
<td>4.3%</td>
</tr>
<tr>
<td>4</td>
<td>TEVA</td>
<td>117,285,083</td>
<td>4.3%</td>
</tr>
<tr>
<td>5</td>
<td>SANOFI</td>
<td>108,858,316</td>
<td>4.0%</td>
</tr>
<tr>
<td>6</td>
<td>ASTRAZENECA</td>
<td>108,800,505</td>
<td>4.0%</td>
</tr>
<tr>
<td>7</td>
<td>NOVARTIS FARMA</td>
<td>101,374,831</td>
<td>3.7%</td>
</tr>
<tr>
<td>8</td>
<td>GLAXOSMITHKLINE</td>
<td>97,455,921</td>
<td>3.5%</td>
</tr>
<tr>
<td>9</td>
<td>GENERIS</td>
<td>86,725,237</td>
<td>3.2%</td>
</tr>
<tr>
<td>10</td>
<td>BIAL</td>
<td>86,386,754</td>
<td>3.1%</td>
</tr>
<tr>
<td>11</td>
<td>BOEHRINGER INGELHEIM</td>
<td>76,250,736</td>
<td>2.8%</td>
</tr>
<tr>
<td>12</td>
<td>SERVIER</td>
<td>72,947,198</td>
<td>2.7%</td>
</tr>
<tr>
<td>13</td>
<td>MERCK SA</td>
<td>63,006,792</td>
<td>2.3%</td>
</tr>
<tr>
<td>14</td>
<td>PFIZER</td>
<td>60,400,406</td>
<td>2.2%</td>
</tr>
<tr>
<td>15</td>
<td>TECNIGEN</td>
<td>55,015,031</td>
<td>2.0%</td>
</tr>
<tr>
<td>16</td>
<td>JABA RECORDATI</td>
<td>48,761,334</td>
<td>1.8%</td>
</tr>
<tr>
<td>17</td>
<td>MENARINI</td>
<td>48,554,457</td>
<td>1.8%</td>
</tr>
<tr>
<td>18</td>
<td>GSK CONSUMER HEALTHCARE</td>
<td>48,130,550</td>
<td>1.7%</td>
</tr>
<tr>
<td>19</td>
<td>JANSSEN</td>
<td>44,586,362</td>
<td>1.6%</td>
</tr>
<tr>
<td>20</td>
<td>MEDINFAR</td>
<td>44,186,190</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Source: Health Market Research (HMR)

### GENERICS MARKET SHARE (2010-2016)

<table>
<thead>
<tr>
<th>Year</th>
<th>Share in market value</th>
<th>Share in units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>23.9%</td>
<td>31.4%</td>
</tr>
<tr>
<td>2011</td>
<td>23.0%</td>
<td>36.2%</td>
</tr>
<tr>
<td>2012</td>
<td>21.0%</td>
<td>41.2%</td>
</tr>
<tr>
<td>2013</td>
<td>22.8%</td>
<td>44.7%</td>
</tr>
<tr>
<td>2014</td>
<td>24.1%</td>
<td>46.5%</td>
</tr>
<tr>
<td>2015</td>
<td>24.3%</td>
<td>47.0%</td>
</tr>
<tr>
<td>2016</td>
<td>24.6%</td>
<td>47.3%</td>
</tr>
</tbody>
</table>

Source: WHO Health System Review; Infarmed; IP

### AVERAGE MEDICINE PRICES IN PORTUGAL (2003-2017)

Source: WHO Health System Review; Infarmed; IP
SNAPSHOT IN FIGURES
Healthcare Expenditure

TOTAL HEALTH EXPENDITURE AS A PERCENTAGE OF GDP

Source: Health System Review Portugal; OECD Health statistics. Current expenditure on health (all functions). Government schemes and compulsory contributory health care financing schemes. All providers. (dataset 5.1 Health Expenditure).

PUBLIC HEALTH EXPENDITURE AS A PERCENTAGE OF GDP

Source: Health System Review Portugal; OECD Health statistics. Current expenditure on health (all functions). Government schemes and compulsory contributory health care financing schemes. All providers. (dataset 5.1 Health Expenditure).

NHS MARKET OUT OF POCKET EXPENDITURE (2003-2016)

Source: Health System Review Portugal; INFARMED (2016)
**LIFE EXPECTANCY IN EUROPE BY COUNTRY**

<table>
<thead>
<tr>
<th>Country</th>
<th>Life Expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCE</td>
<td>83</td>
</tr>
<tr>
<td>ICELAND</td>
<td>83</td>
</tr>
<tr>
<td>ITALY</td>
<td>83</td>
</tr>
<tr>
<td>SPAIN</td>
<td>83</td>
</tr>
<tr>
<td>SWEDEN</td>
<td>83</td>
</tr>
<tr>
<td>SWITZERLAND</td>
<td>83</td>
</tr>
<tr>
<td>AUSTRIA</td>
<td>82</td>
</tr>
<tr>
<td>GREECE</td>
<td>82</td>
</tr>
<tr>
<td>IRELAND</td>
<td>82</td>
</tr>
<tr>
<td>LIECHTENSTEIN</td>
<td>82</td>
</tr>
<tr>
<td>LUXEMBOURG</td>
<td>82</td>
</tr>
<tr>
<td>MALTA</td>
<td>82</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td>82</td>
</tr>
<tr>
<td>NORWAY</td>
<td>82</td>
</tr>
<tr>
<td>PORTUGAL</td>
<td>82</td>
</tr>
<tr>
<td>UK</td>
<td>82</td>
</tr>
<tr>
<td>BELGIUM</td>
<td>81</td>
</tr>
<tr>
<td>DENMARK</td>
<td>81</td>
</tr>
<tr>
<td>FINLAND</td>
<td>81</td>
</tr>
<tr>
<td>GERMANY</td>
<td>81</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>81</td>
</tr>
<tr>
<td>CYPRUS</td>
<td>80</td>
</tr>
<tr>
<td>CZECH REPUBLIC</td>
<td>79</td>
</tr>
<tr>
<td>POLAND</td>
<td>78</td>
</tr>
<tr>
<td>BOSNIA AND HERZEGOVINA</td>
<td>77</td>
</tr>
<tr>
<td>CROATIA</td>
<td>77</td>
</tr>
<tr>
<td>ESTONIA</td>
<td>77</td>
</tr>
<tr>
<td>MONTENEGRO</td>
<td>77</td>
</tr>
<tr>
<td>SLOVAKIA</td>
<td>77</td>
</tr>
<tr>
<td>HUNGARY</td>
<td>76</td>
</tr>
<tr>
<td>MACEDONIA</td>
<td>76</td>
</tr>
<tr>
<td>BULGARIA</td>
<td>75</td>
</tr>
<tr>
<td>LITHUANIA</td>
<td>75</td>
</tr>
<tr>
<td>ROMANIA</td>
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<tr>
<td>SERBIA</td>
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<tr>
<td>TURKEY</td>
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<tr>
<td>BELARUS</td>
<td>74</td>
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<tr>
<td>LATVIA</td>
<td>74</td>
</tr>
<tr>
<td>ALBANIA</td>
<td>72</td>
</tr>
<tr>
<td>KAZAKHSTAN</td>
<td>72</td>
</tr>
<tr>
<td>REPUBLIC OF MOLDOVA</td>
<td>71</td>
</tr>
<tr>
<td>RUSSIAN FEDERATION</td>
<td>71</td>
</tr>
<tr>
<td>UKRAINE</td>
<td>71</td>
</tr>
</tbody>
</table>

Source: World Bank 2015

**NUMBER OF HOSPITAL BEDS IN PORTUGAL**

- **Total**: 37,162
- **Public hospitals**: 28,733
- **Private hospitals**: 8,429

Source: Health System Review Portugal

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Public hospitals</th>
<th>Private hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>40,000</td>
<td>28,733</td>
<td>11,267</td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td>27,600</td>
<td>10,474</td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td>26,800</td>
<td>10,474</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>26,100</td>
<td>10,474</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td>25,400</td>
<td>10,474</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td>24,600</td>
<td>10,474</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td>23,800</td>
<td>10,474</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>23,000</td>
<td>10,474</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>22,200</td>
<td>10,474</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>21,400</td>
<td>10,474</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>20,600</td>
<td>10,474</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>19,800</td>
<td>10,474</td>
</tr>
</tbody>
</table>

Source: www.pharmaboardroom.com
Portugal’s Minister of Health, Adalberto Campos Fernandes, details his three-tiered plan for national health in Portugal. He explains that empowering citizens, transforming the sector digitally and ensuring that the proximity of care is readily available to the entire nation are vital elements to combatting pressing problems concerning debt, an aging population, and risks of modern lifestyles.

**HCLS:** What are the significant reforms you have implemented and how have they changed the face of healthcare in Portugal?

**ADALBERTO CAMPOS FERNANDES (ACF):** From 2011 to 2013 we benefited from international and external assistance from financial programs to assist the economy’s regrowth. Portugal had suffered a lot due to external and internal constraints, and following this challenging time, our foremost goal was to recover, to stabilize the economy and rebalance financial accounts. I am delighted to announce that this is now a reality in Portugal. We are performing favorably; we see remarkable GDP growth, low rates of unemployment and enjoy a more stable budget.

We can now turn our gaze towards refining social cohesion and implementing reforms which will directly impact equality. To this end, by improving accessibility to the system and ensuring that all people have the same high-quality access to healthcare, we will reduce the gap between well-off and less economically advantaged residents. This equality dilemma is prevalent in Europe whereby less financially developed areas cannot access the same level of healthcare available in wealthier areas.

