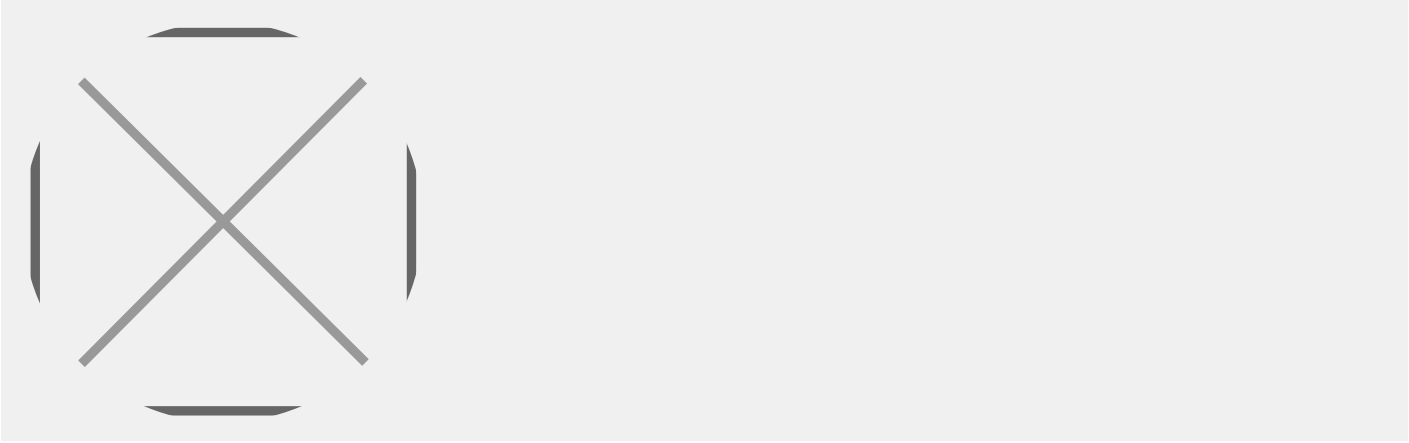
Interview with Laura Engelbrecht Joubert, General Manager – South Africa, Abbott South Africa



10.08.2012

Tags: Abbott South Africa

Ms Joubert, could you start by telling our readers over the 16 months of heading the operations here, what have been the most challenging situations as the General Manager of Abbott South Africa?

I worked in Abbott's Pharmaceutical Division for 12 years, and then spent 3 years as General Manager for our Nutrition Division. Understandably these two businesses are very different. Upon my return to the Pharmaceutical Division, I think I was immediately struck by the incredible amount of change in the pharmaceutical environment in South Africa. Increased generic competition as well as pending legislation around our healthcare system has also added increased complexity to the pharmaceutical industry. In addition the continued restrictions in access to innovative medicines by the private funder community, remains a ongoing challenge. One is immediately struck by the level of unpredictability in the pharmaceutical industry, and more specifically the multi-national industry around the exact impact of changes in government policy.

What is the company's capacity to adapt to most of this unpredictability of the market and those recent reforms here in South Africa?

South Africa is not the only country in the world that is going through tremendous healthcare reforms. As a multinational company, our company has done a lot to change the way we do business over the last couple of years in order to prepare ourselves to these continual changes.

Abbott has recognized the need to have a presence in the branded generics arena, and therefore the formation of our Established Products Division, largely culminating from our purchase of Solvay Pharmaceuticals in 2010. In addition we recognize the need to ensure that we form part of the healthcare debate in all countries we operate in, so that together with governments, and other key stakeholders, we are able to find solutions to issues, and more importantly that we are able to increase access to our products to those patients who need and deserve them. We will also continue to invest heavily in R&D in order to develop medicines that are innovative, and address the unmet medical needs in the world, in line with our values to turn science into caring.

Actually, when we interviewed Mr. De Chastelain of Bayer, he was telling us that in spite of the competitive spirit between generics and research based companies, they are facing the same challenges and they have they have common goals. How would you describe this relationship between generics companies and innovative companies here in South Africa?

There is definitely an increased understanding that in most countries the generic and researched based companies can co-exist to the ultimate benefit of the patient. The same holds true in South Africa, some companies are further down the road to understanding this than others, but I do believe that ultimately we will have to find a way to co-exist in order for us to have a successful pharmaceutical industry going forward. The two models are not and cannot be mutually exclusive.

