Interview: Ashish D. Pal – President Director, MSD Indonesia



"Our innovative cancer medicine gives physicians a new therapeutic option and hope in managing the tens of thousands of lung cancer patients across the country."

03.07.2017

Tags: Indonesia, MSD, Pharma, Vaccines, Biologics, Healthcare, JKN,

Ashish D. Pal, President Director at MSD Indonesia, discusses the importance of introducing innovative pharmaceuticals, vaccines and biologics to address significant unmet needs and the strategic importance of the universal healthcare coverage program (JKN) towards meeting the national healthcare goals.

Mr. Pal, you have been leading the Indonesian affiliate of MSD since January 2015. How have the operations of the affiliate evolved under your tenure and what have been your biggest accomplishments in Indonesia?

MSD in Indonesia has been on an exciting transformational journey and thanks to my team we are a very different company today! We went through a significant evolutionary journey in 2015 and starting in 2016, we became one of the fastest growing companies in Indonesia!

You just mentioned that MSD became one of the fastest growing pharmaceutical companies in Indonesia. What were the concrete steps that you implemented to get to this position?

Our performance today cannot be attributed to a single action but rather a combination of several organizational and customer focused initiatives, alongside a focus on advancing our innovative pipeline with new launches.

How is your product portfolio of human health designed in Indonesia?

Our human health business includes pharmaceuticals, vaccines and now biologics. We have focused on advancing our innovative pharmaceutical, vaccines and biologics portfolio with prioritizing products that address a significant and growing disease burden in Indonesia; cervical cancer, diabetes and lung cancer being some prime examples.

Looking to the future, we will continue to work in close collaboration with the Ministry of Health and other relevant stakeholders, with a focus on prioritizing the registration of our innovative pharmaceuticals, vaccines and biologics portfolio that address a significant patient need across Indonesia. In addition to a growing specialty presence, we also remain focused on addressing patient needs with our broad Primary care portfolio, which includes our Diabetes, Allergy and Respiratory franchise(s).

What is the main contributor to your revenues in Indonesia and where do you foresee most growth?

We are focused on broadening access of our innovative portfolio across Indonesia. We see long-term growth coming from our pharmaceuticals, vaccine and biologics business segments.

There is an epidemiologic transition in Indonesia with stronger government focus on treating chronic diseases. How will this transition impact your product portfolio?

[Featured_in]

Our current and emerging portfolio is tailored to address growing chronic diseases, one of which is diabetes. The International Diabetes Federation estimated that there are more than 10 million people living with diabetes in Indonesia. Meanwhile, the 2015 consensus from the Indonesian Society of Endocrinologists revealed that 1 out of 11 people are diagnosed with diabetes, with more than 90% suffering from Type 2 diabetes. Our innovative products provide patients with a solution in managing this chronic condition. In 2017, we expanded our diabetes portfolio with an innovative product that combines Sitagliptin and extended-release Metformin, which helps patients to effectively lower blood sugar with Type 2 diabetes and avoid serious complications.

In the sphere of cancer care, lung cancer is the leading cause of cancer death in Indonesia with over twenty thousand deaths annually – the highest in Southeast Asia. It is very difficult to diagnose this disease and patients are often screened at later stages. Given our continuing commitment to innovation in oncology, we recently received approval for Pembrolizumab, the first immunotherapeutic agent approved in Indonesia for the treatment of non-small cell lung cancer.

Our innovative cancer medicine gives physicians a new therapeutic option and hope in managing the tens of thousands of lung cancer patients across the country.

With a focus on cervical cancer, our HPV vaccine provides protection to Indonesian women and teenagers against cervical cancer and other related diseases caused by the Human Papillomavirus (HPV). We stay committed towards continuing to work in close collaboration with the Ministry of Health to help address a stark reality; 26 women in Indonesia die each day because of cervical cancer.

As we look to the future, we will continue to expand on our strong and growing footprint with a focus on products to treat chronic and life-threatening diseases.

Regionally, Indonesia is one of the largest markets and it is growing fast, expected to reach USD 12 billion by 2020. What is the significance of Indonesian operations within the regional context?

