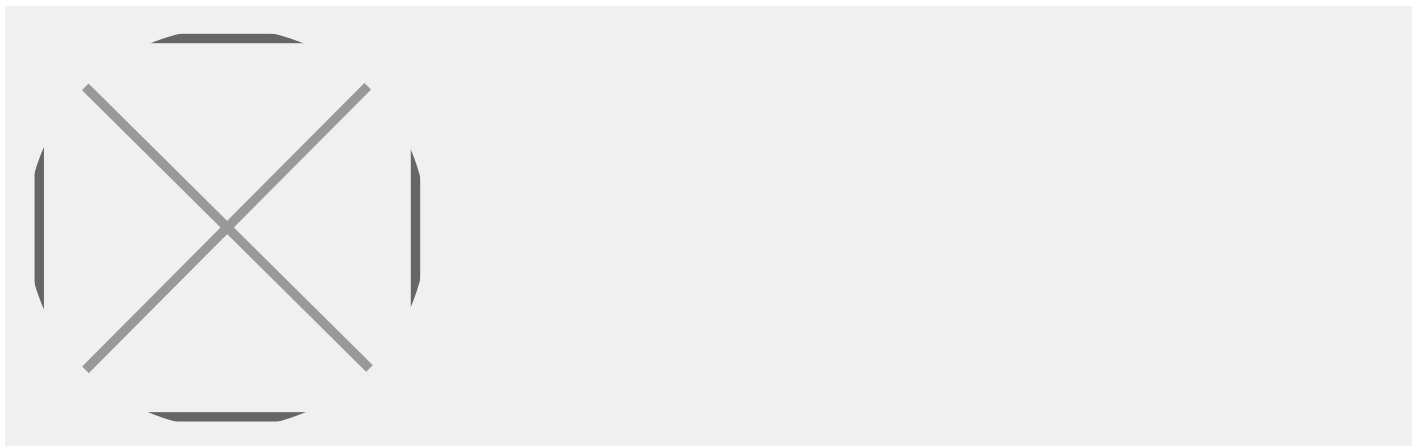


Interview: Fermin Rivas Lopez, Country Manager, Celgene Portugal



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Fermin Rivas Lopez, Country Manager of Celgene Portugal, gives his insight on Portugal's recent economic problems, the challenges Celgene Portugal faces due to the economic state of the country, and what the strategy is to stay afloat.

You joined Celgene Portugal earlier this year; why were you chosen to take over the affiliate?

Given the interesting nature of Portugal as a country in the current economic climate, and the opportunity to come back to Europe, were both important factors; the fact that Portugal is very important for Celgene was also important. Having worked in the company's Spanish affiliate I knew about the Portuguese business and it was therefore easy to adapt.

What are the biggest challenges of being a biotech company in Portugal today?

There have been many recent challenges for biotech companies due to the country's economic situation. Portugal has been forced to adjust drug expenditure to one percent of GDP, as committed by troika. Reductions and cost containment measures in both hospital and retail markets have necessitated the need for adaptation, and innovative companies like Celgene who bring new products to the barrier-ridden hospital market are being challenged. However, it is less difficult to defend the use of Celgene's products since we bring value and strong data regarding survival and clinical value of products. Furthermore, since Celgene's products are orphan drugs, the number of

patients and budget for hospitals is lower. Celgene has also brought many R&D investments to Portugal, especially for clinical trials and other studies. In that sense, I think that we are in a very good position to defend the use of our drugs given the low level of budget impact, and high level of investment in Portuguese clinical trials. In fact, Celgene has one of the highest numbers of clinical trials in Portugal: last year, APIFARMA reported that only 120 clinical trials were submitted in Portugal, seven of which were run by Celgene. This year we have increased our commitment to eleven. We are very proud of this, and we think that the best way to help Portugal for its economic recovery is to attract research, innovation, and clinical trials to the country.

Does being a biotech company in an environment like Portugal position you in an advantageous way compared to regular big pharma?

