

# Denver Farma - Jose Luis Tombazzi, President - Argentina

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*The president of Denver Farma explains how crucial exports are for his company, especially to countries like Brazil where the market participation of local companies is small, and multinational companies large: exactly the opposite of the Argentinian model.*

***In 2002, the former minister of health, Gines Gonzalez, created the generics rule. Could you give us an overview of the generics sector in Argentina and how the rule changed the market?***

The generics market in Argentina began immediately after the regulation regarding generic prescriptions was introduced in 2002. After the crisis of 2001, the government went to some lengths to educate the population on the concept of generic drugs, and this really boosted sales within the sector. This step was also important for the industry, because previously the only people using generics had been those that were accessing medicine through social security. The law of 2001 put the power in the hands of the pharmacist, and the patient, and this led to more people adopting the use of generics. Generics had been used in the country for many years, but they had never actually been called as much.

***Denver Farma is one of the generics market leaders in Argentina. How did the company perform in 2013 and what is the outlook for 2014?***

Denver Farma Laboratories, founded in 1989, has always been specialized in generic medicine production, obtaining a broad range of products that are today recognized all over our country. The results in 2013 and this current 2014 have been outstanding. There is no doubt that the inauguration of our new plant in 2012 brought us to another production level.

Today, we have an important share of the Argentinian generics market because of our consistent and large portfolio with more than a 100 products. Back in 2006, we launched the first recombinant human insulin in Argentina. Denver Farma was the first company in Argentina to be able to launch the first biosimilar. This launch was possible through a joint venture with a European company, Diosynth.

***Why did you choose to work such a technical area as insulin production?***

We had the knowledge at Denver of insulin production. We analysed the possibility of launching a niche product; insulin was a natural choice, due to our knowledge, and the fact that the pathology of diabetes is very important worldwide, and it's a pathology that unfortunately is increasing. In Argentina, there was no-one producing recombinant human insulin. We decided to launch a product formulated here. Diosynth are specialists in bioproduction, and so we focused on producing the pharmaceutical products. The pharmaceutical formulation is our creation.

***What is the current strategy of Denver Farma?***

As I like to say, three "legs of action" demand our expertise and focus. One leg is the demand from social security, where we cover most of the local hospital and medical institutions; the second leg is the retail market and the third and last leg is the revenues coming from our exports.

Because of that, Denver Farma is manufacturing at his full capacity today. For instance, our company is one of the only two companies manufacturing anti asthmatics in Argentina. Apart from that, we also do some contract manufacturing for other companies.

Looking ahead, Denver Farma has ambitions to increase its work in the biotech field. Argentina has a competitive advantage when it comes to research and development compared to the rest of Latin America. Some companies have been strongly investing on that area and now, companies like ours should move ahead by using some of Argentinian biotech expertise.

***The products from Denver Farma are distributed on the national market, as well as reaching countries like Paraguay, Uruguay, Guatemala, Ecuador, Republican Dominican, Peru, Bolivia and some countries in Middle East and Asia. What share of the company's revenues is generated in Argentina and what share accounts for the international sales?***

Between 12 to 15 percent comes from exports but today, especially with the inauguration of our new plant two years ago, we are looking to expand this number by a considerable figure.

Looking at our ambitious exports plan, the Latin American market comes first because of its proximity. Here, there are two different angles. In some cases, we decided to start in small countries like Paraguay and Uruguay because it is important to establish a successful presence. Then, after reaching our full manufacturing capacity we are finally able to reach bigger countries such as Brazil, who have larger demands than other markets. This is the future for Denver. We consider that the step for exports is very important. Fortunately our target to cover the demand in Latin America is very reachable, because the situation in big countries like Brazil is the inverse of Argentina. They have a market where participation of local companies is small, and with multinational companies large. This gives us one advantage in comparison to other companies.

On top of that, we cannot forget that in most of the countries, especially in countries like Bolivia or Peru, there is huge potential to increase our participation, because many parts of the population don't yet have access to medicine, and so this market is constantly growing.

***If you had the chance to spend five minutes with the minister of health, what would you tell him regarding the interest of the Argentinian pharma Industry?***

I would definitely focus my time with the minister on talking about possible measures to implement in order to get better competitive prices for the retail market. I dream and imagine an Argentinian market with plenty of innovative generic products at the best competitive prices.

***What is the future that you foresee for Denver Farma in the next five years?***

Denver Farma will remain the leader in the insulin local market. Moreover, our biotech area will be also strong enough to support the majority of our revenues. At an international level, I am very confident to reach 25 percent revenues coming from our exports. That is our main ambition and it will be accomplished sooner than expected. In this spirit, Denver Farma recently acquired a project to produce insulin from Beta Laboratorios, a local company with more than 20 years in the insulin market.

Argentina and Latin America are today at a crossroads when it comes to the pharmaceutical sector. Our industry, especially in Argentina, has an outstanding level and reputation. There is also huge potential demand for more products, as many parts of the Latin American population don't yet have access to medicine. Why not imagine Argentina as the supplier of choice for the rest of Latin America? It is the correct time to grow and Denver Farma is ready to grow the most.

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