The primary objective is to ensure there are no economic barriers to success and to improve the levels of performance across the entire system. We want to build on the level of activity, the number of surgeries, surgeons, constellations, and coverage provided by family doctors. Since 2015, we have integrated more than 7,000 professionals, comprising doctors, nurses and other healthcare professionals. Policies target primary care services, where we see more family doctors and family care units, and to improve the performance of hospitals especially in reinforcing long-term healthcare assistance. We now have more beds in long-term facilities for example, but we have a lot of work to do in the face of future problems.

**HCLS:** What projects do you have in the pipeline for 2018?

**ACF:** This year we would like to reinforce our human resources network while bringing into focus the digital transformation of the healthcare system. 21st March marks the eHealth summit in Lisbon, which will be an intriguing demonstration of modernization and digitization. Off the back of these changes, we will speak with the President of Infarmed, the Portuguese Medicines Agency, to improve access to innovative medicines.
The National Health Plan accurately lays out our intention to promote health through disease prevention and consists of three pillars: the new ambition of public health, healthcare’s digital transformation and the literacy and empowerment of citizens regarding their health status.

As part of this program, we will increase investment into public health which was historically as little as two percent. We will prioritize dentists, ancillary tests and other professions including rehabilitation assistance. These improvements represent a new approach concerning the empowerment of people and their ways of life and their attitude towards healthcare.

**HCLS:** Apipharma’s recent report showed that public hospitals across Portugal are in over 951 million Euros worth of debt. What steps are you taking to tackle the public debt issue in Portugal?

**ACF:** Financing conditions are currently not in line with innovation strategies which inevitably causes debt to rise. We aim to stop this harmful cycle and to develop a structure that will align Portugal with the European directives of payments to our providers. We are confident that until the end of this legislative session next year, we will experience the best debt management performance that Portugal has ever had, impacting the healthcare and pharmaceutical industry.

Recently, we allocated 20 million euros over a three-year period—a considerable sum of money—to an innovative agency devoted to investigations into clinical and biomedical fields. The Biomedical Agency, coming to Porto very soon, is backed by public funds and includes the cooperation of the Portuguese Association for the Pharmaceutical Industry and the Portuguese Health Cluster. The effort will reinforce clinical and biomedical investigations across the nation.

**HCLS:** How would you describe the relationship between government and pharmaceutical companies?

**ACF:** We have a good understanding of pharmaceutical companies, despite our differing motivations. As a government, we have to serve the people in the global context while balancing the budget, all the while fully aware of our market size and population. We are obliged to balance the needs of the country; we have transport, education and science sectors that are all important. Nonetheless, we enjoy good dialogue with pharmaceutical companies, they are cooperative, and both parties strive to reach innovative solutions to shared needs.

Pharmaceutical companies want to sell the best and most helpful drugs they have, and we in government want our citizens to have access to the best innovations available. We face similar concerns across Europe regarding the limitation of resources, but the desire to provide the best healthcare possible is present and encourages good dialogue between both parties.

**HCLS:** Do you have a final message for our international readers?

**ACF:** I am a huge advocate for digital transformation and the positive impact it can bring to healthcare. The key to a successful healthcare evolution is to transform all of these progressions in science into common language. We must fight against the darkness of ignorance and anti-culture by ensuring that people are well informed of changes in healthcare to ensure a healthier Portugal. 😊
Ana Teresa Lehmann unravels the reasons why Portugal is such an exciting investment destination and invites readers to engage in the changing tech landscape in Portugal. Since July 2017, her goal has been to promote the entrepreneurial ecosystem and to influence an industrial revival via the digitization of industry that could land Portugal back on the global manufacturing map.

**HCLS:** What are your current priorities?

**ANA TERESA LEHMANN (ATL):** We work on two main fronts, firstly with industry—in the Anglo-Saxon sense of the word—meaning manufacturing and technologies related to relevant services. We promote innovation and look to modernize and digitize all industrial sectors while ensuring that Portuguese manufacturing capabilities, for which we are well-known across Europe, continue to produce volume at high quality. We work both with established industries (where we disseminate practices and technologies that align their techniques with modern day methods) and with emerging sectors – exploring also the convergence of both. For all this we have a flagship program, the Industry 4.0 initiative, with several measures that go from professional training to the setup of world-class digital innovation hubs.

Our second front involves entrepreneurship and start-ups, where we seek to create a robust business ecosystem. We are implementing a vast array of measures with the following three axes/foci: Ecosystem, Funding and Internationalization. At all stages of the life of a start-up and of a scale-up, from Incubation Vouchers to venture capital co-investment funds.

**HCLS:** What is significance of life sciences?

**ATL:** For the life sciences sector, it is crucial. Life sciences are the most significant producer of science in Portugal: the scientific output of the sector is truly impressive. What we need to do now is to bring more to the market, and the cluster approach intends to communicate the value of these discoveries and bring these items into the market view so that innovations do not go undiscovered. The cluster approach is an exciting example that is working well in healthcare, and it is gradually being spread to other industries.

**HCLS:** What examples of innovation do you see in life sciences?

**ATL:** Firstly, it is not possible to innovate in life sciences without bringing together the different realities of local players and international players (hospitals, universities, large and small companies, laboratories, etc.) so that dialogue is comprehensive.

A very relevant emerging area is, for instance and among others, the one that brings together digital and health. In Porto, Portugal’s second city, we have the only subsidiary of Fraunhofer Gesellschaft, the largest research institution in Europe. An example: they combine digital
technologies and healthcare knowledge to improve quality of life in the ageing population—a very pressing healthcare problem and also a huge opportunity. In Braga, Startup Braga is promoting medtech as an area of focus for startups.

Porto is a hub for comprehensive cancer research, among other domains; and is the home for I3S which is one of the largest institutions of its kind in Europe. For example, this institute develops world-class research in domains like pancreatic and stomach cancer, to mention just a few areas. We have also the Champalimaud Foundation in Lisbon, and 3Bs in Guimarães (bio-tissues and regenerative medicine). Indeed, across Portugal, there are several companies and institutions in which the research done is among the most advanced internationally, and clearly in some areas Portugal is leading the way regarding marrying different industries whereby individual areas and sectors interact and learn from one another.

HCLS: Have these initiatives impacted foreign direct investment?

ATL: We see an increase in foreign direct investment due to several reasons. Primarily, the fantastic talent pool, which is chiefly thanks to the quality of our universities and education system whereby new graduates have excellent English skills and are ready for the digital economy. Secondary to our human resources is the visionary approach our research centers employ regarding cross-pollinating different technologies. New materials, digitization, Big Data—these are not future trends—they are happening now, and our research centers seek to combine each industry’s working parts to enable a more fluid crossover of ideas. Among several other reasons (competitive costs, safety, quality of life) that make Portugal’s value proposition for investors hard to beat in many cases.

HCLS: What else characterizes Portugal as an investment destination?

ATL: Portugal is very competitive in a number of different ways, but our key selling point is our talent. Nowadys, the bulk of the projects that we have received in Portugal have been off the back of our outstanding human resources. We know as a nation that we have to compete in quality given the size of our economy and country; this is the same for technology industries as for agro-industry, textiles, footwear, pharmaceuticals, etc.

We have left behind the siloed-approach, and we are now cross-pollinating industries and reaping the benefits of this intense cooperation. We are stimulating innovation and that findings are shared, contributing to a holistic view on the convergence of technologies. The health sector provides a wonderful example of such convergence, because in Portugal we have solutions from bionic hands, to bones made from new materials, synthetic tissues, etc.

This offers an exciting value proposition to investors. Investors can see promising talent found in universities and research centers, and can take advantage of employing them in exciting future-focused projects.

HCLS: Portugal is now back to growth following an uncertain period. However, Portugal is still one of the most debt-ridden countries in Europe, especially in healthcare. What is your take on this matter?

ATL: To offer a balanced view, we suffered the crisis like many other European countries, but we rode it out and resurfaced with fresh ideas. Our industrial sectors are now showing positive growth and good indicators for the future. We now have the highest growth in GDP of the last 17 years—the fastest growth of the current century.

We are, of course, tremendously proud our National Health Service (SNS), which is recognized worldwide as a benchmark. However, there is a cost involved with having one of the best health systems in Europe which is a social choice. This choice gives a level of dignity to our population which is remarkable. We implement more and more efficient and necessary practices into the system, and the government has been doing an essential job in adopting responsible budgetary policies. Our hospital sector is crucial to innovation, along with medical schools and private sector companies for which I am very proud.

"We suffered the crisis like many other European countries, but we rode it out and resurfaced with fresh ideas."
SHOULD I STAY OR SHOULD I PORTUGAL?

At least 15 pharmaceutical multinationals listed in the Top 100 companies have withdrawn from Portugal to establish Iberian headquarters across the border in Madrid, Spain. The steady drip of MNCs across the border to Europe’s third biggest city, from Europe’s tenth biggest, began following the 2011 crisis, and continued because of challenges in medicine approval, as highlighted in the cover story. The term ‘Iberianisation’ has been coined to describe the concept, which for Jaba Recordati’s Nelson Pires is “a serious risk which undermines the relevance of the Portuguese market for European affiliates.” He goes on: “Each decision maker that moves away from the country to Spain to costs, as is the case with many pharmaceutical companies recently, then Portugal loses out on investment and the added value that running an affiliate brings to a country.”

The trend continues into 2018, with Ferring Pharmaceuticals the latest large company to concentrate leadership positions in Madrid. For Almirall, a pharmaceutical company with roots in Spain, it would seem more logical to have a stronger more consolidated headquarters for Iberia run from Spain. However, experienced general manager, and Portuguese local, Rui Santos understands the importance of the Portuguese operation: “The Portuguese affiliate is very important to Almirall global operations being one the first affiliates of the company (since 1993). We also returned to growth and experienced a revival in 2015, and rode out the difficult times during the recession.” For Almirall, although there were doubts, maintaining a presence to serve the 10 million Portuguese was the right decision.