Indonesia is S.E. Asia's largest economy and is the world's seventh largest by nominal GDP. The Indonesian pharmaceutical market is valued at approximately USD 5 Billion with a 5-year-CAGR of 7.6%, based on the IMS Quarterly report for 1Q-2017. The total market has grown at 8.9% in value, while the Ethical Market has grown at 9.4%. Though the market is growing, it is a very modestly sized market especially in the context of the fact that Indonesia is the world's fourth most populous nation. Future market outlook and associated investment by pharmaceutical / healthcare sector will be significantly influenced by continuing private market growth and the long term success of the Universal Health care access program, an initiative that we truly applaud. As members of the International Pharmaceutical Manufacturers Group (IPMG), we look forward to building on our partnership with the Ministry of Health and other key stakeholders across the government to help build a universal health care program which seeks to broaden access of innovative pharmaceuticals, vaccines and biologics for patients.

Even though local players dominate 75 percent of the pharmaceutical value in Indonesia, 45 percent of the branded generics' value in the country is in the hands of MNCs. Could you expand on the challenges and opportunities you identify in bringing innovative medicines in Indonesia?

[related_story]

As we work in continuing collaboration with the Ministry of Health and BPOM (Indonesian FDA), we believe that there is an opportunity to 'fast track' the registration of innovative pharmaceuticals,

vaccines and Biological products that have already been approved by major regulatory agencies around the world.

As an IPMG member company, we truly applaud the recently introduced initiative by BPOM, the Reliance pathway, and look forward to bringing the best of our innovation more rapidly to help treat patients across the archipelago. With the new Reliance pathway, BPOM will take into consideration approvals received in major countries to accelerate the registration review, such as from the US FDA and EU FDA. Currently, the Reliance pathway is limited for only non-biological and non-vaccine products. However, we see great benefits for patients in also having accelerated pathway for innovative vaccines and biologics.

MSD's economic model is based on considerable investments in innovation – last year the company invested approximately 17 percent of its total revenues in R&D. What is hindering the development of the R&D environment in Indonesia?

There is big opportunity for Indonesia in capturing a portion of the global pharmaceutical R&D market. Unfortunately, at the current time the number of registered clinical trials from Indonesia is one of the lowest across the region. This is due to several factors which include a 2010 regulation placing tighter control on clinical trial samples from being taken out of the country for the purposes of pooled analyses. Before clinical trial samples can be sent overseas, the researcher must first obtain a permit. As of January 2016, Indonesia had 289 registered clinical trials, while peers in the region, such as Thailand and Singapore, had 1,866 and 1,573 registered clinical trials respectively.

With an industry view towards expanding clinical trial investment in Indonesia, we look forward to building on our dialog with key stakeholders to create a more attractive clinical trial landscape across Indonesia. You can see this with Singapore, as an example that showcases the economic potential of clinical research and associated investment. Each year the country attracts around USD 8 Billion of biopharmaceutical investment, with a prime focus on research and development.

To help Indonesia realize this potential, the IPMG member companies have shared for consideration a proposed roadmap on how Indonesia, Southeast Asia's largest economy, can become a healthcare investment hub for the region. The roadmap outlines the ideal conditions for R&D investment, policies to foster Local – MNC industry partnerships, and suggestions on the Universal Healthcare coverage program (JKN). We believe that Indonesia's large and diverse population offers a great clinical research opportunity. However, a tremendous amount of work needs to be done which includes increasing investment in human capital, enforcing strong IP protection, investment in building the clinical trial infrastructure and a regulatory framework that supports

rapid registration and broadening patient access. We look forward to working in continued partnership with the Ministry of Health, towards realizing this vision.

Looking ahead, what are the main objectives that you would like to achieve in the upcoming years?

As one of the world’s leading research driven biopharmaceutical companies with a history of over 125 years, I would like for us to stay focused on realizing the vision of our founder, George W Merck. We look forward to significantly building on our partnership with the Ministry of Health with an objective of broadening and accelerating access for our innovative pharmaceuticals, vaccines and biologics portfolio. We continue to honor and uphold the IPMG code of compliance while never compromising on our global principles of ethics and integrity in ALL we do each day.

See more interviews