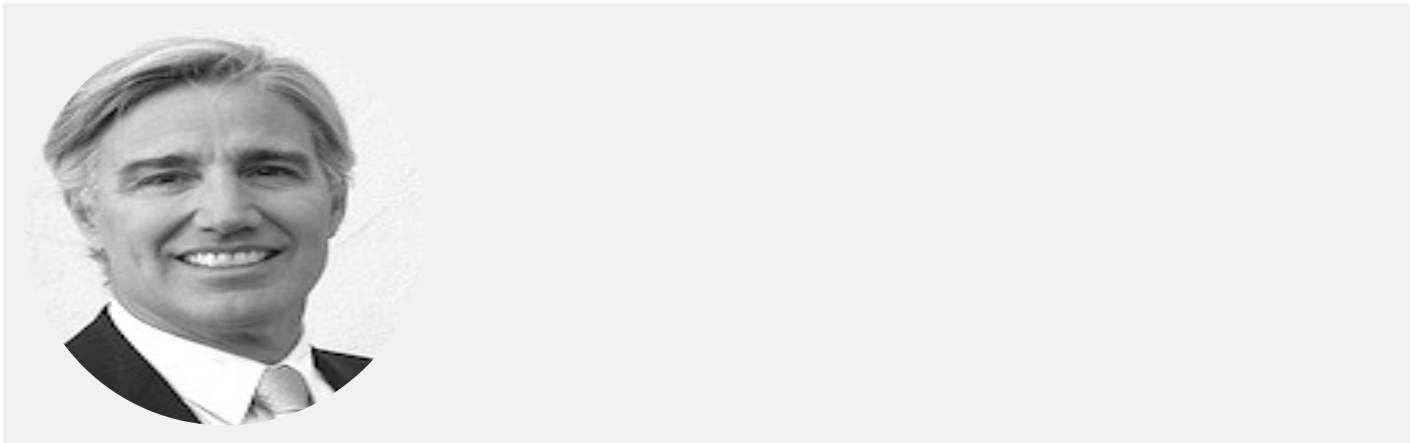


# Laboratorios Richmond - Marcelo Figueiras, President - Argentina

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*The president of Laboratorios Richmond discusses the lab's upcoming launch of the first branded generic HIV product and the firm's prospects for growth in export markets.*

## **In 2011 Laboratorios Richmond inaugurated a new manufacturing plant. What changes has this brought for the company?**

Our new manufacturing plant was opened by President Cristina Kirchner in August 2011. The facility is located in the Pilar Industrial Park, 60 km from Buenos Aires. In a six-hectare plot of land, it has an area of 5,600m<sup>2</sup> dedicated to the production of oral solid dosage forms, specifically complex and high added value antiretroviral products. The construction of the plant required a total investment of around USD 20 million.

It is a highly flexible, non-segregated, multiproduct plant. The production of solids is performed by independent unit processes: wet and dry granulation, compression, coating, encapsulation and conditioning (blistering and packing).

In a first stage the plant is producing 100 million tablets and capsules annually. Once new markets were penetrated, adjacent space will be used to increase production to 200 million units per year.

The plant is adopting the latest technologies and complies with international standards required for the production of pharmaceutical products according to PIC/s GMP, and the facility certified ISO

9001:2008. Besides, it is prepared to certify EMA (European Union) and US-FDA (USA) qualification. It will also comply to the Industrial Hygiene and Safety Regulations, relevant environmental standards, and will conform to ISO 14000 specifications with certification planned for 2015.

**Exports are crucial for the company. Among others, your products are developed and sold in Bolivia, Colombia, Peru, Venezuela, Ecuador, Paraguay, Chile, Uruguay, Costa Rica, Guatemala, Jordan, Lebanon and Turkey. Which of them are the most successful markets?**

Back in 2006, Laboratorios Richmond started to commercialize its products outside Argentina. Today, we are present in 28 countries. Our products are sold in all countries of Central and South America, as well as in many countries of Africa and the Middle East. We appoint renowned companies and laboratories in each country as our representatives. This makes our presence felt in those markets, providing an international profile to our product lines.