Curiously, for every affiliate that withdraws to Spain, an international player sees the opportunity to make it in Portugal. A Spaniard, Mundipharma’s Salvador Lopez, saw the opportunity to create a Portuguese affiliate in 2015 when based in the Madrid office. He comments: “Portugal is a country that values a local presence, and the investments companies make within the geographical borders.” Sanofi’s new general manager, Francisco del Val, is a fellow Madrileño. Del Val agrees that “The market in Portugal is not dissimilar from other Southern European countries and from my experience we can bring lessons from Spain and apply them to Portugal.”

Portugal is a country that values a local presence, and the investments companies make within the geographical borders.

— Francisco del Val, Sanofi

Finally, Alicia Folgueira Lopez, general manager of Spain and Portugal for Alnylam, who was “the first employee for Spain and Portugal”, comments that “Having eyes on both markets does render the affiliate more efficient, and regarding synergies, we can use the expertise of key opinion leaders and experts on both sides to help develop our strategy.” By splitting her time effectively between Spain and Portugal, best practices and collaboration from each country can be shared and learned. ☝️
NEW FRONTIERS IN AFRICA

Despite maintaining affiliate status, Jaba Recordati Portugal has managed operations in the Portuguese-speaking African countries (PALOPs) since 2011, and more recently, the company’s charismatic senior manager Nelson Pires opened an affiliate in Nigeria. Now general manager for Portugal, the UK, and Ireland, Pires explains how he tackles developing markets across the world.

It is extremely rare for affiliates of multinational companies to be concerned with managing affiliate operations across the world, yet for Jaba Recordati, this has been the status quo for over seven years. Given cultural and historical ties as well as a shared language, entering PALOPs countries is the natural stepping stone from Portugal, but Nelson Pires saw the opportunity to start something even further afield. He comments that teeing up the original idea for creating affiliates across the world was straightforward: “Initially, the creation of the Nigerian affiliate came off the back of a conversation with the former COO (actual CEO), Andrea Recordati, with whom I had a good and trusting relationship. At first, he did not believe that I would be successful in my endeavor and was incredulous! However, he trusted me and allowed me to test out my entrepreneurial abilities in Angola.”

Following successes across the Saharan region, Pires pitched the idea to the board once more, implying that he should carry the torch, and be the first adventurer into the West African country; “Given my management style, which is firmly cemented in leading by example, I was the first person to visit Nigeria, pitching pharmacies, producers, and stakeholders in Nigeria.” He goes on “I like to go to new places and get a real sense of the place, negotiating with pharmacists and wholesalers, because in these economies, reading online and learning of companies in newspapers, for instance, is not enough—you must see first-hand the detail and to see if that will complement your operations.” Jaba is currently looking for local partnerships on the ground and are in the process of finalizing registrations.

The critical success factor in being able to achieve such expeditions is having a solid, highly autonomous team at home that is inherently proactive. Nelson explains that “I can go away for a short period to develop new ventures because I have a fantastic team keeping the ship in order at home in Portugal; the business carries on, and I am lucky to have such an excellent team comprised of people who are very senior and often promoted internally.” He goes on to comment that on the whole, Portugal “has excellent human resources coming through, and the new generation is quite prepared. I read recently that we have the second country in Europe with MOST PhDs in Europe.” Despite the bureaucratic nature of the economy and the relative small size of Portugal, it is an excellent base of operations—and as Nelson explains: with a strong workforce harnessing a creative outlook, “it is possible to set up a company in 24 hours here, from scratch!”

NELSON PIRES
CEO, JABA RECORDATI
COMING OF AGE

Filipe Assoreira and José Albuquerque, two heavyweights in Portuguese biotech and respectively president and secretary-general of P-Bio, the Portuguese biotech association, discuss Portugal’s coming of age in specialization and as a biotech investment destination.

HCLS: What have been the main aims and milestones of P-Bio in recent years?

FILIPE ASSOREIRA (FA): P-Bio is the Portuguese biotech association established almost 20 years ago and since then our goal has been to encourage companies to make the transition into the private sector and into the market. We see ourselves as the liaison of a project, as we are there right at the beginning of the development process. One of our key missions is to provide full access to information such as financing and initial ideas to build a strong company, working as the facilitator between the company and the external world.

From a study we did at the end of 2016, we gained an excellent insight into the characteristics of the Portuguese biotechnology market. What we found was that in this small sector, and in comparison to our neighboring countries, there is a message of hope! Despite the financial crisis we have had all over Europe, we continue to have the same positive pattern showing that this sector is moving forward. Something else that is also interesting is the quality and qualification of human resources working in this industry, with 80 percent having a...
degree or higher, which is extremely impressive. We do not know how this will translate for the future, but it is showing how this sector in Portugal is immune to crisis and we want to see the pursuit of investment in the biotechnology sector in Portugal and the support for our kind of initiative. Another important aspect that came out of the study is the relative high weight on the number of biotech patents that are registered in Portugal (ranked in top 4).

**HCLS:** Why should companies invest in this sector in Portugal?

**JA:** Some centers are recognized as centers of excellence in life science research and biotech, most recognized around the world. We have good practices and world-class talent; the infrastructure is there, and the government knows the importance of innovation, and the link between this and to sustaining economic growth. Investors need to take a good look at Portugal in terms of what we have now and what we have the potential for, mainly economic growth through innovation.

**FA:** We have world class science, world class infrastructure and very well-prepared talent. Companies need to look at the Portuguese system and explore the fact that they will get the best value for money here with a plus on the very nice people and a beautiful country.

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**BIOTECH EMPLOYMENT GROWTH IN PORTUGAL AND EUROPE (2006-2014)**

Source: P-Bio

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Portugal experienced the best economic growth in a decade in 2017, up 1.2 percent on the previous year to 2.9 percent, and the Bank of Portugal reports 2018 will see 2.8 percent growth. Adalberto Campos Fernandes, the minister of health, comments “We are performing favorably; we see remarkable GDP growth, low rates of unemployment and enjoy a more stable budget (…) These steps forward contrast sharply with the difficult period between 2011-2014.”

Further evidence of an economic revival includes healthcare spending growing to 8.9 percent of GDP—which lags behind more developed EU economies such as France and Switzerland but aligns closely with Northern Europe and Scandinavia. Manuel Heitor, the minister of science and technology, explains that the entire life sciences sector stands to benefit, and a change in strategy will drive progress in science. “Portugal has since diverged from the European averages to show an increase in R&D and innovation. The official data is clear; public expenditure in R&D increased by EUR 40 million (USD 46 million) last year, and private spending increased by EUR 90 million (USD 105 million).” Critics explain that the resurgence is primarily due to continued favorable international investment conditions, whereby fiscal incentives, a highly skilled talent pool and a good quality of life have attracted foreign investment and increased private sector consumption.
PHARMA FOOTS THE BILL

While Portugal exited its bailout programme in May 2014 without the need for a new financial package, government austerity measures curbed pharmaceutical reimbursement, and pharmaceutical companies made a display of solidarity. The executive director of APIFARMA, the Portuguese industry association for innovative medicine companies, Heitor Costa, explains how pharmaceutical companies collaborated with the government by agreeing to a market cap, and they now intend to regain their former position: “Following the crisis, Troika’s restrictions sought to downsize the market. However, since Portugal exited Troika, we no longer battle with these measures. The testament to our long history of cooperation with government and stakeholders was made clear in 2016, upon signing on an agreement that no longer features a cap. The agreement established rational market developments, and as such, we pay a contribution to the system’s sustainability – similar to a tax – and for the past two years, we have seen steady growth.”

Nonetheless, following the crisis, several companies found managing an affiliate in Lisbon a Sisyphean task in the face of the government’s decision to cut pharmaceutical costs. Of the Top 100 pharmaceutical companies in Portugal, over 15 pharma MNCs have effectively withdrawn from Portugal to establish Iberian
headquarters across the border in Madrid, Spain. Nelson Pires, general manager for Portugal, the UK, and Ireland at Jaba Recordati, explains “the ‘Iberianization’ of Portugal is a serious risk which undermines the relevance of the Portuguese market for European affiliates.” Salvador Lopez, general manager of Mundipharma, comments that “In 2014, Mundipharma confronted a challenging market that had been heavily impacted by the Troika economic crisis; the healthcare system, in particular, faced many constraints.”

Numerous commentators agree that Portugal’s economic revival is yet to impact the pharmaceutical industry. Antonio Leão, general manager for Lilly, acknowledges that although the outlook is promising, there is still much to be done. “The total market is worth roughly EUR 2.9 billion (USD 3.4 billion), and if we look back to the crisis period, the retail market was severely hit and lost approximately a third of its total value. Only now is it starting to regain some of what has been lost.”

THE TROIKA EFFECT

The brunt of this economic impact was not confined to the pharmaceutical sphere; from medical devices to contract research organizations (CROs), the Troika intervention sparked a chain reaction of challenges across healthcare. Antonio Cabral, general manager of Medicinalia Cormedica, the most significant

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Portugal experienced cuts of around 30 percent. However, the country is now recovering strongly, and the healthcare budget is beginning to grow. Unfortunately, this success is not enough, and there is a consensus among many politicians who believe that the amount of money allocated to healthcare needs to increase.” The debate continues as pharmaceutical companies wait with baited breath to reap the rewards of their collaborative efforts from 2011 to 2015. Although an economic revival is underway, there is a long way to go before the pharmaceutical landscape will realize the benefit. In the meantime, Antonio Portela, the third generation of the Portela family to manage Portugal’s leading pharmaceutical company, Bial, argues that the onus is on pharmaceutical companies to take the initiative and drive change: “We, as an industry, must attract venture capitalists to consider Portugal, but they will only do that if market conditions are attractive: if prices, timelines, and payments are competitive on the European standing.”

