

Interview: Michał Pietraszek - General Manager, Apotex Poland



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Michał Pietraszek, general manager of Apotex Poland, the leading Canadian generics powerhouse, discusses the affiliate's strategic move into the OTC and food supplement business and the company's niche-market approach to its Rx generics. Furthermore, he highlights the potential of Poland to be a key player within the company's international success and his aspirations moving forward to significantly contribute to the global revenues.

What have been the key factors that have influenced the market over the last few years and how have you adapted to these changes?

In 2011, the Polish pharmaceutical market landscape completely shifted with the implementation of the new reimbursement act, and the following year the market dropped nearly 40 percent in value. At this time, the Polish authorities placed tremendous pricing pressures on the market, attempting to lower our prices in some cases by up to 70 percent.

Fortunately, the reimbursement price committee has changed their tune since then, as they soon realised it was difficult for the entire industry to compete with such low prices. Nevertheless, we have witnessed positive changes, such as the introduction of fixed prices; therefore, at every pharmacy Polish people can buy Rx medicines at the same price.

Due to these pricing concerns, we took the bold decision in 2012 to enter into the OTC and dietary supplements market. These areas are less regulated, and allow us to split the risk across the board

of our operations. This has given us substantial growth and now makes up 25 percent of our total revenues.

Furthermore, we decided to utilize a unique approach to our portfolio diversification by asking medical professionals what OTC and supplements they require, to then provide them with the treatments based on their recommendations. Apotex is a global company, therefore, this approach allows us to have a tailored approach to the Polish market. Moreover, we took the initiative to produce these medicines domestically, and have partnered with local companies to manufacture 90 percent of our OTC and dietary supplements in Poland.

In what areas do you see future growth moving forward?

In Poland there is a tendency for self-medication. This is driven by the fact that there are long waiting times to visit doctors and specialists. Therefore, the practical mindset of the Polish population has them going to the pharmacy to purchase their medicines and save time. As a result, the OTC and food supplement market are growth areas for Apotex Poland moving forward.

The Polish pharmaceutical market is dominated by generics. What potential does this offer for Apotex Poland?

Our strategy has been to focus heavily in niche and specialised therapeutic areas: we are strong in CNS, transplant and benign prostate hyperplasia (BPH) urology medicines. Apotex is a company that invests large amounts of resources in looking for advanced generics on the market. In our pipeline, we may have many older molecules, though we are looking to engage new formulations, indications and dosages, such as controlled release tablets and transdermal applications.

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We are no longer focused in high volume and older treatments as the price erosion in Poland is immense. Therefore, staying within the niche areas allows us to provide to the market innovative generics at a comfortable price point. This approach, coupled with opportunities of our OTC and food supplement sector, will ensure the success of the Polish affiliate moving forward.

How receptive are Polish authorities to granting quick market access for generics at patent cliffs?

Any company is able to enter the market immediately as the government is very proactive in promoting a strong generics sector. This is due to the fact the introduction of a generic product results in a 25 percent drop in the price of drugs in that particular therapeutic area. Therefore, the

entire public health fund being spent on pharmaceuticals, benefits from a strong generics industry.

The only issue we notice is a few low-cost manufacturers are making it more difficult. Their lower production costs allow them to offer drugs at a cheaper price; therefore, making it extremely difficult for many companies to keep in touch price-wise.

The company at a global level is investing heavily into biosimilars. How advanced is the introduction of this new wave of drugs into the Polish market?

Apotex globally has highly invested into biosimilars and is developing five new innovative products that are extremely costly. Apotex in Europe only covers a few countries; therefore, to generate the required funds to cover this large initial investment, we are looking for partnerships in each European country. This will allow us to be present in more nations.

There are two biosimilars that are already present in Europe, and three others that are currently in the clinical trial phase. Hopefully, Poland will be able to launch two of these in upcoming years. Nevertheless, the concerns we have is Poland still does not have the correct framework to differentiate biosimilars from standard generics, though this may change in the future.

What must the Polish affiliate do to stand out and showcase the potential of Poland to the global company?

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In this regard, numbers speak for themselves! Apotex Poland has done well commercially and will continue to do so, and our overall presence in the Polish market continues to grow.

A great example of our excellent work in Poland is that 100 percent of our new launches are successful. Headquarters supports and trust us, giving Apotex Poland great flexibility in our operations. As a global-Canadian company, there is a focus on Canada and the US, though head office is currently looking at various markets to identify further opportunities, and we strongly believe that there is a significant untapped potential in Poland for Apotex moving forward.

What are the aspirations of Apotex Poland moving forward?

From a sales target perspective, it will all depend on the growth of our portfolio through the launch of new products. Three or four are in the pipeline, and we expect therefore a double-digit growth next year.

Strategically, a crucial interest of ours is to continue being the leader in BPH urology medicines, and expand our overall neurology portfolio. Furthermore, we want to consolidate our strong position in the CNS sector and drive forward our success in transplant products.

As the employee number one of Apotex Poland, you have been leading the growth of the affiliate for 20 years. What is the driving force that makes you tick, day-in, day-out?

I asked myself the same question recently at our 20-year anniversary celebration! Throughout my time here I have worked with incredible people that contain inside them immense passion. My team consists of many people I started with 20 years ago, and with this we have created a family atmosphere and we inspire each other, every day. It is a great place to work and we are proud of the company we have built from the ground up.

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