Interview with Roberto Taboada, General Manager, GlaxoSmithKline Philippines

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GSK is currently the world's fourth biggest pharmaceutical company. What is the positioning of GSK in the Philippines?

GSK is the market leader among the multinational pharma companies in the Philippines, while we are number two in terms of the total market behind Unilab, which is a local company. GSK has a very strong presence in the Philippines across different business lines and therapeutic areas as well as a broad product portfolio ranging from vaccines and medicines to consumer products. We are market leaders across several therapeutic areas such as cardio/ metabolics, anti-infectives, vaccines, allergy, respiratory and dermatology.

You have been appointed President and Managing Director at the beginning of 2009. What have been the performances of GSK Philippines since you have been running the company?

One of the reasons I joined GSK was its very inspiring vision: to provide quality and affordable vaccines and medicines for more Filipinos. I joined GSK to make that vision a reality. More than one year after I joined GSK, I am proud to be part of a team that has implemented this vision, resulting in an expansion in patient access to our medicines and vaccines, leading to higher growth versus the market.

In different countries where we have been the market leaders are often Pfizer or sanofi-aventis, however this is not the case in the Philippines since the leader is the company that

you head. What have been the main factors that have brought GSK to that position and what will be the strategies that you will put in place in order to keep the leadership?

In the last decade we have expanded our presence in many therapeutic areas to strengthen our broad portfolio, I would say the main reason why we are leaders is the quality of our employees. I believe GSK simply has the best team of people in the industry. The extensive training provided for our employees' development gives us an advantage in terms of serving the needs of our customers. In terms of strategy, our efforts to expand access to our medicines and vaccines will allow us to maintain GSK's leadership position and will provide us with more opportunities to grow in the next few years.

What have been the main changes that you have seen in the Philippines in the last couple of years?

The Philippines pharmaceutical industry is one of the biggest in Asia Pacific and is, definitely, one of the biggest in South-East Asia. It used to grow at a very healthy rate of 10-12% every year.

During the last 4-5 years, the growth in value has slowed down mostly due to increased competition from local companies. Local companies have been gaining share and growing faster than the multinationals by offering lower-priced generics.

There was also the increasing pressure from the government to lower medicine prices. Like other governments in the world, the Philippine government has been encouraging use of cheaper generics or cheaper alternatives, which resulted in the passage of the 2008 Cheaper Medicines Law. The law made it easier for companies to do parallel importation and imposed some limits in terms of intellectual property protection. It also allowed mandatory price reductions of up to 50% on some key medicine brands either through mandatory or voluntary price reductions. That has had a tremendous impact on the industry. From double-digit growth, the market is now declining.

Unfortunately, this has not translated in significant increase in access for the poor.

It would have been great if more patients had gained access, but so far we saw very little of that happen because of the very low income level of the underprivileged classes in the Philippines that have no access to medicine at almost any price. Until there is a government social system to make healthcare free or at least heavily subsidized, there will be no expansion of healthcare services to the majority of the population. There are now a number of initiatives from the new government that set universal healthcare as one of their goals: this would be great for the Filipinos, for the country and for the healthcare in general. We hope that the government will be able to implement Universal Healthcare in the country.

You have been cooperating with the government in a number of social and CRS activities. Can you please comment on the projects that you have implemented in the Philippines and

their impact on the health of the population?

Our CEO Andrew Witty has a very clear way to explain our approach: we want to be part of the solution and not part of the problem. We need to find a way to work with the government and other stakeholders. In our common objective: to increase access to our medicines. By having a common objective we can find ways to work together.

One CRS initiative we are particularly proud of is our work in helping governments around the world eliminate lymphatic filariasis or LF in endemic areas, including the Philippines. LF is considered the second leading cause of permanent disability in the world. So far, seven out of 44 endemic provinces in the Philippines have been declared LF-free. Our objective is to completely eliminate this disease in the country by 2020 and we're working with the Department of Health to achieve this.

GSK also collaborates with some local government units and the Philippine Health Insurance Corporation to subsidize premiums for indigent Filipino families. We pay for the first year of enrollment and they continue in the following years.

Something that sets GSK apart from the other competitors in the Philippines is the fact that it is the only multinational company with manufacturing facilities in the country. What have been the reasons behind the decision to manufacture in the Philippines in a time in which all the other multinational companies have been closing down their plants?

Manufacturing is mainly about costs. There are some products where manufacturing in the Philippines provides cost advantages compared to bringing these products from other GSK plants. We also export some of the products that we manufacture here especially for the consumer brands.

To sum up, what would be your expectations for GSK Philippines for the next 3- 5 years?

We want to grow faster than the market by expanding access to our medicines and vaccines.

What would be your final message to the world readers of Pharmaceutical Executive?

The healthcare industry must meet its responsibility to society by increasing access to healthcare; especially in poor and middle income countries where there are huge unmet needs.

GSK acknowledges this responsibility and works towards this objective which is why it was recently ranked at the top of the 2010 Access to Medicines Index.

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