While Portugal experiences a revival, challenges to the pharmaceutical industry take on many forms, from a chronically underfunded healthcare system to a rise in generic penetration, to tackling more market access hurdles than many other Mediterranean countries could handle. As Filipa Costa, country manager from Janssen comments, “If we consider the portfolio, the European medicines are generally made available in Portugal, although sadly there is a considerable delay in market access relative to other European countries. The time taken from EMA approval to access in Portugal, (granted by INFARMED), to hospitals (which have their autonomous procedures), is closer to the two-year mark than the legislated 200 days.”
Aurobindo in 2017 conveys, “The generics and biosimilars role in the healthcare system is vital: if we want to treat more patients with better value-added medicines, we have to economize in other areas. Generics create the necessary room to have money for investments in new and innovative products.”

João Madeira, the experienced country manager for Mylan, comments “Portugal lacks the resources to treat as many patients as needed in the right timeframe and with the right product, so we need to make more efficient use of the available resources.” In essence, prioritizing the generic medicine over the innovator following patent expiration saves money for the healthcare system. Mario Madeira, from a rival generic-innovator hybrid company, Teva, agrees that “The generics strategy paves the way for access to affordable medicines...”
for healthcare professionals and patients.” The strategy for rising generic penetration must stay the course, however, because as Madeira continues: “If we open room for doubt, we will never eradicate the stigma that still purveys in some regions of the market that says that ‘generics are not as good as branded medicines.’ Although the mindset has evolved, and it is far away from a total misunderstanding, today Portuguese people embrace generics, and the uptake is faster than it used to be. Today, we can confidently say that most Portuguese patients are treated with a generic medicine.”

Now with almost 50 percent market share, generics are one of the cornerstones of the Portuguese pharmaceutical market’s development. According to APIFARMA’s Costa, given the nature of the healthcare system, “The more generics present in the market; the more innovations have room to develop,” especially because greater generic medicine usage frees up resources to be spent on reimbursement. There is one important caveat:

The Portuguese Flagbearers

For local companies, the trick is to keep things simple in the face of numerous challenges and at times, high levels of bureaucracy. At Basi laboratories, a local success story led by Joaquim Matos Chaves, he often jokes that “I spend half my time insisting that people do not complicate procedures in Europe; if we keep things simple and focus on the vision of the product, then success is far more likely.” Basi Laboratories recently received a EUR 40 million (USD 47 million) investment as part of Horizon 2020, which looks to “increase production output from four million units to roughly 100 million. For a small company, this is a vast increase in production.” Indeed, Matos Chaves’s ambitious vision is “to bring product manufacturing in line with prices in Indo-China.” Intrinsic to this vision is an internationalization trajectory that expands from PALOPs countries (the group of Portuguese-speaking African countries), to as far afield as “the CIS, the Middle East, and French-speaking African countries.” Sérgio Luciano, CEO for local diagnostics company, Quilaban, explains the usual route for ambitious Portuguese companies “our international expansion started by the African Portuguese speaking countries, namely into Angola and later on into Mozambique, Cape Verde and Guinea Bissau, given the convenience of shared language.”

Bial exemplifies the need for Portuguese companies to create scale. Portela has “in the past five years, switched turnover from 70 percent domestic, 30 percent international to 70 percent worldwide, 30 percent Portugal.” Bluepharma, a rival manufacturing company based in Coimbra, (Portugal’s third city after Lisbon and Porto), also has plans to expand, as Paulo Barradas Rebelo, CEO looks to invest 15 million into a new industrial unit. “Our business in Portugal is small but important because this is where we see our portfolio app and flow and where we can train and learn new businesses before exporting to larger markets.” There are opportunities to be had in Portugal, but the critical mark of a local company’s success is international expansion.

For Basi, who has just received “the most significant investment that the pharmaceutical industry in Portugal has seen in recent years, and we are the first mid-cap sized Portuguese company to receive funding from EIB,” international expansion and “being one of the reference manufacturers of choice in Europe,” is an attainable goal.
THE TRICK IS TO STRIKE A BALANCE BETWEEN INNOVATION, BIOSIMILARS (OR GENERICS), AND TO COLLABORATE WITH THE GOVERNMENT — RJ Lasek TAKEDA

“The golden rule with regards to generics is that we must respect patents and intellectual property; this is a non-negotiable red line for APIFARMA. If intellectual property rights are respected, then we allow room for innovation which is crucial to the healthcare system’s success.”

FREEING UP FUNDING FOR INNOVATION?

For Jaba Recordati’s Pires, the solution is to “have a foot in both camps; generics and innovatives, then we can represent a complete solution to patients that requires more than just the monotherapy.” RJ Lasek, former country manager for Takeda, (now vice-president, commercial planning, and pricing) outlines his ideal strategy in the face of a rising generic tide: “As a government partner, we want them to be able to manage the category better and improve patient outcomes. Consequently, we insisted that the innovation we offer is priced in a way that will enhance the government’s overall cost per outcome. The trick is to strike a balance between innovation, biosimilars (or generics), and to collaborate with the government. The government is open to this kind of debate, and there is room for innovation.” The introduction of biosimilars to the market from companies including Mylan, Amgen, Mundipharma and Teva will reinforce efforts to allocate more resources to value-added medicines. APOGEN’s Lilai continues adding that “Although biosimilars require significant amounts of investment, they are a crucial part of generic pharmaceutical companies’ business given the potential they represent.” Mylan’s Madeira mirrors this view, “The biosimilar business brings value to the national health system so that, with the same budget, it can treat more patients and at an earlier stage of the diseases.”

José Aranda da Silva paints a detailed picture of the generic landscape in Portugal: “In the beginning, it was not easy for the system and for companies to adapt to this change in market dynamics. Nonetheless, most of the international companies have since entered the generics market, for example, Novartis and Pfizer; and we should see more companies like this entering Portugal. Generics will continue to grow.” Overall, the increase in generic consumption and the arrival of biosimilars have granted the authorities the necessary

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breathing space to improve drug access, better target non-communicable diseases, and balance healthcare expenditure.

**THE MARKET ACCESS MAZE**

In light of an increased generic market share, one would assume that innovative companies across Portugal are reaping the rewards, undoubtedly enjoying the allocation of more resources while relishing faster approval times. In the period between 2016 and 2017, the Ministry of Health approved more than 120 innovative drugs in areas including oncology, HIV, and rare diseases. Costa from APIFARMA puts this statistic into context, “the government has approved more innovative medicines in the past two years than the combined total reached during the period from 2010-2015; 60 in 2017 and 51 in 2016.”

Moreover, new regulation put forward by INFARMED – Portugal’s medicines regulator – has drastically decreased approval times for drugs. Under the direction of Maria do Ceu Machado, INFARMED president, SiNATS (the national evaluation system for health technologies – Portugal’s Health Technology

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**PATIENT ACCESS TO INNOVATIVE MEDICINES**

**NUMBER OF MEDICINES WITH APPROVED FUNDING**

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<th>Year</th>
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<tr>
<td>2016</td>
<td>51</td>
</tr>
<tr>
<td>2017</td>
<td>60</td>
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**DISTRIBUTION OF THE NEW ACTIVE SUBSTANCES PENDING DECISION BY THERAPEUTIC CLASS (1ST INDICATION)**

- **Oncology**: 38%
- **Diabetes**: 4%
- **Rheumatoid arthritis**: 6%
- **Rare diseases**: 11%
- **Anti-hermmorrhagic**: 4%
- **Antibacterials**: 7%
- **Others**: 30%

**TOTAL OF 47 NEW MEDICATIONS* (1st indication) waiting for decision**

Most of the medicines are in the area of oncology.

Source: Apifarma; INFARMED
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Assessment (HTA organization), now approves generic medications within 30 days and prescription innovation within 90. Machado comments that INFARMED is dedicated to improving Portugal’s poor reimbursement reputation and seeks to bring down the 300-day average, “SiNATS was reviewed in September 2017, and the new evaluation deadlines were established: generics would follow a 30-day deadline, and new molecules would be brought to market in less than 180 days.” It would appear that the authorities have responded to the industry’s valiant displays of collaborative assistance and support during the crisis.

Indeed, the dialogue is productive and welcome by both interlocutors, the industry, and the authorities. As Mylan’s Madeira highlights, “the authorities are always open to identifying efficiency areas where costs can be optimized so that we can provide better offers for unmet needs.” Madeira echoes comments made by Alicia Folgueira López, country manager for Portugal and Spain for up and coming rare diseases company Alnylam, “the government is open to discussion and willing to implement ideas put forward by the industry.” From the other side of the equation, the minister of health points out that “the government has an excellent strategic relationship with pharmaceutical companies.”

LITTLE RESPITE FOR THE WEARY

Nevertheless, as the old Portuguese adage goes, “Vai muito do dizer ao fazer” - “There’s a long way from saying to doing.” Despite excellent dialogue and young reforms teeing up a promise of faster approval times for medication, industry players are tentative in their reception of market access reforms for two principal reasons. One, Portugal is historically a slow market access country; and two, the timelines for the new evaluation are not yet complete. Bial’s Portela succinctly explains, “in
SADLY THERE IS A CONSIDERABLE DELAY IN MARKET ACCESS RELATIVE TO OTHER EUROPEAN COUNTRIES

— Filipa Costa  JANSSEN

From specialists in diabetes to pharmaceutical market leaders, despite relative improvements and much discussion on the subject, no one can escape the delays. Janssen’s Filipa Costa sheds light on the depth of the situation: “sadly there is a considerable delay in market access relative to other European countries. The time taken from EMA approval to access in Portugal, (granted by INFARMED), to hospitals (which have their autonomous procedures), is closer to the two-year mark than the legislated 200 days. INFARMED’s analysis of new medicines is thorough, complete and provides a sound understanding of innovative treatments. The issue is the lack of transparency and agility on offer during the process. The new president of INFARMED has made a positive impact in increasing transparency, however changing a public institution does not happen overnight.” Mundipharma’s Salvador Lopez concurs; “we see fantastic progress in facilitating access, although we still face an uphill climb in ensuring that more drugs are reimbursed efficiently. The time constraints hinder progression and stifle innovation.”

