Interview with Maria Angelica Sanchez, Executive Vice President, Asociacion Industrial de Laboratorios Farmaceuticos (ASILFA)

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You have previous experience working for innovative pharmaceutical companies such as Procter and Gamble, and today you are the Executive Director for ASILFA. What was your rationale behind making this change?

My time at P&G was an excellent experience from which I learned a lot and developed a great network around the world. It also allowed me to attend several training seminars that the company would send me to, for example in public affairs. But then there came a time when I felt that I should look for something else, and I had three opportunities to choose from: 1) a company that exports raw materials for the industry 2) an international laboratory 3) this association. Out of the three I felt that ASILFA was the most challenging opportunity. Here I am able to use all of my competencies given that I am a chemist and pharmacist by training and later studied communications for my Masters, as well as several other seminars and courses that I did in management, negotiation and team-effectiveness.
When I arrived there was so much to do and I could bring my previous experience to create something new here. Overall this job is a lot more challenging than working for a single company, because the members of ASILFA have to work together under one agenda, but at the same time they are competitors in the market. My job is to manage these internal relationships and also

interact with important external players, such as Congress and the public institutions. Above all this, I also like the fact that I am working for the Chilean producers and for a cause that I believe in: to provide access to the best products to all of the people because this saves many lives.

What were the reasons behind the creation of ASILFA and what have been the main milestones and achievements since its beginnings?

Originally there was only one association in the country that grouped all the pharmaceutical companies in the country, both national and international, and that was called the Camara de Industria Farmaceutica (CIF). Then in the latest 80s there was a split between the companies over the issue of patents, and this was when ASILFA was created.
Our main achievements include our hard work with the government, particularly in the area of foreign affairs, to develop commercial agreements that have in mind the goodness of the industry but also benefitting the Chilean people. We have worked closely with ProChile to export products from the members of the association and this has increased importantly in the past few years. We are also regarded as a reference-point by the main stakeholders of the pharmaceutical sector and for the press to provide opinions based on strong data and quality economic studies .

What are the main challenges that ASILFA faces?

The most important challenge is to have an efficient health authority in the country. We need a modern Instituto de Salud Publica (ISP) that allows us and contributes to our export of products and to our growth. If we are able to achieve this it would truly improve our industry, because right now registration and other processes through the ISP take a long time and they are obstacles to our growth. We should be facing obstacles outside of our country not internally. We need to continue working on supporting laws and regulations that allow the growth of our sector, through a favorable environment The new presidential administration already begun to address some of our concerns by tackling these problems in small committees that deal with specific topics. These discussions will also include other companies that are not part of our association and we have intentions to collaborate at our best with the authorities in this initiative.

What kind of cooperation exists between the two main associations, namely ASILFA and CIF?

We would like to have more cooperation because I believe that most of our concerns are common. Unfortunately, because of our disagreements over the issue of patents this hasn’t been possible. If we get together we would be more powerful, but something has to change for this to be possible. In other countries, for example in Mexico, you find that there is one large umbrella organization which represents all the associations and they all work together to move the industry. To have

something similar between CIF and ASILFA would make sense, but something has to change so that we bring in new fresh concepts that aim to have the best results.

What are the advantages of the Chilean market for manufacturers and what international standards of manufacturing do they abide by?

Quality has always been our key driver. A pharmaceutical product without quality should not exist. With quality we can attain a greater position in the market.
As we are increasingly becoming exporters, the concern for the quality is always present, Unfortunately, the regulatory authorities are still working on catching up with the demand of the market. We are cooperating with them to improve the processes, for example by proposing that bioequivalence references are harmonized throughout the region, which would cut down on costs of conducting studies in each individual country, and promote export.
Nevertheless, Chile has the lowest prices for pharmaceutical products in the region and 5th lowest in the world. What has happened in this country is that we created the concept of generics almost 50 years ago, when in other countries in the region, such as Brazil, Argentina and Mexico, the concept of generics only emerged about 10 years ago. This has created a very competitive industry and this is attributed mostly to the local industry rather than the large international companies.
Other advantages of the Chilean market are that we have very qualified people and most of the pathologies are treated with Chilean medicaments. For example, more than 70% of prescriptions written by doctors are for Chilean products, and this goes to show that the doctors trust these products. So we have a strong and growing industry and this is also illustrated by the number of manufacturing plants that are present in the country. The truth is that these companies are growing because they want to export; it is the only way to go, because the local market is too small. Lately we have also been working with a committee created by the Ministry of Foreign Affairs dealing with technical barriers to commerce in order to develop the export capacity of the local industry.

