

Interview: Dr. Nopporn Cheanklin - Managing Director, The Government Pharmaceutical Organization, Thailand



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The Government Pharmaceutical Organization's Managing Director, Dr. Nopporn Cheanklin, tells PharmaBoardroom about its plans to launch 20 new products, its search for medicines whose patents expire in the next few years, and the prospects for exports to Laos, Cambodia and Myanmar.

What ambitions for growth does the organization have both in Thailand and beyond its borders?

We are looking to invest more in research and development (R&D) and we have a new product line of 20 products we are also launching. We are expert producers and providers of generics, and consequently we are looking for medicines whose patents expire within the next few years. Moreover, we aim to continuously invest in order to produce new drugs that help with our budget, but also expecting to make future profits when we begin exporting to neighboring countries, such as Laos, Cambodia and Myanmar.

What is the GPO doing to promote Thailand as a regional R&D center?

We have done research in different fields and are responsible for the formulation of pharmaceutical products as well as for Active Pharmaceutical Ingredients (API) and the research and development of biological products. We always try to build a network with other nations with well accredited universities and institutions to learn and continuously grow and adapt our organization, as well

position Thailand as a region of global importance for R&D. Thailand possess tremendous potential, but it is going to take a long time to reach our full potential as a R&D hub.

What is the role of the Government Pharmaceutical Organization (GPO) in Thailand?

Historically, the GPO's primary mission was to conduct research and development since modern medicines were not widely used in Thailand and were imported from abroad. Today, we are contributing to the Thai society in providing better standards of living through production and supply of quality medicines at affordable prices. Nearly half of our sale revenue is done via charity deals, which enable easier access to pharmaceutical products and treatments for individuals suffering from HIV or tumor diseases, for example. Our sustainable business practices ensure the nation saves nearly 4 billion Thai Baht (USD \$110,000) per year, as the government would have spent more on imported pharmaceutical products. Simply put: we provide low-prices medicines to the market, even though we gain minimal revenue as an organization.

For the last 45 years the GPO's priorities have been to provide affordable and quality drugs, regardless of profits and ensure people come before profits. How are you positioning the organization to ensure it remains sustainable?

We need to find the right balance in making the product sustainable at a low price. It is quite difficult to make profit because nearly 50 percent of our earnings go towards charity. Therefore, we only benefit from the remaining part to maintain our organization afloat. The GPO's main goal is to make sure we have enough pharmaceuticals for the government and to provide quality medicines at an affordable price, despite profit challenges. Our sustainable business practices are to build a high-skilled research team and make sure we can launch new products, even though we will not make more than 10 percent profit.

With the opening up of the Association of Southeast Asian Nations (ASEAN) Economic Community in December 2015, what new and untapped opportunities do you believe exist for the organization?

We are looking forward to exporting to Laos and then to Cambodia and Myanmar. We are also working on creating a joint venture where we would share resources to build manufacturing facilities and offer low priced products. Every market is different in ASEAN, Cambodia, for example has lower standards, while Vietnam and the Philippines have higher standards. In order to further increase our exposure in the region I plan on participating in exhibitions, which is a good opportunity to meet new business partners and clients.

Within Thailand you have a competitive advantage as a government entity, how do you position yourself in the market with private companies?

Many public Thai hospitals are in deficit and currently owe the GPO around 1.8 million Thai Baht. Private companies stop supplying certain medicines to the hospitals if they are not profitable. On the contrary, the GPO continues to ensure our patients receive the medicines they need because that is the mission of our organization. Therefore, we process their orders for any particular medicine and make sure that we can supply it to them. In the future, we will need to adapt our sales and increase the ability of marketing people via more sales representatives to increase our presence in foreign drug markets. In the meantime, we still need to have the privilege from the government because we need time to adapt.

What programs do you have in place to educate and prevent individuals from making poor decisions that can have grave consequences on their health?

I focus on many kinds of medicine and education, such as helping smokers quit. Providing good knowledge to people is necessary and we want to make sure that we provide education on preventive measures, as well as pharmaceutical knowledge to ensure patients understand the consequences of their actions.

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