Mr. Hoogland of Pharmaplan stated that only recently the research-based companies have begun to see generics as more than competitors. Would you agree with this?

I agree with him, but I think the same hoIds true for generic companies. As we all start facing increased pressure from a number of different angles, we all see the need to work together toward solutions.

How do you assess the performance of Abbott South Africa over the last couple of years?
Abbott is a broad based healthcare company that covers a wide spectrum of areas, Pharmaceutical, Diagnostic, Molecular, Nutrition, Vascular and Diabetes care. Based on our expansion in recent years, I would say that we have done well. But clearly certain divisions face challenges others do not, and we are constantly having to reinvent ourselves in order to say competitive. Abbott has a 76 year history in South Africa, one that we are very proud of, and would like to build on. Ultimately, it is all about the patient, increasing access and serving the many stakeholders in our industry in order to deliver on our promise. This is truly what we instill in our staff every day, it is about the difference we make in patient’s lives.

What is the strategic importance of South Africa for the group’s global operations looking at the pharmaceutical business?

We must never forget that South Africa is a minor player in the big international pharmaceutical world. But most of the international pharmaceutical companies recognize that the future growth opportunities lie in emerging markets, and certainly South Africa is listed as a very important pharmerging market. There is also the prospect of expansion into Africa, this is very exciting and is a fantastic opportunity, so it makes sense to manage this business from South Africa.

Are the African operations run from here, under your responsibility?

Yes, we run all the English- and Portuguese-speaking countries from South Africa, and all the French and Arabic-speaking countries are run from Europe or from Dubai.

Abbott has areas of expertise in diabetes, oncology, vascular… How is the company organized in terms of its management structure?

I am the head of the legal entity, but each division is run independently by their own GM or BU Head. Each division reports into their own management structure internationally.

We of course know the importance of fighting HIV/AIDS in South Africa, as the country represents 17% of the global burden for only 0.7% of the world population. Minister Motsoaledi himself was saying how this was top of his agenda. What role can Abbott play in this area?

Our Access to Care Division is run as a separate division from SA. This division was established many years ago, and we supply our HIV drugs to SA and the poorest nations of the world at no profit to Abbott.

Looking at the pipeline, what potential have you identified for Abbott to grow in South Africa over the next two to five years?

By the end of this year, Abbott will split into two separate companies. One company will continue as Abbott, and would retain our Established Products Division as well as all our Device and Nutrition divisions. The research-based pharmaceutical division will spin off as a totally separate company, with a new name to be listed on the US stock exchange. From our research based company we expect to launch many innovative molecules in the future. Our pipeline is one of the healthiest in the industry, and of course we expect most of these new molecules will be launched in SA, as they would in the rest of the world.

An important topic in the South African market is the transformation process. Assuming that the Black Economic empowerment (BEE) will be more and more important, and that the scorecard will also define who actually gets the tenders, to what extent are you integrating that transformation process?

Clearly, BEE is top of our agenda. However, for multinationals such as Abbott, it is not easy because we will never give up ownership. BEE is a challenge for us, but we need to find innovative ways to comply and improve our score constantly.

Mr. Milan of Mylan was telling us how there has been a shift in the way the South African market is perceived by international companies. First it was a training ground for managers to cut their teeth, now it is more an important market where experienced managers are sent – considering the challenges there is and considering the potential of the market. Would you agree with this?

It is hard to say. South Africa is a complex market. I'm here out of choice because I am a South African and have worked in this company for sixteen years, moving inter-divisionally.

But generally I would agree, that South Africa, due to it's complexity and footprint into Africa is not only a great learning ground, but requires skilled managers that can successfully navigate this ever changing environment.

What objectives have you set for your company to grow, and what are your personal ambitions for Abbott?

As a South African, my main objective has always been to showcase our country. We are fighting on a worldwide stage for resources. There are many emerging markets for our parent company to invest in so it is very important to sell a positive story about your country, and the possible investment opportunities. As in most industries, international investors in the pharmaceutical market are looking to get a return on their investment and want to do business in countries where the rule of law and intellectual property is respected.

Do you have a final message to the readers of Pharmaceutical Executives, both the pharmaceutical community here in South Africa and the international readers?

I remain very optimistic about South Africa and I do believe that ultimately, through dialogue and cooperation we will be able to develop a healthcare system which is sustainable to both research based and generic companies, and more importantly that we will be able to improve access to medicines to the wider South African population.

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