I believe it does provide an advantage, but this is more at the global level. We then have to materialize this in each of the countries in which Celgene operates. If we do not commit to the kind of investments I mentioned, perhaps we will be treated like other companies. Right now we are leveraging this high level of investment at the global level, which has allowed us to bring clinical trials to Portugal. Celgene is also trying to leverage this and communicate to the Health Ministry and INFARMED that our position in Portugal means we should be treated differently. This is important because orphan drug companies heavily reinvest their revenues in research while relying on a small number of products. Celgene wants to contribute to savings, which is why our approach for negotiation has a longer-term strategy. If Portugal stabilizes, Celgene will bring more investment here. Commercialization of drugs in Portugal will bring savings in the long run. From a publication perspective, the materialization of KOLS in areas like hematology and oncology is of high value for Celgene as a biotech company.

To what extent can Celgene work with new startup biotech companies in the Lisbon area?

We belong to APIFARMA and P-BIO, where we established the Orphan Drug Working Group (ODWG). We did this because we believe that innovative biotech companies should be treated differently. Perhaps APIFARMA is not the best forum to defend our interests or those of small biotech companies. Therefore, ODWG has increased awareness of orphan drugs in Portugal and has created access to political stakeholders to look for different treatments for orphan drugs. Considering that these types of companies rely on a small number of products, stakeholders need to be aware of the fact that investment in R&D is high but revenues are not. I believe that if there are cost containment measures here, innovative biotech companies should be treated differently from big pharmaceutical companies with wider portfolios.

In what ways are you able to leverage your position in both these associations?

My message is to look for long-term agreements with the government as the industry did with the protocol for two years, in which a rebate is paid at the end of the year. But pharma and government should look for win-win situations in the long term. We should fight because pharma companies have a strong position in the market as well. Companies like Celgene should be partners with the Ministry. The debt we are supporting here is very high, so we are helping the government in this crisis, not trying to hide our responsibility. Celgene has a strong position in P-BIO as one of its largest members, and the group of companies have taken a position in starting a dialogue with political stakeholders like INFARMED and the Secretary of State for Health. I also work very closely with Celgene Europe, representing our ODWG in Brussels. I try to leverage all of these activities at the European community level here in Portugal by constant dialogue with all stakeholders.

How is Celgene's portfolio represented in Portugal, and what will 2014 growth drivers be?

Celgene's future investments depend on the stability of Portugal, which is why we are looking for long-term agreements. With the current protocol, we feel confident to keep our future investments in Portugal. Celgene will launch a new product at the end of next year, and an inflammation and immunology franchise in two years. Thus, Portugal will contribute to Celgene's growth, much as it will in parallel with other countries.

How can Celgene take advantage of innovation in Portugal?

It is critical that Celgene works with research centers, universities and hospitals to implement research agreements and clinical trials. On the other hand, we need to work closely with the government since we have already signed agreements with them, in order to allow innovative products to come to the Portuguese market. While reimbursement is not a barrier, it takes an excruciatingly long time and the government must reduce this. Celgene has kept its part of the deal, bringing investments that have contributed to the payback for the next two years and will do the same in the coming years. Therefore, a mutual agreement is in the interest of both parties. Moreover, with the pharmacy commission to create protocols, we need to work with pharmacies to allow the introduction of innovative products. Such products may have high cost, which mandates the need to evaluate their cost effectiveness and clinical value, and innovative patient access schemes.

What would you like to tell the international pharmaceutical community?

Pharma companies should be seen as partners, not as enemies. Look for long-term agreements to bring stability to the country, which will create greater investments. Regarding Celgene, we are confident in our current position and will keep bringing investments to Portugal as a means of cooperation with government during these difficult times. We think that the best way to help the country is by bringing research and clinical trials to Portugal. We are committed to doing so because it is the best way to invest in the country. Celgene is also open to discussing innovative patient access schemes as opposed to simple discounts. Celgene's drugs have huge clinical value and Portuguese patients deserve this, through clinical trials and the commercialization of drugs.

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