When it comes to successful markets, Colombia comes first, followed by Mexico and Brazil. Paraguay, Bolivia, Ecuador and Peru have an important weight too. Southeast Asia and North Africa are two important areas where we recently started operations as well. Last but not least, South Africa is crucial to our company too, as it is the largest consumer of HIV products.

**How much do exports contribute to your overall business?**

Quantity wise it is not what we expected, mainly because we are selling added value rather than commodities. In some of the mentioned countries our presence is very small. 14 percent of revenues come from exports today while our short-term goal is to accomplish a 50 percent share. Today our main goal is to go to highly regulated markets, mainly Europe.

**In 2012, Laboratorios Richmond acquired Penn Pharmaceuticals for USD 11 million.**

**What was the main purpose of the deal?**

Laboratorios Richmond made the acquisition in order to support and accompany the company's strategic process of adding cardiovascular products to its central nervous system line in order to strengthen its presence in the pharmacy market. The rewards have been outstanding as we have been able to grow and consolidate our now strong CNS portfolio.

**How do you prioritize therapeutic areas?**

HIV has always been our main priority because it covers one of the worst illnesses worldwide. In 1996 we launched our oncology and infectious diseases (AIDS) lines, which are currently the most

important product lines marketed by the company. In 2002 we started a broad program of bioequivalence studies. The whole antiretroviral line is supported by bioequivalence trials duly approved by ANMAT.

**Are you looking to expand and eventually cover other areas?**

Many products are going off patent. There is a huge amount of money coming to Argentina's branded generics market, the space where we operate. Obviously, we are open and we will always be when it comes to expanding our portfolio. With our own development and formulations, every single day we are working hard to try to give the patients and doctors new products and opportunities to manage the problems they have on a daily basis. We are experts at developing fixed dose combinations which improve treatment adherence

**What trends are shaping the local pharmaceutical market in Argentina today, and what is Laboratorios Richmond doing in order to assure its continued competitiveness?**

Undoubtedly, and as in every other market around the world, biotechnology is going to be a key driver in Argentina in the coming months and years. As a result of this, we are working on a small scale on two different initiatives: basic research to start getting close to the biotech industry, and a partnership agreement with a 100 percent biotech company.

In the last five years, Argentina's pharma industry grew at a faster rate than the rest of the world. The pharmaceutical industry has the eighth highest revenue of any industry in the country, and when measured in value added terms the production and commercialization of medicines ranks in second place. Our industry has been selected by the government as one of the nine strategic sectors to attract international investment. We are also a key industry for the government's "Plan Estrategico Industrial 2020." There is no doubt that prospects for Argentina's pharmaceutical industry look bright.

**In our previous interview, you had very high growth expectations. Today, five years later, Richmond is doing better than ever. What comes next?**

I'm a very confident person. We want and we will launch the first branded generic in HIV. The Bill Clinton Foundation recently called us to announce that one of our combinations is unique in the world, which was produced by our outstanding scientific department with our own patented processes.

We won't have problems delivering all future orders that will come from many different countries, especially from our HIV and oncology portfolio. Having said that, to be able to increase our

manufacturing capacity in the near future is extremely important for us.

Argentina is navigating in murky waters today but as I said, I am very positive that all the problems will be solved in a short time. We are a country of cycles: every ten years we have a crisis. Our current crisis is not as bad as the one in 2001. Its magnitude is manageable. The world is doing well all together and Argentina will grow through inertia. Our government has been implementing very good policies and has set the basis for a future growth.

**What is the future that you foresee for Laboratorios Richmond in the next five years?**

We have to triple our turnover and accomplish the 50/50 local to international revenue split. Being part of the top 10 laboratories in Argentina is also a goal to accomplish. Laboratorios Richmond wants to be considered as a South American company, a regional player, more than as a local Argentinian pharma entity. That is our main ambition and it will be accomplished sooner than expected.

**What do you think have been motivating you to be able to manage with such a success Laboratorios Richmond?**

First of all, I'm a team worker. Then, and most important, I love the social responsibility of what we are doing. It is important to give back something to your own country. To be able to give society a better place to live is what motivates me the most.

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