For many pharmaceutical companies, delays are a source of complaint; curiously, however, Florian Ibe, general manager at Bayer, explains that these delays can also offer learning opportunities: “On the positive side, the delay allows us to learn from other markets and tailor our educational efforts to these learnings. This includes patient identification, side effect management, and patient counseling, among others.” For a multinational company, observing the approval route for faster neighboring companies for a drug can speed up processes for the medication post approval in Portugal. Still, Ibe understands that “it is difficult to have less predictability on drug spend, but we argue in favor of changing the way we think about and discuss financing of drugs.”
COVER STORY
Turning the Page

NOT ALL FADO

There are more pockets of optimism to be found on the Westernmost European coast. Recordati’s Pires points out: “INFARMED recently carried out an excellent inquiry that projects long-term into understanding the pharmaceutical industry. It sought to understand the new molecules that will be brought into the market until 2020. Therefore, the authorities can comprehend the risk of future costs; a smart move! We welcome this approach, as opposed to focusing on year by year solutions in healthcare.” Nevertheless, the global consensus is clear; government and industry agree that progress and decision-making are slow. For Takeda’s Lasek, “The Ministry commits to improving innovation, but the process is slow,” and for INFARMED’s Machado, “The system is incredibly complex.”

For those sat around the table during the industry and authorities’ discussion on market access, the implementation of transparency, agility and a long-term vision appear to be the logical solution. Costa’s Jansenn suggests that “conversations are more accessible than email exchanges, and dialogue catalyzes efficiency.” Moreover, Lilly’s Leão infers the result of these improvements, “Eliminating barriers and increasing transparency would mean that our patients receive innovation at the same time as our neighboring countries across Europe.”

Moreover, it is, in fact, the proximity of the industry to the authorities that help drive forward discussion and inspire action. “The advantage in Portugal is that you can get to grips with the problem and get to the root of the matter more efficiently, and new GMs, for instance, are in closer contact with KoLs, stakeholders, and managers across the country,” observes Rui Santos, general manager for Almirall.

Conversely for research operations, the tight-knitted and cliquey nature of the pharmaceutical market can create difficulties sprouting from regionalism. João Norte, CEO for HMR, a budding homegrown market research specialist articulates, “minor regionalism is a small geographical barrier, and Portugal is so centralized that at times, the excellent research located in one specific city might not try to connect with another city.” Antonio Cabral, from Medicinalia Cormedica explains further, “The route to market in Portugal is quick and the population is small. One limitation we find is the difficulty we sometimes have to explain the cultural needs and particularities we face in our Portuguese market.”

Requests for increased transparency comes from both parties, however, as INFARMED articulates...
that “the issue we confront on a daily basis is the lack of visibility on pharmaceutical companies’ pipelines before they submit their dossiers. If we had eyes on these strategies, we would be able to better prepare for the arrival of these drugs. We must strive for collaboration between companies and governments.” Moving forward, Mundipharma’s Lopez underlines the need for collaboration: “We – authorities and industry – should partner more to shorten the time to the patient of innovative drugs as they have proven the benefits for patients and the sustainability of the health system.”

Filipe Assoreira, President, and José Albuquerque, secretary general of P-Bio, the Biotechnology Industry Organization, has the last word on the matter, “in comparison to our neighboring countries, there is a message of hope! Despite the financial crisis we have had all over Europe, we continue to have the same positive pattern showing that this sector is moving forward.” Recordati’s Pires is equally optimistic, “Despite market access difficulties, price squeezing and the increase in generics, we can still bring added value to the market through our high-quality products.” With market access reforms soon to bear fruit, productive debate around the table and a strong sense of collaboration following years of solidarity, the Portuguese pharmaceutical landscape is turning the page.

Traditionally, Portugal has a reputation for being an innovator and a worldwide first mover. One of the first Western European countries to make e-prescriptions mandatory in 2011, the second country worldwide after Canada to introduce an HTA (SiNATS), and in 2001, in the face of a heroin crisis, Portugal became the first country worldwide to treat possession of small quantities of drugs as a public health issue, as opposed to a criminal matter. This creative and out-of-the-box thinking nature manifests itself in the life sciences, where Portugal is the benchmark for healthcare digitalization in Southern Europe, and both the talent pool and the infrastructure

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**PILOT PORTUGAL**

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combine to create an attractive setting for the trial of new ideas in a controlled, well-prepared environment, that has adequate tools and flexibility to find solutions.

The industry and government alike have cottoned onto Portugal’s potential to be Europe’s laboratory, as Ana Teresa Lehman, secretary of state for health explains: “We are a small country, but we are highly-developed and ready for new technology; indeed, we are a fertile ground for experimentation and a test-bed for tomorrow’s technology. Our crucial policy is to prioritize innovation through experimentation which will drive growth across the industry.” Moreover, for Novartis country president, Cristina Campos, “Novartis has the right ecosystem in Portugal for trying new models and approaches.”

Francisco del Val, country manager for Sanofi, articulates “in a small country such as Portugal, with has as little as four reference centers, and all the patients concentrated in one place, it is the perfect laboratory to conduct clinical trials, and the opportunity is a reality.”

He continues, “to effectively carry out tests; we need to monitor patient outcomes, we need a strong patient registry, real-world evidence, and a strong dataset; we find all of this in Portugal and therefore establishing these initiatives is more straightforward in Portugal.”

A fellow first-time country manager also hailing from Spain, therefore better qualified to compare and contrast operations across Iberia, Alnylam’s López points out that “In Portugal, the system is incredibly centralized whereas Spain is renowned for its decentralized processes. Portugal is an exciting country to develop commercially because it is well organized in reference centers.” Janssen’s Costa justifies that “more and more companies begin to see the value of testing out new and digital ideas because of the mitigated risk associated with our relative size and expertise in complex fields,” and finally, Filipe Paiaas, general manager for Baxter agrees, “Portugal is a fantastic pilot country. The way that we overcome these challenges can be the benchmark for bigger countries. We can therefore test and mitigate part of the solution in Portugal, a smaller market, before translation to larger economies.”

HANDLE WITH CARE

Despite this situation, for Mylan’s Madeira it is this idea of mitigating the risk that could be harmful to Portugal’s future. “There are two schools of thought pertaining to Portugal’s perception as a testbed or pilot
country. The wrong one is to consider and insinuate that we can test anything in Portugal at low risk because the patient pool and mechanisms in place in Portugal allow for fewer patients to suffer. We must avoid treating or thinking of Portugal as a crash test dummy because Portugal is one of the fastest growing economies in the mature European marketplace.” Filipe Novais, country manager for Astellas, bolsters the argument explaining that Big Pharma must foster safe practices and welcome the right innovation, “The Portuguese population is eager for innovation, and as part of the European Union, and given our size and expertise in science, we are a safe environment for new practices and innovation.” Baxter’s Paias notes that “the Portuguese have built up a reputation for being a country where fading ideas are given new life.”

Not only are pharmaceutical multinationals alert to Portugal’s potential to become the yardstick for operations elsewhere, but market research and digital health IT companies confirm the concept. HMR’s João Norte comments that “As we are exposed to more and more countries in Europe, we become more aware that Portugal has an excellent base for the translation of ideas. We have a unique national healthcare system that is universal, free and crucially, heavily digitalized.”

GOING DIGITAL

Similar to many Western Economies, Portugal is attempting to embrace digitalization in healthcare, but unlike Europe’s Big Five which struggle due to huge populations and decentralized systems, thanks to Portugal’s size and tech-savvy population, industry players and authorities have found success in implementing nationwide digital projects.

Portugal is making a noble effort to remove paper, effectively entirely digitizing the healthcare system. As many as 92 percent of patients leave a medical appointment without a paper prescription, and as HMR’s João Norte goes on to say: “we benefit from a high level of digitalization in the country; we can be a hub for Europe to create real-world evidence.”

The Ministry of Health employs a dedicated team to rollout tech services in healthcare. Henrique Martins, CEO of SPMS, (the Ministry of Health’s Shared Services organization), explains “Portugal is unique in Europe as it has electronic health records designed by the government in primary care and hospitals. The software hospitals use for most functions (admitting a patient, documentation, discharge) are produced by SPMS’s team.”

Joaquim Cunha, executive director for Health Cluster Portugal, a private, non-profit organization dedicated to the consolidation of Portugal’s healthcare industry, says that “the intelligent use of ICT is one of the most powerful and efficient answers to some of the major challenges we have ahead in health research, management, and treatment.”

To those who say “impossible, impractical, unrealistic,” we say: CHALLENGE ACCEPTED

We are relentless in our pursuit of new treatments. Because patients shouldn’t have to wait for hope.
LEADING BY EXAMPLE

Portugal has hosted the international Web Summit since 2016, a technology conference attended by 60,000 CEOs, founders of tech startups and stakeholders working in the global technology and related industries. And in 2018, Lisbon’s Altice Arena also hosted the second eHealth summit, focusing on digital transformation in healthcare. Direct consequences of international influence in tech ventures are easy to spot; the country is teeming with healthcare startups and has seen the number of life sciences startups triple between 2008 to 2015 according to Labiotech’s calculations.

The minister of health comments that “we are now living in an age where digitalization, Big Data, the democratization of information and instant access offers enormous opportunities in healthcare, whether it be in patient safety, scientific activity or in innovation.” The minister for science, technology and higher education equally features digitalization as a priority, “we seek to promote digital skills. In all areas of the economy and society, and especially within the health sector, we have launched a national initiative to foster digital skills, INCoDe2030.”