Another unique aspect of the Chilean market is that distribution channels are controlled by the three major pharmacy chains in the country. How has this impacted the business of your members and how are they dealing with this environment?

It is something that we have to accept. There is no doubt that we would prefer to have many clients but that is not the case in our country. As you know, the big pharmacies also own local pharmaceutical companies with their individual brands, so the pharmaceutical companies have another competitor there, which makes this a difficult competitive environment considering we are talking about regulated products, and that there is an assisted sale .

Government debt in the health sector has reached an estimated USD$500 million, what is ASILFA's position in this debate and what solutions are you proposing for the resolution of this issue?

The problem with the debt is something recurring. The last major issue with debt started in the second semester of 2008, and hit its peak at the beginning of 2009. At that point the situation was so severe that some companies had to postpone projects, such as the remodeling and extension of manufacturing plants, because they had not been paid by the government, which is an important customer in our market. Of course the companies that are most affected by this are the small and medium companies in the country.
In this regard, I recently met with a Committee created by Presidente Piñera called "Chile Paga" (Chile Pays) that will deal with this issue and find alternatives to have a good system and mechanisms to avoid these kind of debts. I found this initiative to be very positive so that we can work together for the future. It is also positive because the debt issue casts a negative image on the country and this is something that we need to protect. Ultimately the issue is complicated because our companies cannot simply stop providing the government with essential medicaments and products, so we must work together in order to find alternative solutions. Other non-essential industries could halt their supplies, but due to the nature of our sector we cannot do this.

What is the quality-level of scientists and technicians that is available in the local pharmaceutical industry?

We have very good universities and scientists, but to make the jump towards innovation we need to have three key players that work in conjunction: academia, government and industry. We still have to improve the balance between these three stakeholders, and once we achieve that then we will be able to have a local innovative industry. Local R&D is limited because it requires a lot of investment and cooperation from the government, not because we lack the quality in human resources. What already exists is innovation in new pharmaceutical forms for products that already exist to improve compliance of the treatment or for example altering the taste of a sublingual active that is unpleasant. Just to change the taste of a product requires many studies to ensure that the effectiveness of the drug is not altered. We also have some innovative initiatives in manufacturing processes to lower costs and improve the efficiency of production. Unfortunately, the innovation of new products will only be possible when we manage to find the harmony between the academic world, the government and the industry.

What is your final message for our readers regarding the vision for the future of the Chilean pharmaceutical industry and what role will ASILFA play to shape this future?

We are here for the growth of the industry and to promote it. We want to create the right environment that allows our business to thrive. It is important for us to find challenges outside of our borders as exporters, and not inside our own country. This is a highly regulated market anywhere in the world, so we definitely have great challenges ahead if we wish to increase our exporting capacity. In order to do this we have to improve our internal process and the way governmental authorities operate; ASILFA is always willing to cooperate in this aspect and to look for alternative on how to grow and improve.

On a more personal note, what has been your experience as a woman working in the pharmaceutical industry in Latin America?

Let me give you an example: when I first started going to meetings at the national association for industrial manufacturing, called SOFOFA, I used to be the only woman present at the meetings. Today there are three of us. There is currently a trend in Latin America and in Chile to bring women into positions of power and into the workplace in general. Today women in high positions are still very few, but you find more and more every day. My personal opinion is that being a woman is always an advantage, we can provide a different perspective and complement the work men do. The important thing is not whether you are a woman or a man in the workplace; rather it has to do with working together as a team, towards a common objective, giving the best of each one. It is true though, that as a woman I have demanded the most of myself. For example when I give a presentation I want to make sure that it is not only good but that it is excellent and this perhaps comes in part from being a woman, and because I feel, as still we are few in the industry, that we need to open the doors to other women to have a larger presence, and contribute to the country with our work.

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