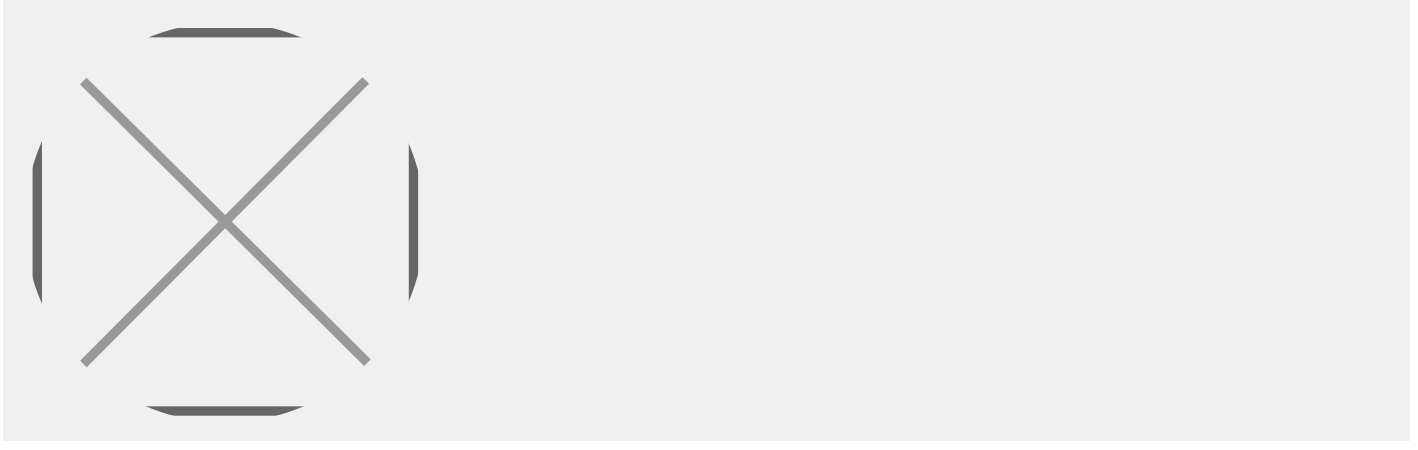


Interview with Witit Artavatkun, Managing Director, The Government Pharmaceutical Organization (GPO) Thailand



04.05.2012

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Dr. Witit, when we interviewed your predecessor in 2006, we talked about the vital role and leading position GPO plays in the Thai pharmaceutical industry and the company's investments in manufacturing facilities to improve access and affordability of drugs. What have been some of the most important milestones since you took the helm of the organisation five years back?

We strive to remain the leader in the domestic market, and in reaching this, our quality standards are of major important to us. We are realizing a number of new facilities, which combined should double the capacity of GPO's current range of the existing plant in Bangkok. The facilities manufacture according to the World Health Organization's GMP standards.

We are constructing a new, four-floor ARV manufacturing facility for solid dosage forms. The facility in Pratumthani, 40 miles outside of Bangkok, spreads over 100 rai and costs 700 million baht plant will have a maximum production capacity of 3.5 billion tablets a year, which could treat an estimated 140,000 people with HIV/AIDS. With this capacity, we will be able to save hundreds of millions of baht each year on drug imports, and it will help speed up distribution of drugs to cover people living with HIV/AIDS. The facility should open its doors in July 2012.

We have two vaccine plants coming online as well. One plant will manufacture essential medicines

such as anti-AIDS drugs Efavirenz and Lopinavir/Ritonavir, and drugs for diabetes, hypertension, heart disease, hepatitis, psychosis and intestinal diseases, while the other will produce seasonal and pandemic flu vaccines. These facilities, part of our National Vaccine Strategy, will make Thailand one of a few countries in Asia with substantial vaccine-making capability. Obviously, that was nowhere near sufficient, so it is in the interest of national security more not commercial reasons. We produce to cover our population in times of pandemics.

The Thai government, FDA and TPMA are pushing for an improvement in manufacturing standards, develop the country as a manufacturing base in the wake of ASEAN integration. As a country long focused on very high quality manufacturing, does Thailand have what it takes to reach those standards?

