

Daniel Vella Friggieri - Regional CEO, Europe & Middle East, Aspen Pharmacare



The Middle East has amazing potential, but you must always think outside the box here

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Newly promoted to manage Aspen's Middle East and Europe region, Daniel Vella Friggieri outlines the rationale behind the company's strategic reconfiguration, how the South-Africa headquartered firm is looking to expand its portfolio in the region via partnerships, and the importance of flexibility and out-of-the-box thinking in driving growth.

You recently moved into a role as Regional CEO of Aspen Pharmacare for the Middle East and Europe, a new region for the company. What was the basis of this regional merger?

It is a new position after Aspen merged the Europe and Middle East regions, and I was selected to take the role after previously managing the Middle East, North Africa, and Turkey. We have two regional offices in Dublin, Ireland and Dubai, UAE with leadership functions in both.

This complements our commercial leads in their respective countries which make up different sub-clusters within this large region.

The strategic logic behind the merger is the similar portfolio in both regions. Our portfolios in these two merged regions contain legacy therapies, and the logic is to create synergies and focus on commercial excellence and product portfolio development. Furthermore, we have streamlined

processes and enhanced the group enablement services, which has given us a competitive advantage.

What benefit is there to be drawn from having regional headquarters in both Ireland and the UAE?

Both nations have skilled workforces, especially in the world of pharmaceuticals, so finding an experienced and highly educated workforce is never an issue. Furthermore, both have strong regulatory frameworks and clear guidelines, so there are no surprises while engaging in business operations. Both Ireland and the UAE also give tax incentives for business in the region and are backed by a stable economy, world-class healthcare and education, and high quality-of-life standards which is especially important when wanting to attract expats with families.

As you mentioned, matching similarities in markets streamlines processes. How has this move resulted in commercial growth?

The two factors we look at are both organic and inorganic growth.

Organically, we have built a solid base in the Middle East and Europe over the years and are now investing in sales and marketing to continue this trend. We have a well-established distribution program with household brands that have been around for decades. This organic platform allows us to attract other companies which want to leverage off our base through licensing agreements or distribution opportunities.

This all leads to inorganic growth and our goal is to broaden our portfolio through partnerships. The company has been very active at the global level in terms of acquisitions, and now in addition we must bring the products resulting from our regional business development initiatives to our existing product line-up so that Aspen can continue to grow above the market average.

Some examples of this inorganic activity are the signing of exclusive licensing and supply agreements, such as those for Sugammadex in Europe and the Middle East and the Austrian-based biotech company Brain Implant Therapeutics (BIT) Pharma. This is for a Nicardipine-based intracerebral implant aimed at preventing vasospasm, a complication in patients who have undergone subarachnoid haemorrhage surgery. Furthermore, we are focusing on women's healthcare with a strong footprint in hormone replacement therapy (HRT) and have recently

launched an emergency contraceptive medicine in the UAE. We also have launched Glatiramer for Multiple Sclerosis, the first time this product has entered the region as the original was never launched here.

Does Aspen still view itself as a generics company or is it now looking to diversify its approach in your region?

We view ourselves as a specialty company, and it is very hard to classify companies as either generic or innovative these days. Historically, we have built our portfolio through the acquisition of established brands from MNCs and have complemented these strengths with branded generics. Now, within the region I control, we are looking to partner with small- to mid-sized R&D players which have innovative products, and which are looking to launch products to meet unmet patient needs in the region.

How is Aspen performing within the region from a commercial standpoint?

If you look at the Middle East and Africa, we experienced three percent growth last year, though this includes our largest market South Africa. Nevertheless, this shows resilience as the company divested some of its portfolio in South Africa and we had some challenges with supply from our manufacturing sites.

The Middle East has delivered on its budget projections, which is great, and the territory along with Europe makes up around 15 percent of total global revenues, with this expected to grow thanks to the aforementioned organic and inorganic growth strategies.

I will say that the Middle East has amazing potential, but you must always think outside the box here as you are dealing with volatile markets like Turkey, Egypt, and Lebanon. There is always a problem to solve. The key is to have a mindset that is driven to find a solution, rather than palm off the responsibility, and this resilient way of thinking is a hallmark of the employees in the region. We start a year with a projection and always know something will happen and we must go through multiple plans so we can deliver to the group and shareholders.

You mentioned the volatility of the region. How receptive are authorities to discussions if challenges arise, such as economic difficulties or issues with supply?

Within each country, we have strong relationships with authorities. We are aware that our products are medically critical, so we make sure there is always an equitable supply of medicines to the countries we support. Furthermore, authorities are flexible and so are we, so there is no problem to sit down and discuss any concerns and find a solution. It is a win-win for all involved and we want to deliver our promise of delivering the supply of medicines to the countries.

There has been a rise in private healthcare in the region, especially in the UAE. Is this impacting your business?

Private healthcare is not a new concept. The UAE is expanding this service to be mandatory, and this is having an impact. The downside is prices are dropping, but this is having a reverse positive effect with a sharp increase in volumes as we have more access to a larger amount of healthcare providers. It is a changing healthcare ecosystem, and we are always ready.

Women's health is a strong part of your portfolio, and you aim to grow this therapeutic area. How do you manage this in the region?

Some of these products are prescription medicines, however, others are defined as over-the-counter products in some markets, meaning the patient is the customer, and we have had to change our approach as it is a new area for us in the region, embarking on patient awareness campaigns and social media presence, making sure that women always have a choice.

We spoke earlier about the merging of the regions, and this shows why it was beneficial. In Europe the company boasts strong experience with OTC, and here only recently, while in the Middle East, we had strong experience with in-licensing, and not so much in Europe. This contrasting business has allowed the transfer of knowledge and we have quickly learned how to develop our skills and be successful in new business branches.

How do you go about deciding on which products you bring into your portfolio?

Aspen gives each region the flexibility to adapt the strategy and portfolio depending on the market needs. Nonetheless, we are still focusing on our key therapeutic areas, however, geared towards established strengths in anaesthesia, pain management, dermatology, women's and men's healthcare and focusing on both OTC and RX portfolios within the hospital and private sectors.

In the Middle East, there is a lot of competition to bring products from other parts of the world to the region. Local companies are willing to pay European companies to have their treatments in their portfolio. That is another area where the merger pays off because we have that European connection so it is easier to attract agreements and with our reach, we can deliver on both fronts. Saying that, we have a bespoke approach, and sometimes only supply products to one of the territories, or even sometimes only one specific market. We have a lot of flexibility in our operations.

Each country is pushing for localisation to guarantee supply. How is Aspen delivering a local approach in its operations?

Countries want localisation to move away from dependency on imports and this need only increased further during COVID. Aspen has localised many of its operations in the region, such as in Algeria, Saudi Arabia, Turkey, Iraq, and even here in the UAE with secondary packaging. This approach is a key strategy for us as it drives accessibility into a market, and we also see a lot of positives from a P&L perspective.

If we come back to the UAE in a few years' time, what would you like to have achieved by then?

From a professional perspective, it is an incredibly exciting time. I am now managing more than 50 countries with multiple languages, amazing diversity, and various time zones. I have learnt how to be more organised and deal with constant travel. It is a huge learning curve, but I am loving it.

From an Aspen point of view, we want to have a larger portfolio built around our organic and inorganic growth strategies. Furthermore, we want to position ourselves as the partner of choice for any companies looking to expand in the region. We have shown our capabilities already, and now are looking to continually partner with MNCs and small to midsize R&D companies in the future. We are in a position to leverage our distribution network and critical mass to be the partner other companies first think of when they want to expand in the Middle East and Europe.

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