Private industry will both benefit and improve upon gains in the digital health world. For Cerner’s Jorge Sequeira, Portugal is the perfect place to introduce the “next generation of EMR (electronic medical records), to the market.” Plus, “From clinical stakeholders to software engineers, we observe a strong will to make progress, and a trend for high adoption rates of new technology from the Portuguese population. Indeed, the Portuguese are renowned for being tech-focused, for example, if we consider the new generation of nursing whereby professionals seek fast adoption of technology.”

SOURCING TALENT: ROUND PEGS IN ROUND HOLES

Not only are the Portuguese future-focused, embracing digital technology across the nation, but they are well-prepared, well-qualified, “and as an added value, the Portuguese speak fluent English” says Eurotrials’ Queiroz. Foreign general managers are keen to highlight the Portuguese work ethic, RJ Lasek from Takeda comments that the Portuguese “are ‘buttoned-up’ in that they are focused, professional, and committed. They see the importance of their job and the earnest responsibility it entails.”

Local Portuguese pharmaceutical executives comment on the strength of human prowess in their affiliates: Novartis’ Campos comments that: “Novartis Portugal is also seen globally as a talent machine; we export many talents and even the talents and capabilities that are not exported often contribute to projects beyond Portugal.” Lilly’s Leão, a fellow Portuguese, confirms the Portuguese prowess “We may not have as much money as the big five, but when you consider (the people’s) flexibility, resilience, creativity, and overall capabilities, the Portuguese affiliate is an attractive and growth-oriented affiliate.”
The challenge in managing such a qualified talent pool in a low salaried country is unavoidable. Health Cluster Portugal’s Cunha comments that “There are 600+ graduates every year with a PhD in areas related to health and life sciences, which is a significant amount when you look at the small population of Portugal,” there is a sincere need to attract talent among pharmaceutical companies and mitigate the risk of a brain drain. He continues “if we do not find occupations for these graduates in the companies (traditionally they were oriented to the public sector), then the R&D system will collapse, and qualified unemployment will start to rise.” The Minister of Science and Technology gives credence to this idea that Portugal needs more investment to create work: “We need (more) serious science-based business activities which create the necessary institutional context so that our people do not perform hard work in low-value jobs, and instead, they combine their hard-work with value-added activities.”

Fortunately, the pharmaceutical companies, many of which are based in the Lagoas Park Business Center in Western Lisbon act as a magnet for young professionals. They regularly win awards, and offer extra perks, development opportunities, flexible working hours and locations to name but a few reasons why they dominate the ‘Best Workplaces in Portugal, 2018’. Lopez’s Mundipharma affiliate took the Number One spot leading the national ranking among all categories, and

**Playground for GMs**

In light of challenges centered around market access hurdles, bureaucracy, delays and underfunding, Portugal acts as a captivating career destination for pharmaceutical executives looking to carve out their country managing career. Rui Santos, an experienced, Portuguese manager for Almirall, explains that “exposure to these challenges is a fantastic learning platform for a new GM, as although the structure is reflective of big countries, one can familiarize oneself more easily, get to know the ropes and develop, nurturing skills to further one’s career in perhaps a bigger market.”

For Bayer’s Florian Ibe who relishes the challenge in Portugal, “The size and relative importance of the country is perfect for a first-time general manager to embark on their career,” and for Janssen’s Filipa Costa, “the scale and scope of the Portuguese market make the country attractive to try new ideas, especially for first time general managers. Portugal offers tremendous market access challenges which act as a learning curve for career development. As mentioned, the market is tricky to navigate but that can be a strength for developing one’s career and one’s resilience.” Indeed, for first time general managers, Portugal’s market access environment can be the perfect learning platform.

Silvia Guichardo, country manager for GSK, agrees that Portugal acts as an education platform in market access: “Portugal is an intriguing marketplace because it is simultaneously recognized as being one of the best healthcare systems in Europe while paradoxically facing significant challenges in access to innovation.”

Jaba Recordati’s Pires jokes that “If you can succeed in Portugal, you have proved that you can manage the unexpected and therefore can succeed anywhere!” Santos takes it one step further demonstrating that “Starting a career in Portugal is a faster learning curve,” but because being a general manager in Portugal involves “living in a warm country with excellent food, wine and a fantastic quality of life, I must warn that these new managers may find it hard to leave!”
nine healthcare and life sciences companies featured in the ranking, higher than any other industry.

THE NEXT CHAPTER...

Jaba Recordati’s Pires joins the dots on Portugal’s current offering: “We have excellent human resources coming through, and the new generation is quite prepared. I read recently that we have the second country in Europe with MOST PhDs in Europe. We have great fiscal policies for investors looking to move to Portugal. We are one of the most developed IT societies in Europe.” Combined with Mylan’s Madeira claim that “we are people that are happy to challenge the status quo,” Portugal has turned its small size into its strength – as the ideal benchmark for pharmaceutical processes and a creative testing ground, as Baxter’s Paias points out, “the Portuguese have built up a reputation for being the country where fading ideas are given new life.”

The country has turned its extreme location on the Westernmost border of Europe into an international developmental advantage, Portugal has leveraged an increase in generic penetration to prioritize the better provision of innovation medicine, and it has channeled its tradition of curiosity, audacity and human resources capacity into digital transformation. The one remaining challenge in achieving its potential is “an acute need to tone down the levels of bureaucracy and embrace a more practical, streamlined system,” in healthcare, according to Mundipharma’s Lopez. Nonetheless, “the market in Portugal offers tremendous potential for rapid and sustainable growth. The affiliate in Portugal is one of the fastest growing in Europe.” Janssen’s Costa concludes, “The country has the capability, the workforce and the infrastructure to excel. However, the country is certainly not capturing its full potential.”

Every day, Baxter touches the lives of millions of patients and providers worldwide who rely on our essential hospital and renal products and services. You’ll find Baxter’s products and therapies on nearly every floor, in almost every hospital worldwide, in clinics and in the home. Baxter’s employees are building upon the company’s rich heritage of medical breakthroughs to advance the next generation of healthcare innovations that enable patient care. Our commitment to our mission means we are there when patients and healthcare professionals need us, during the critical moments that matter most.
**DOMESTIC CHAMPION**

**Antonio Portela, Bial**

**KEEPING IT IN THE FAMILY**

Bial is the biggest domestic pharmaceutical group in Portugal with over 650 employees, exporting to four continents. It has been run by the Portela family since 1924 and is now led by a member of the fourth generation – Antonio Portela.

**HCLS: The cost of making a drug nowadays is roughly one billion dollars. To what extent is the family-owned structure sustainable in such an environment?**

**ANTONIO PORTELA (AP):** I agree that it is immensely challenging to develop new drugs nowadays given the massive costs. In the past 25 years in R&D, we have synthesized more than 12,000 molecules, of which two have made it to the market. The success ratio is very small. Nonetheless, we are aware of the costs of developing products, and if the risk were lower, we would see far more competition in the market. People outside the industry sometimes do not realize the number of molecules that are dumped before reaching the first pill.

The resilience, tenacity, and perseverance required in our teams, that I see on a daily basis at Bial, is another key attribute of Bial’s culture. Without this ability to not give up, and reinvent ourselves when necessary, we would not be able to bring value to patients. Our project financing is slower given our status as a family run company, but with a long-term vision, we have a comparative advantage and are competitive.

**HCLS: What is the mark you would like to leave on Bial, as the fourth generation of the Portela family?**

**AP:** My great-grandfather was a visionary. He created everything from scratch—with no financial backing or university degree. He seized the opportunity to create, build and run the company and forged a successful brand. My grandfather, a pharmacist, industrialized Bial during the 60s. Sadly, he died very young, having run the company for just ten years. His mark was to establish robust manufacturing foundations for Bial, bringing it in line with the practices of the time. My father, who was a medical doctor, unexpectedly inherited the business and inevitably his training as a doctor influenced his strategy. It is curious; he often says that he did not want to lead the company and would have preferred to conduct a career in research. His background in R&D impacted the organization in a big way. Despite IP rights barely being respected, he sought to revolutionize R&D in Portugal because he wanted to generate new drugs that would bring added value to patients. Over the 32 years that he led, he expanded the company, and critically, he created an R&D department from scratch.

**HCLS: What is the main challenge you are facing?**

**AP:** Our challenge for the next ten to 15 years is understanding how to bring value to society with all that my forefathers have put into place. We have been successful in developing new drugs, but we must make them a commercial success so we can feed our R&D operations. Without this commercial success, the model’s sustainability weakens. In short, we must transform Bial into a truly international company that shows significant and sustainable growth to fulfill our mission: bringing new drugs and value to society, all the while, ‘Keeping life in mind.’ 🌟
GREAT POTENTIAL

Portugal has come a long way since the 90s and early 2000s when the country was ignorant of the impact and improvement that clinical trials can have in advancing healthcare. From my experience, I have noticed that clinical trials are so accurate and informative that budding young doctors learn how to research and progress their practices: the experiments are so precise and detailed that they impart useful lessons to our healthcare professionals,” comments Maria do Ceu Machado, president of Infarmed, on the state of clinical trials and research in Portugal, which has recently seen a dramatic increase in the number of basic research operations.

Promoting clinical trials is no longer solely a multinational strategy, as GSK’s Silvia Guichardo indicates: “Portugal is in a unique position given its economic revival which is impressive given that the economy was in contraction merely five years ago. If the government/authorities could articulate the improvement of the economy and address the chronic underfunding of the healthcare system, then there may be a compelling case for increasing clinical trial investment.”