Thailand already exports to neighbouring countries, and we expect the volume to increase. Biotech, Berlin Pharmaceuticals, Siam Pharmaceuticals, they have the potential to reach the PIC/S standards that ASEAN prescribes.

Thai people recognize quality when they see it and prefer home-made products because they know it is more reliable than for instance Indian quality, which can fluctuate quite severely. The top dozen manufacturers in Thailand are well on their way to adhere to top standards of GMP and PIC/S, and as such Thai products will be able to compete on the ASEAN market.

The country will even be able to compete with the big guys, the manufacturing powerhouses India and China. These countries are very important to us, as they are our API providers.

Mr. Mongkul outlined to us how the company reached double digit growth in 2005/6. Could you please elaborate on the 2011 financial performance and your expectations for 2012?

We continued to show strong growth ever since, from 5.5 billion Baht in 2007 to 11 billion Baht in 2011. Profits went from 1 billion to 1.5 billion. The GPO's profits are used for the public good, such as to produce medicines in response to emergency situations like the influenza pandemic, and to make orphan drugs.

A major part of this growth was a result of government policies regarding the universal coverage scheme, but a main part of the growth came also the introduction of a range of new products. When our new plants come online, we will be able to diversify our portfolio even further and quicker.

ASEAN integration is high on the agenda and viewed as a great opportunity by the private industry to export their products to half a billion people in the region. How do you see the importance of ASEAN markets in GPO's portfolio develop?

ASEAN is bound to mean fiercer competition in the generics business – locally, regionally and beyond ASEAN borders.

The GPO does not only focus on serving domestic demand under the Government's healthcare scheme. We began exporting our products about 10 years ago, starting with neighboring countries. We did this in order to support and fulfill their needs among others under today's changes in global pathology.

Now, we are gearing up to capture opportunities arising from this. The ASEAN region as a whole is of interest to us, but it also is to India, China, and big multinationals such as Pfizer and Bayer. We will have to compete with them, and we are currently in the process of developing an appropriate strategy. We focus special attention on Laos, Cambodia, Myanmar, and Vietnam.

In these countries, we are forging strategic partnerships to stimulate our international development, among others in Malaysia. Unfortunately I cannot disclose any further information about this at this moment.

You have forged strategic research collaboration with NANOTEC to focus on drug discovery. Could you tell our readers about your R&D initiatives and partnerships to transfer technology & know how?

The Thai pharmaceutical market is growing and we need to establish strategic partnerships with recognized institutions such as NANOTEC. We will start slowly; we are proceeding carefully because the endeavour is very costly, but the partnership will help upgrade research capabilities of our two agencies and help promote national competitiveness. The focus of our research collaboration will be in the area of cosmetic and drug delivery using nanotechnology.

The opportunities for nanotechnology in pharmaceutical manufacturing and development are enormous. It is clear that the international pharmaceutical industry has embraced nanotechnology research in their manufacturing. It is essential for the GPO and NANOTEC to join force and share our expertise if we are to keep pace with drug discovery.

What are your long term plans for the next 5-10 years?

First and foremost to boost our capacity to be able to better serve the population. Meeting the needs of the population is a challenge, but we also have to balance between serving the national interest and commercial success.

We will focus on HIV, heart and cardiovascular diseases, while we are also looking more and more at orphan drugs. It is a big responsibility to bring drugs to the population. Even during crises we safeguard the necessary pharmaceuticals for the public hospitals, at all costs.

For me personally, I would like to see GPO as a social enterprise, but still, we need to make a profit. We run our business under the Government's rule and regulation. Only the GPO has to

submit hundreds of millions of Baht a year to the Finance Ministry. These GPO profits are used for the public good, such as to produce medicines in response to emergency situations like the influenza pandemic and to make aforementioned orphan drugs.

Do you perhaps have a final message to the readers of Pharmaceutical Executive?

We commit ourselves to quality, responsibility to access for our people and the people of neighboring countries.

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