Interview: Motoyuki Sakiyama – President, Thai Otsuka Pharmaceutical, Thailand



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Thai Otsuka's president explains the Otsuka Group's commitment to Thailand, the tremendous potential they see in the market in light of the opening up of the ASEAN Economic Community and his personal ambitions to ensure the company remains on a successful path.

What is the importance of the Otsuka Group's operations in Thailand?

Otsuka made its first international expansion in 1973 when it established Thai Otsuka Pharmaceutical (TOP). During that time, most Japanese pharmaceutical companies were focused on drug development in Western countries. However, Otsuka looked to its neighbors in the east. Thai Otsuka was our group's first overseas operation and remains a pillar of success for the group's overall strategy in Asia. Over the last 42 years, we have remained focused on ensuring the Thai branch's success by channeling our efforts on specific segments in the Thai pharmaceutical market. Thai Otsuka has become a market leader in various products, with pharmaceutical drugs and basic intravenous products, including enteral nutrition. We are an innovative company around the globe, especially in the United States, Europe and other regions of Asia, but our Thai operations remain significant because it was our first overseas investment and continues to make an important contribution to our organization. Moreover, we are indebted to the Thai people, our research and development efforts draw from the nation's large and diverse population, and we are thankful for the cooperation of these amazing patients in their participation in research trials.

How has Otsuka Group grown regionally since it first opened its Thai operations four decades ago?

The Otsuka Group is an Asian company founded in Japan, but has developed into a global player as a result of its successful expansion plan. As a consequence of our strong and continued presence since the early 1970s, Thailand has been established as a regional center of excellence, facilitating expansion into nearby Southeast Asian markets. This has allowed us to grow our intravenous product business, for example, to build market share in Laos, Vietnam, Cambodia, the Philippines, Indonesia and Myanmar. We recognize that Southeast Asia is a growing region with many patients looking for quality products at affordable prices, and Otsuka sees a tremendous potential to be the partner of choice for these patients. Over the last four decades, we have seen the potential of Southeast Asia increase dramatically and Otsuka Group wants to ensure that we play a vital role in their development!

How is Thai Otsuka maneuvering around current market challenges?

The business climate in Thailand for multinational pharmaceutical corporations has its obstacles, but we have developed new ways to infiltrate the market and reach specific targeted segments to achieve results. We believe that our products contribute and help patients in need and consequently have a place in Thai society. It is my personal belief, that Thailand’s policies have created an opportunity for Thai Otsuka to become more flexible. It is our continued challenge to reach our clients via new channels, and remain affordable and accessible. Over time, we have overcome a variety of difficulties and persist as a strong force in the market due to our willingness to cooperate with Thai physicians in the research and development of enteral nutrition (medical food), as well as gaining recognition as a leading provider of intravenous solutions and from establishing world-class manufacturing standards. Moreover, we continue to provide various innovative pharmaceutical products developed by Otsuka Group. We aim to be a company of creative individuals and are also passionately building a company devoted to better health for the people of Thailand!

Which products are currently driving the growth of the organization?

We have various products in Thailand that have seen strong sales these include medical food and drugs to treat mental illness. This increase can be attributed partially to the growing middle class and the aging population in Thailand. Moreover, we are working hard to ensure that our products are familiar to our consumers through consistent communication with medical professionals, communicating to our patients the safety and ease-of-use associated with using Otsuka products.

Furthermore, the critical factors for the company's continued success lie in marketing, sales and quality. We take this one step further by promoting the research and development of knowledge in treatment with greater efficiency and help with the establishment of various Thai medical associations. This allows us to understand the market better and to adapt to meet current market demands while remaining true to our organization's tenacious and creative spirit!

What opportunities do you see in the future for expanding Thai Otsuka's manufacturing and research base in Thailand?

In 2011, Thai Otsuka opened a manufacturing facility for the production of intravenous solutions products. This resulted in increased standards of production and contributed to the harmonization of the Pharmaceutical Inspection Co-operation Scheme (PIC/S) standards. We are planning on opening another factory in the coming years to increase our market share in medical foods.

Moreover, we plan on conducting more research in the future to help us understand the needs of Thailand's diverse population, which will help us map out our future manufacturing demands as well. Increasing our presence regionally via research and clinical trials will allow us to increase our market potential and help meet the demands of Thailand's population, as well as to understand the demands of nearby nations that have similar market demands.

What areas of the organization can be improved to further increase the organization's market presence?

The organization has been successfully run for over four decades and I am proud of the contribution I have made since becoming president in 2011. With that said, there are always areas for improvement, such as process management and talent development in order to further help us to adapt to current market challenges. Thai Otsuka possesses a strong regional presence, partially due to the organization's commitment to maintaining a structured system in which it measures its' success. Recently, we came up with a 10-year plan to ensure our long-term vision in Thailand. However, there are certain policies in place that make it difficult to predict outcomes, but by continuing to improve processes and improve the organization internally I believe we will continue to achieve monumental success and serve the needs of our patients, which is our main priority!

How do you see the opening of the Association of Southeast Asian Nations (ASEAN) Economic Community in December 2015 affecting your business in the coming years?

The opening up of the ASEAN Economic Community will bring about many changes for the pharmaceutical industry in the long-term, but due to the differences in the various markets where

the Otsuka Group has business affairs I believe it will take some time before we see any real changes. There is tremendous potential to have different governments around the region collaborate more on developing transparent policies that benefit growth for domestic and international investors. As a regional leader in the pharmaceutical industry, the Otsuka Group can certainly benefit from a more streamline method of doing business throughout our various regional operations. As president of Thai Otsuka, I am hopeful about the growth potential of the region, but understand that it will take some time to achieve real results. Moreover, in the coming years I believe that Thailand can increase its leadership role and become a regional center due to its strategic location and market potential.

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