For other Top 10 MNCs, change is in the air, and European headquarters begin to realize the capacity for Portugal for developing molecules. Janssen’s Costa explains: “We need to change the regulatory and legal framework to be more competitive with other countries—specifically regarding clinical trials, but the movement is well underway. Portugal is behind other countries regarding the number of clinical trials and investment. Notwithstanding, the authorities have implemented measures to incentivize R&D, such as the creation of a new agency or tax rebates.” Florian Ibe of, Bayer comments “however, the strategic relevance of this affiliate is in other areas: in clinical trials, we are constantly increasing investments, and we expect further growth in the years to come.”

Eurotrials’ Maria Queiroz, whose company’s success draws upon Portugal’s prowess internationally, explains that Portugal’s clinical trial revival is a result of decades of preparation: “Concerning research institutions, we host top areas of research to develop ideas and intellect. This is the consequence of 30 years of politics that intended to foster basic research in research spaces that are both certified and evaluated year on year. Broadly speaking, we have excellent basic research and excellent research

### Bayer's Clinical Trial Footprint in Portugal

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Centers</th>
<th>Number of Patients</th>
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<tbody>
<tr>
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<td>121</td>
<td>153</td>
</tr>
<tr>
<td>2016</td>
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<td>2017</td>
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Source: Bayer

### Overall Investment Value

<table>
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<tr>
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<td>~1.8M€</td>
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<tr>
<td>2017</td>
<td>~2M€</td>
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</table>
personnel in hospitals, but our reputation purveys for maintaining poor conditions concerning timing, bureaucracy, and funding.”

Queiroz goes on to say that “From the early days of Eurotrials operations, although we put forward the case for working with us as a contract research organization, the real sale was Portugal. Portugal had excellent clinical research in hospitals, we had superb basic research, and therefore our roles at Eurotrials brought projects to Portugal.”

Filipe Novais, general manager of Astellas, chips in that hosting clinical trials stands to benefit several areas of society; “There are also benefits for the healthcare professionals that level up their scientific knowledge. Financially speaking it benefits the diverse economic activities needed to conduct the clinical trials.”

Inevitably, however, investing in any country’s infrastructure to perform clinical trials comes with risk. Paulo Teixeira, country manager of Pfizer notes that “pharmaceutical companies invest a significant percentage of revenues in R&D, knowing full well that only 8 percent of every Euro invested will see the light of day. Despite the risk involved, we continue committed to R&D investments worldwide, pursuing our mission to provide the best medicines to patients across the globe.”

And for Sergio Luciano, CEO of Quilaban, a local diagnostics solutions specialist, Portugal must strike a balance between preventative healthcare and testing: “our interactions with people are not quite at a preventative healthcare system model. If we can release people from the roles of performing testing and carrying out analysis, then we can focus on identifying and implementing solutions to improve the efficiencies in the healthcare system and make it more sustainable.”

The figures are indicative of a continuing increase in basic research activity with over 30 Phase I clinical development phase trials for 2018. Newly promoted general managers are aware of the potential. Francisco del Val of Sanofi articulates “Notably, Sanofi looks to invest in research and development and in attracting more clinical trials to the country. A small country such as Portugal, with as little as four reference centers, and all the patients concentrated in one place, is the perfect laboratory to conduct clinical trials and the opportunity is a reality.”

Janssen’s Filipa Costa is in agreement: “One of my top priorities as Janssen MD is to raise awareness of these improvements regarding clinical trials, especially given the tax incentives and the payback system in place, which combined with amelioration in the regulatory framework make clinical trials far more attractive for a global company than a few years ago.”

<table>
<thead>
<tr>
<th>Year</th>
<th>Phase I</th>
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<td>1st 2018</td>
<td>11</td>
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Source: Infarmed
GOING BEYOND EXPECTATIONS

With a new global CEO, Baxter has undergone a profound change process over the last three years, prompted by the integration with Gambro AB, a dialysis specialist part of a Swedish multinational, and the spin-off of its biosciences arm of operations, Baxalta, which was bought by Shire. Filipe Paias explains how these global changes are playing out at the local level in Portugal.

HCLS: How successful were you in reworking Baxter Portugal to fit the 2020 framework?  
FILIPE PAIAS (FP): Globally, Baxter is well known for its 2020 framework, a global initiative outlining our strategic priorities until 2020. Our focus is to expand and strengthen our portfolio, introduce numerous medical innovations, through transformative innovation that includes prevention to recovery, execution of pipeline opportunities, and geographic expansion. Therefore, we define our goals regarding patient safety and quality; growth through innovation; best place to work; and market leading performance.

HCLS: What is Baxter’s unique value proposition?  
FP: One of Baxter’s unique features is our agility—our ability to make quick decisions thanks to our light organizational structure. In three years, we have become experts in launching products quicker than our competitors. If we compare the Baxter of 2018 to Baxter three or four years ago, the change is drastic. Our evolution from a traditional pharmaceutical company goes to show how Baxter has become a disruptor in the medical technology landscape. Nonetheless, despite that we are now far faster and more agile than before, the Baxter mission has not changed: all that we do is to save and sustain lives.

"IN THREE YEARS, WE HAVE BECOME EXPERTS IN LAUNCHING PRODUCTS QUICKER THAN OUR COMPETITORS. IF WE COMPARE THE BAXTER OF 2018 TO BAXTER THREE OR FOUR YEARS AGO, THE CHANGE IS DRASTIC."

HCLS: How is Baxter positioned on the market in Portugal?  
FP: We are currently market leaders in IV fluids, inhaled anesthetics, clinical nutrition, home and acute dialysis. Mostly, if we consider the market maps within the Portuguese reality, we are leaders in all of the markets in which we are present. This is a sign of a job well done, and a sign that an integrated approach works well. That said, cycles in the medical technology business become shorter, and we know that despite being market leaders we must continue to reinvent and to innovate.

Holding the number one spot in our therapeutic areas carries a serious responsibility. Healthcare authorities expect more than simply the provision of high-quality products. Anecdotally, I recently happened upon a phrase that resonates with my work here at Baxter: the importance of ‘value-based change that resets expectations.’ I used the phrase during a hospital association group meeting to illustrate that Baxter is an innovator and aims higher than holding the number one spot in our therapeutic areas. Equally, hospital and healthcare authorities understand that market leaders must lead the way in driving innovation, and promoting value-based change that resets expectations. What’s more, being number one on the market provides legitimacy in promoting discussions on innovation, with an intention to mitigate, and in some cases, eradicate underfinancing problems through efficiency.
A BUDDING SOLUTIONS SPECIALIST

Sérgio Luciano has led the family-owned Quilaban’s operation for half a decade, overseeing a consistent growth pattern across the four principal business arms: diagnostics, healthcare, pharmaceutical distribution, and exports, as well as implementing a diversification strategy that has enhanced the Portuguese company’s core offering: diagnostics.

Pharmaceutical companies shift medicines, distributors charge for the delivery of drugs, and researchers produce information at a price. Quilaban, however, is in the business of selling solutions. “At Quilaban’s core is a desire to develop global solutions for our customers, as opposed to selling products or equipment, and as such, since 2004 we have focused on creating a comprehensive global and a diversified solutions portfolio expanding our business and covering a wide range of business areas such as diagnostics, healthcare, pharmaceutical distribution, exports, international sourcing and procurement, training and consultancy,” notes Luciano.

The business model has expanded over time to react to hurdles in healthcare, future-proofing itself at every turn; “we moved from a product-based business model to a solution approach to respond to problems across the healthcare sphere, both through the combination of our competencies and through partnership with other players.” He continues, “instead, we must include in our offering quality assurance, training, and competitive pricing to create a thorough solution. In the past decade, we have built a global solutions portfolio so that we can provide clients across the world with a selection of products and services, technical assistance and knowledge-based solutions.”

As with many Portuguese companies, once Quilaban had established a firm foothold on the domestic market, the challenge was to create scale given the limited growth opportunities in Portugal given its size. “Naturally, our international expansion started by the African Portuguese speaking countries, namely into Angola and later on into Mozambique, Cape Verde and Guinea Bissau, given the convenience of shared language.” However, Quilaban spotted the opportunity to improve the lives of those who work in less developed countries and took the plunge to advance operations further afield – in Asia. “More recently we also approached the Eastern Timor market. Having accrued a decade’s worth of experience in expanding to other countries, we discovered that in developing countries there was a global need for integrated solutions and it is no longer the case that you can simply provide a product.” As a global healthcare solutions specialist, Quilaban intends to work daily to promote access to healthcare worldwide. He sums up in saying that “our strategy based on internationalization identifies countries where there is a need for this set of competencies that make part of Quilaban’s portfolio.”

Finally, Luciano provides an interesting outlook on the future for this budding healthcare solutions specialists: “our trajectory will lead Quilaban to work as a hub for collaboration, integrating competencies and skills that respond to the needs of each patient segment effectively and efficiently. The traditional vision of suppliers and customers should be merged into a collaboration dynamic where the patient is at the center of the process.”
Filipa Costa returned to Portugal in September 2016 to take on the leadership of the fastest growing multinational affiliate in the country – Janssen. In this interview, she gives an insight into market access, current strategies to promote government-industry collaboration and the key to successfully retaining talent.

**HCLS:** What was your mandate when you took on the leadership of the affiliate in September 2016?

**FILIPA COSTA (FC):** When I accepted the role in September 2016, I felt a tremendous responsibility and privilege in continuing Janssen’s innovative strategies which bring value to patients. The Portuguese affiliate is one of the fastest growing pharma companies in the country—and has been for the past few years—and therefore when I took over the reins from the former GM, I took over a speedboat. My job was, therefore, to take the helm, consolidate growth and ensure that we accelerate access to innovative treatments to Portuguese patients.

Internally, my challenge revolved around consolidating the excellent team we have here. Being a fast-growing company, we saw more and more young people entering the company which inevitably leads to a healthy turnover, and I wanted to guarantee that we kept a great team in place, by creating the best conditions for career development and growth. Certainly, this consolidation is an ongoing task, but building the team and maintaining a growth rate is a constant goal of mine.

