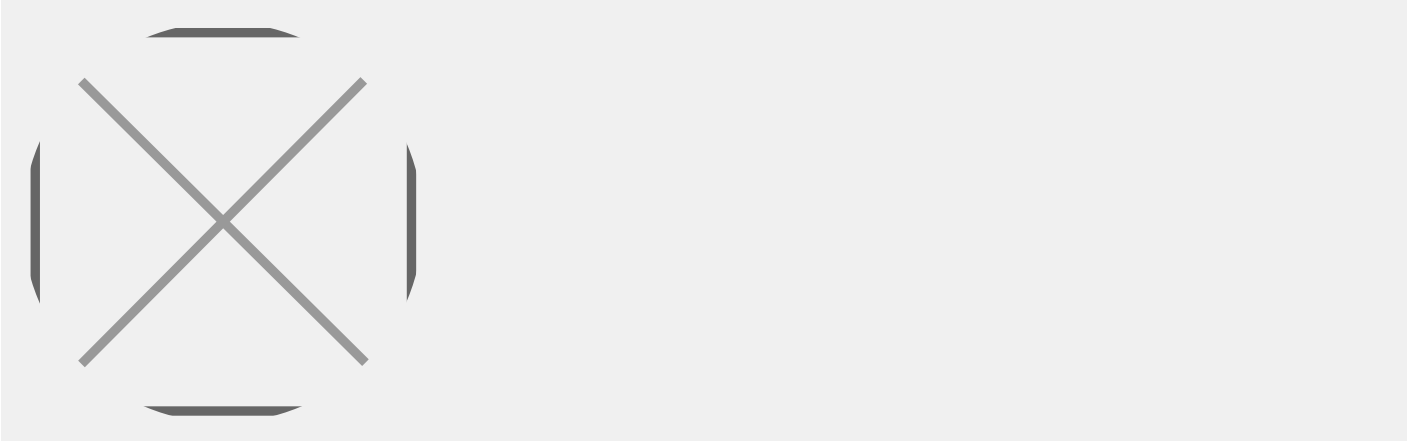
Interview with Roland Zegger, Chairman of the Pharmaceutical Committee, The American Chamber of Commerce in the Netherlands



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Given the peculiarities of the pharmaceutical industry in the Netherlands, such as the highest generics penetration rate in Europe, a relatively small manufacturing presence and a considerably regulated market, what are the main advantages and opportunities for American pharmaceutical interests in the country?

In general, the Netherlands is considered to have a very high-quality healthcare system that makes it an attractive environment for foreign companies. The country has state-of-the-art physicians that are leaders in their fields on a global scale and always aim to provide progressive and innovative treatments for their patients. Our doctors are respected for their efforts to remain at the forefront of medical and pharmaceutical developments as part of a comprehensive healthcare system.

During our meeting with the Executive Director of the American Chamber of Commerce (AmCham), she provided us with an overview of the main issues on the agenda of the Chamber; however, what specific issues is the Pharmaceutical Committee most concerned with?

The American Chamber of Commerce’s main goal is to work with the main stakeholders relevant to Dutch healthcare in order to improve and optimize the system. Ultimately, we strive to create an environment in which patients have full access to innovative treatments and medicines.

The innovative climate is a growing concern. According to a recent report from IMS the time to market and the time to achieve acceptance in the market for new drugs is increasing. Compared to

other countries we are no longer a front runner in this respect.

I am sure you are also aware of the advantages of conducting clinical research in the Netherlands and the fact that many pharmaceutical companies have opted to bring their clinical trials here. In particular, this is a result of a relatively high presence of university hospitals and specialized centers that are within a close range of each other. However there is concern on the (mid)long term about the cooperation between academia and Industry that has come under pressure in the last decade. The medical ethical audit procedures on different levels cause unnecessary and costly delays. Clinical research is commissioned by global players which have to operate under great pressure. This means that the Netherlands have to compete with other countries where these procedures are more efficient and less time consuming. In this regard, our aim is also to restore and and further improve a positive climate for clinical research and to ensure that companies continue coming to the Netherlands to conduct their trials. Finally, there is the broader agenda of creating a favorable environment for American pharmaceutical companies to conduct business in the Netherlands, dealing with issues such as labor and tax regulations.

A recurring theme that has been brought up by numerous of our Dutch interviewees, is the perception that the local industry is suffering because small Dutch pharmaceutical companies, who are renowned for their research and innovation, are being bought out by global players only to have their R&D facilities shut down a few years later. What is AmCham and, more specifically, the Pharmaceutical Committee doing to counterbalance this perception and enhance the general image of American pharmaceutical companies in the Netherlands?

