

Interview: Tugce Gozacan, Owner & Okan Gozacan, Chairman, Marmara Ecza, Turkey



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Tugce Gozacan (pictured) and Okan Gozacan, Owner and Chairman of Marmara Ecza respectively, discuss what qualities are crucial for suppliers in the pharmaceutical industry, their process for forming partnerships and attracting clients, and their vision for a future with Iran as a major player.

As an introduction for our readers, please give an overview of where Marmara Ecza stands today, and describe what direction you plan on taking the company moving forward.

Right now, we mostly deal with excipients and with APIs, in the future we plan on shifting our focus increasingly onto APIs. Traditionally our specialty has been in excipients because each type of excipient, for example lactose, is demanded by multiple companies. So if we stock lactose we can sell it to many different companies. With APIs on the other hand each type of API is highly specialized, and each company requires a different kind, so we cannot stock up on them. Instead with APIs we will import them upon request in the amount requested and immediately sell them on. Today though we have a very strong excipients portfolio, so now is the time to move to APIs.

How do you plan on expanding into APIs, especially when facing competition from China and India?

Actually we will be importing from either China or India. Our process for doing so will be to first bring over a number of samples from select companies. We will get them approved, acquire the certificates, audit the company and only after we are certain that the company is completely qualified will we offer it to our customer who can then sign off on it. We then become their importer for that API. This is not a fast process however, and it will most likely take up around two years to get through it for each API. Getting approval from the Ministry is not easy, and that can take up most of that time.

In your opinion, how could this approval process be streamlined? How could it be made easier for companies such as yourself to gain approval?

First, price is very important in this business. Aside from that, quality is crucial as it is certainly the most important part of any medicine. Marmara has an advantage there as we have spent a lot of time and effort building up a reputation for being trustworthy, if we approach the government with a product they will be more likely to give it a chance because of our reputation for excellence. Maintaining this can be difficult however, as it takes a long time to build up a reputation and it can easily and quickly be destroyed. This has led us to be quite cautious when looking to form partnerships with other companies.

For example, we were searching for a Chinese producer of PVPs two years ago. The problem was that we didn't trust any of the producers as we kept hearing rumours about deficiencies in their production processes. Because of this we decided against importing any material from them. Without strong trust in a company we refuse to import from them.

What is your process for selecting the right supplier, how do you go about choosing a trusted supplier in foreign countries?

We have very good relationships with the purchasing departments of several multinational companies. When we are looking for a supplier for a specific product we ask them where the larger companies purchase their products first. After that we audit them ourselves to reach a final decision. Our relationships with these companies are therefore quite important to us.

Speaking of relationships, the company has managed to secure several strategic partnerships with companies such as Toros Chemical Products Trading and IGH Aroma, how have these partnerships help Marmara grow over the years?

Toros is the distributor of Merck, and we being in a partnership with them helps us supply and sell Merck products. With IGH we have a joint venture, and as they have an office in China, that helps

us significantly when we do business there. It is very difficult to send people to China ourselves to investigate and audit all of the companies we might be considering. Having that joint venture allows us to use trusted resources already in place to find the best suppliers moving forward.

In your opinion, what is the most important factor in long-term relationships such as the ones you have now?

We love our business, and over the years we have built up some very good relationships which have in turn allowed us ourselves to build up a very strong reputation for quality and excellence. We take pride in this, and are determined to continue it. Trust is the crucial factor here, as it is for many companies when doing business in Turkey. This is difficult to build up though, and it takes time and effort from both parties to form a good business relationship.

Marmara is also the exclusive distributor for several brands such as Ivonik, Unilever and Omnia. What type of companies do you look to become the distributor for?

These are some of the leading companies in the world, and we are proud to be their distributor. For example, Evonik's worldwide distributor is Azelis, but in Turkey they choose Marmara Ecza. One reason for this could be that as mentioned, relationships are important in Turkey, and that puts a barrier between foreign companies and local buyers. Marmara is able to break down that barrier for foreign companies. In essence then we look for companies with a stellar reputation who despite this may have a difficult time operating in Turkey themselves. Marmara can be their partner in this, and that is what we look for. We can also act as a supplier more easily this way. If a company urgently needs a certain material not readily available in Turkey, we have a large network of multinational companies to draw upon. If one of them has the material required we will ask them to sell it to us, so that we can procure it very quickly for the company in need. This again helps to strengthen our relationships.

We were in Turkey in 2005 and 2012, today we see more innovation. Turkey is starting to push the envelope in this regard now. Nobel is going into biosimilars and Atabay and AbdiBio are starting to invest heavily in in-house R&D as well. How is the fact that Turkey is starting to innovate at home, rather than relying solely on imports, impacting your business?

We believe that it will impact our business positively in the future. It will allow us to stock up on new materials not currently in demand and to expand our warehouse capacity accordingly. We are adapting to these needs as they develop, and are currently being invited by some of the large companies to help lay the ground for their future material requirements. We know of the innovation

projects underway currently, though we believe it will take roughly two years to really feel the impact in our business. That is when many of these projects will start to gather momentum and we will begin to feel their presence in the market.

The government's 2023 vision to make Turkey one of the top 10 healthcare service economies in the world is an ambitious one. Part of this aim is to have 60% of all healthcare products consumed in Turkey produced locally. As a leading supplier with a 50-year history in the market, how will Marmara Ecza contribute to this vision?

We already have very good distributorships in place, we have strong relationships built up and we have the ability to scale our capacity accordingly. We are very hopeful that the industry will respond strongly to the government's goals and that we will see a surge in domestic production which would of course lead to a boom in business for Marmara. Our vision is that we will continue to play the role we are fulfilling now of trusted supplier for the country's leading companies.

We are not only in contact with those companies' purchasing departments, we are also in touch with their R&D departments so that we can forecast and anticipate their future needs and respond accordingly ourselves. We are supplying them samples for their early research, and will continue to work closely with them moving forward. An advantage for us is that most companies prefer to have only one suppliers for their excipients, so when they need a new product we are already their first point of contact.

What would your final message be to companies featured in this report and others abroad about your business in Turkey and its future here?

The most impressive sector in Turkey right now is the pharmaceutical sector. We want that to continue, and to protect the integrity and excellence of this sector. We want to make Turkey a central hub for pharmaceuticals globally, with a reputation to match the quality of our companies. In the future we see ourselves working with producers in Iran, to import materials from that country which will supply companies in Turkey, and which can then in turn export Turkish products globally. The embargo on Iran will not, and should not last, and we hope to work with them moving forward. In fact, very recently we have already established contact with some companies in Iran so that when the embargo is lifted we are ready to make use of the new possibilities it will bring.

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