In the past 18 months, we have launched four new drugs on the market; a fantastic feat and a great team effort given the tricky market conditions in Portugal. We have also consolidated our business model and stabilized our people resources—the most successful caveat to any organization. My vision for the Portuguese affiliate is to deliver beyond the product and be a partner in healthcare as opposed to a mere medicine provider. This vision aligns with Janssen global: as an innovative company, we must make medicines a success and ensure the best outcomes are assured for patients, through a network of collaboration with authorities, healthcare professionals, and startups. That way, we contribute to the sustainability of the entire healthcare ecosystem.

**HCLS:** How significant is the Portuguese operation for Janssen globally?

**FC:** Additionally, the workforce in life sciences is incredibly well-educated—Portuguese professionals often speak three or more languages which enables international business and communication. Currently, we have almost 30 Portuguese employees either in international assignments or in global regional positions while based in their home country. Portugal is a safe country, and we can be a hub for both Europe and Latin America. Being at the corner of Europe can be a strategic advantage concerning flight schedules, time zones and the mix of nationalities rubbing shoulders in one space.

Our Headquarters understand the significance of the affiliate given the construction of our new office space. Opened in March this year, our state of the art office
hosts 400 J&J Family of Companies employees and shows our commitment to both the Portuguese marketplace and Portuguese patients.

**HCLS:** What is your assessment of market access challenges in Portugal?

**FC:** INFARMED’s analysis of new medicines is thorough, complete and provides a sound understanding of innovative treatments. The issue is the lack of transparency and agility on offer during the process. Dialogue is difficult, and delays are inevitable in providing and commenting on relevant information; I would suggest that conversations are more accessible than email exchanges, and dialogue catalyzes efficiency. Secondly, the hospitals funding system does not reward innovation or patient outcomes, and it is extremely challenging and causes inefficiencies.

Unfortunately, the risk for bringing in new medicines is almost wholly assumed by the pharmaceutical company, and given that we would never deny our drug to patients in need, it puts us in a compromised position. The new President of INFARMED has made a positive impact in increasing transparency, however changing a public institution does not happen overnight but I trust we are on the right path!

Janssen makes the case that the healthcare system’s financing bodies should move away from considering healthcare in terms of number of patients seen by hospital, or evaluating a hospital’s efficiency by measuring bed occupancy rates. Instead, we should observe the entire healthcare potential relief that bringing innovation to patients’ incurs, and assess patient outcomes on a long-term basis.

**HCLS:** How do you initiate these kinds of discussions with the authorities regarding these changes in healthcare?

**FC:** Firstly, I note that authorities are open to this kind of discussion, and on the whole, we experience good collaboration. Janssen has been driving these debates and contributes to the discussion by highlighting the value of initiating change. We take part at a local level, in forums and local debates, and at a national level. Last year, we hosted Health Parliament Portugal, which derived from a Janssen initiative at a European level. We teamed up with key local partners (Microsoft, University Nova de Lisboa and Expresso, the largest local media group) to launch a program spanning six months including 60 stakeholders external to the healthcare sphere, who contributed to discussions on outcomes-based financing for healthcare systems, mental health policy, or how to put the patient at the center of the debate.

A byproduct of these exchanges is that we enhance the reputation of the pharmaceutical industry. It is still poorly understood how pharma is incredibly regulated and compliant, and how much we contribute to a healthier society. Particularly with Janssen, which has a sincere reputation for being more than a purveyor of pills, for example in our longstanding commitment to patient associations and pharma-trade associations, we try to maintain an active voice.

**HCLS:** How do you attract and retain the best talent to Portugal?

**FC:** Not only do we position Janssen in line with its global reputation—a growing innovator and market leader in many respects—but also, we highlight the excellent working conditions available to prospective candidates. Our consistent, steady growth means there are often opportunities to rotate internally in Portugal, and at large in the global business, career changes to other countries or taking on regional roles are possible.

For young people, we address the way in which we work—which aligns sweetly with the Janssen credo: people and above all, patients first, and a real emphasis on community and the responsibility that comes with working in healthcare. Personally, I am delighted with the talent we have attracted, and in Portugal, we see excellent candidates across the board, from trainee roles to more senior positions. 🌟
AN NEW ERA FOR PORTUGUESE PHARMA

A Key Opinion Leader and a veteran of the pharmaceutical scene in Portugal, José Aranda da Silva – president of the Association of Development and Research in Public Health (INODES) and director of the Portuguese Journal of Pharmacotherapy comments on trends affecting domestic companies in Portugal, the increase in qualified graduates, and Portugal’s macroeconomic standing.

_José Aranda da Silva_  
INODES

**HCLS:** What more can Portugal do to drive forward a local brand in the pharmaceutical sector?  
**JOSÉ ARANDA DA SILVA (JAS):** Previously, Portugal experienced a wave of international companies expanding their businesses in the country. Towards the end of the 80s, these companies consolidated their production plants and moved away from Portugal because they did not see the benefit of having multiple production plants in Portugal, Spain and other European countries simultaneously. What seemed a negative movement paved the way for Portuguese companies to buy these now empty industrial plants and cement themselves in the market. Portuguese companies such as Tecnimede, Bluepharma and Grupo Azevedos began to expand in the market through this technique and had international export success.

Portugal is now experiencing a new cycle. The recent acquisition of Lusomedicamenta, Atral and now Aurobindo’s acquisition of Generis is a prime example of foreign investment and international interest returning to the country—a positive indicator that Portugal is a good place to invest. Although Portugal holds mainly mid-sized companies, human resources are excellent, and our people have fantastic technical capabilities.

Consequently, Portuguese pharmaceutical companies now consider the international market and in some cases have expansion plans spanning from Africa to Brazil. These companies distinguish their own strategies and trademarks, in addition to having their own research capabilities. In some areas, research is orientated towards technical products, or new formulations, showing that we are entering a new era of Portuguese pharmaceuticals.

**HCLS:** To what extent can Portugal perform as a research center for international companies?  
**JAS:** Portugal has invested in the growth and development of its research capabilities. 20 years ago, Portuguese universities graduated around 400 PhD students every year, whereas now there are on average 3000 students leaving Portugal’s universities with a PhD. This phenomenal growth shows that the country is improving its educational capabilities. Furthermore, the University of Porto has a vast number of foreign students of over 60 different nationalities. This forges a strong network of relationships with local companies, not only in pharmaceuticals but also in biomaterials and nanotechnology, developing important research which attracts interest.

**HCLS:** What is your final message to potential investors looking at the possibilities of Portugal?  
**JAS:** Portugal is economically and politically stable with very high-quality areas secured in the healthcare system and has excellent potential for foreign investment; the time to invest is now!

20 YEARS AGO, PORTUGUESE UNIVERSITIES GRADUATED AROUND 400 PHD STUDENTS EVERY YEAR, WHEREAS NOW THERE ARE ON AVERAGE 3000 STUDENTS LEAVING PORTUGAL’S UNIVERSITIES WITH A PHD.
Having confirmed its status as a top-drawer tourist destination worldwide, showing a whopping 20 percent increase in tourism revenues for 2017 (the greatest increase in two decades) Portugal is now making waves in medical tourism. Well known for its sandy beaches, a healthy Mediterranean diet which is rich in fish and charming cities drenched in Luso-culture and Moorish insinuations, Portugal has quickly built up a reputation as a destination for both holiday-making and wellness tourism—the latter of which is often mistakenly grouped under the heading medical tourism. Pure medical tourism, though, that of traveling to a destination to receive medical, dental or surgical care is beginning to gain traction in the peninsula.

As Joaquim Cunha, executive director of Health Cluster Portugal explains: “I am particularly proud that we have managed to reach consensus among different stakeholders and institutions to promote Health Tourism. We know we have good services and good people and we want to extend this reputation globally. We are winning awards concerning tourism, but this needs to be inclusive of the health sector. We need to market Portugal in the “Medical Tourism” space. Every gain we have in reputation needs to be communicated internationally. This strategy is not only important for businesses but the entire healthcare value chain.”

Jorge Sequeira of Cerner understands the opportunity: “Healthcare tourism is an essential attracting factor for Portugal and a potential business area, and we believe we can make a difference in this market. Nonetheless, we must be able to show that our hospitals can offer a good quality of care. The indicator is by comparing with others and observing better outcomes.” The challenge, he highlights, is to ensure that the infrastructure is ready for the demand, so that not only is Portugal a breeze in terms of accessibility, but also in offering what Cunha labels “a modern park of private hospitals,” because “We don’t think that for medical tourism purposes we can use the public hospitals”. Medical tourists’ chief concerns flip-flop between safety, climate, the reputation of medical institutions and the ease of follow-up care. Now, Portugal’s SNS (Serviço Nacional de Saúde), has over 60 years of service, founded in 1958; English is widely spoken with more than 30 percent of the Portuguese population speaking fluently, and within the professional sphere this figure increases to 75 percent; and according to the Global Peace Index, Portugal is the third safest country in the world, after Iceland and New Zealand. Furthermore, with an average temperature sitting between the mid-teens and low thirties on the mercury, Portugal has all the necessary elements. The Minister of the Economy, Manuel Caldeira Cabral, sums up why healthcare tourism features as an emerging asset to their strategy for 2027: “Our healthcare system is recognized internationally for its universal character, we have thousands of hours of sunshine every year, we are in a strategic geographic location, and we have 166 thousand rooms in modern and comfortable hotels.”

“We have thousands of hours of sunshine every year, we are in a strategic geographic location, and we have 166 thousand rooms in modern and comfortable hotels.”

Manuel Caldeira Cabral  MINISTER OF ECONOMY
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We speak directly with healthcare leaders and pharmaceutical executives.
We are ready to share their insights and experiences with you.