AmCham’s aim is to create a positive climate for the pharmaceutical industry as a whole rather than focusing on the situation of specific companies. Generally, the Netherlands is very attractive for biotechnology companies that are responsible for developing many innovative treatments that we see on the market today. As I mentioned before, there is also a strong presence of clinical research in the country due to the high level of physicians, specialized centres and affordable costs of conducting trials here. Furthermore many American companies have their European offices based in the Netherlands and do have production and logistic activities located here.

With a new government and change of administration always come opportunities for change and development. What plans does the pharmaceutical committee have to engage the incoming government particularly in the face a cost-cutting trend that is sure to affect the healthcare sector?

The Dutch healthcare system is undergoing a very important transition that involves shifting the role of coordination from government authorities over to the health insurance providers. The health insurers mostly are very cost focused . AmCham plans to work together with the health insurance

companies to make sure that they retain a system in which doctors and patients are allowed to choose the best treatments available in terms of efficacy and added value. Inevitably the cost of treatment is a factor that must be considered, but it cannot be the deciding factor that determines which treatment a patient will receive, and this is something that AmCham believes very strongly and is advocating for. This is a particularly complex issue because sometimes it can be difficult for patients and insurance companies to gauge the real value of a treatment. This is not a criticism towards the insurance companies, but rather it is a broader issue that relates to the fact that sometimes the one bearing the costs in the system does not enjoy the benefits of it, e.g. health care interventions that contribute to patients returning to their work. This requires us to develop the competencies and tools to adequately measure the quality of treatments and express the societal benefit of it . This is also necessary in order to reward innovation appropriately so that companies have incentives to continue developing new treatments that will enhance the lives of patients. The aim of the pharmaceutical companies is to develop the highest quality treatments, optimal societal benefit and therefore the role of the insurance companies should be to balance the benefits of those treatments and access to them as properly as possible and this is what AmCham is working for.

The new administration has also expressed its interest in focusing on the development of life sciences in the Netherlands, which is parallel to the pharmaceutical industry's trend of developing biotech drugs. In the eyes of American pharmaceutical companies, what is needed to establish a rich biotech sector in the Netherlands?

Good infrastructure is very important in this area. A good example for this is the Bioscience parc in Leiden, next to the Leiden Academic Hospital. Further a long term vision, commitment of all stakeholders and room for serendipity is essential. Biotech is the future of the pharmaceutical sector.

The new administration has defined healthcareindustry as one of their top ten priorities and we have begun discussions with the Ministry of Economic Affairs to determine what AmCham could do to assist in developing this sector. The Ministry is currently in the process of evaluating their plan of action after which they will be able to communicate to us more precisely how we can collaborate with them on these issues. Overall the idea is to create a sustainable business model for the biotechnology industry that addresses the relatively higher costs that are involved in this kind of research, while at the same time providing wide access to biomedical treatments for patients. The pharmaceutical sector is responsible for some of the most innovative treatments that provide the best quality, efficacy and value to patients, and we want to ensure that such treatments are available to the entire Dutch population. In a nutshell, these are the things that AmCham is aiming to achieve together with the authorities of the new government and all the other relevant stakeholders.

Beyond improving efforts to attract innovation there is also a call to improve the employability of Dutch workers. What do you consider to be the main competencies that need to be developed for employees in the pharmaceutical industry?

The Netherlands already haves quite an advanced and efficient education system that must be maintained and perhaps even developed further in terms of the training alternatives it offers. As a whole, American pharmaceutical companies tend to be satisfied with the Dutch workforce because of its qualified educational background, language skills, general business culture and the overall stability of the workforce..

On a more personal note, being a Dutch manager yourself, what would be your advice to an American or any foreigner coming into a managerial position in the Netherlands?

The majority of the expatriates that I speak to are rather satisfied with being in the Netherlands. There is an open culture, the majority of the Dutch people understands and speak well English. If I might give an advice to newcomers in our country is that the Dutch have a unique way of reaching decisions, which we call “polderen”, and that means decision-making by consensus. The idea is that the Dutch need to discuss things to find a common ground amongst themselves before reaching a decision. In regards to this, I would say to foreigners that they should simply accept this process of decision-making and respect it because ultimately it will make it easier for conducting business.

To conclude the interview, what would be your final message to our readers of Pharmaceutical Executive about Amcham’s commitment to improve the pharmaceutical industry in the Netherlands?

Although the R&D based pharmaceutical industry is a rather small sector, it’s products provide (chronic) patients with very efficient solutions and improving their quality of life. On a macro level it’s products create an unmistakable positive macro-economic effect on the GNP of the country, which is an important indicator for the welfare of the country.

Our wish is to further improve the business environment for pharmaceutical companies in the Netherlands together with the involved stakeholders. As I mentioned before, the main goal is to develop a sustainable business model in which all Dutch patients have access to the best innovative treatments available based on efficacy and quality

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