

Interview: Alex Carvalho - General Manager, Pierre Fabre Brazil



"Market access is truly a priority in our organization, and our efforts encompass both our current portfolio as well as our upcoming oncology products."

22.12.2017

Tags: [Brazil](#), [Pierre Fabre](#), [Pharma](#), [Oncology](#), [Dermocosmetics](#)

Alex Carvalho, general manager Pierre Fabre Brazil, provides insights into the rapidly ascending trajectory of the company in Brazil, its utmost commitment to oncology in the country, and Pierre Fabre's eagerness to further investing in this strategic market. He also calls for a greater collaboration between all stakeholders to tackle the access conundrum in Brazil's oncology field, including both the country's private and public healthcare sectors.

Could you introduce to our international readers Pierre Fabre's history in Brazil and the scope of its operations in the country?

Based on the company's strong footprints in the pharmaceutical and dermocosmetic areas, Pierre Fabre's global slogan is "From Health to Beauty" - and the latter perfectly illustrates the path followed by the company in Brazil. Pierre Fabre still stands a young company in the country, as we only entered the market in 2004. At that time, Pierre Fabre was exclusively focus on its dermocosmetic portfolio, and our pharmaceutical products were locally distributed by partners, namely Baxter and Brazil's Astamedica and Aché. As a result, during its first years of operations in the country, Pierre Fabre was only operating and recognized as a dermocosmetic company in Brazil.

In 2007, Pierre Fabre acquired the reputed Brazilian company Darrow, which held a strong dermatology portfolio as well as some generics products, mostly in the oncology area. In this

regard, the acquisition of Darrow marked the true entry of Pierre Fabre into Brazil's pharmaceutical market, while the company also inherited of Darrow's substantial manufacturing site in Areal (in the state of Rio de Janeiro). Darrow boasted an excellent reputation among Brazilian dermatologists and the overall medical community, which – through the acquisition – got more broadly introduced to Pierre Fabre in Brazil.

In 2010, Pierre Fabre decided to take back its pharmaceutical portfolio. In this regard, one of my main missions when I took over in 2012 was to develop Pierre Fabre's pharmaceutical arm and introduce to the market some of the group's most strategic products.. For example, we launched in 2011 an oral dosage form of *vinorelbine*, which is the Group's leading pharmaceutical brand in terms of net sales. In 2012 we launched *vinflunine* and *busulfan*, for use as a part of conditioning regimen prior to hematopoietic progenitor cell transplantation, a product that has been in-licensed from Japan's Otsuka and marketed by Pierre Fabre in Europe, Africa, and Latin America.

What does your product portfolio look like today and what is your growth strategy in Brazil?

[Featured_in]

To the contrary of other countries where Pierre Fabre also holds primary care and natural products, the Brazilian affiliate is exclusively focused on oncology and our portfolio so far comprises four products. This focus has enabled us to concentrate our efforts on building up our image among local oncologists and hematologists and therefore tremendously helped us to be rapidly recognized as a strong player in Brazil's oncology market.

In order to further accelerate the growth of our oncology portfolio, we set up in 2015 commercial partnership with EMS, the largest domestic company in Brazil and one of the most significant pharmaceutical companies in all Latin America. As part of this partnership, we are taking care of the marketing and promotion of a very important leukemia product, which is manufactured by EMS before complying with a second quality control at Pierre Fabre's Brazilian distribution center. This recent collaboration also perfectly illustrates Pierre Fabre's approach in Brazil, which aims at maximizing our oncology focus and ever increasing reputation in this field.

Pierre Fabre has indeed based its rapid growth in Latin America on strategic partnerships to complement and/or strengthen its oncology portfolio. Are you following the same approach in Brazil?

[related_story]

Totally. Our partnership with EMS emerges as the starting point of our licensing strategy, and we are currently working on forging other agreements with international companies, which I cannot disclose at the moment. We definitely hold the capacity to promote partners' oncology products in Brazil, and this is a value offering that has caught the attention of several companies in the country.

However, Pierre Fabre's future growth in the country will truly rely on both inorganic and organic growth. In August 2017, the European Medicines Agency has started the review of the marketing authorization applications for Pierre Fabre's *encorafenib* and *binimetinib* for the treatment of BRAF-mutant advanced melanoma. If approved, this combination co-developed with Array BioPharma would represent a new and potentially important option for patients with BRAF-mutant advanced melanoma, which could reach the Brazilian market within the next two years.

This groundbreaking combination could moreover provide Pierre Fabre with a true blockbuster in Brazil, and we have already been preparing our Brazilian structure to make a success of all these upcoming launches, including both organic and inorganic growth options.

How do you explain that Pierre Fabre has managed to develop such a strong reputation in the country's oncology field, given its relatively late market entry?

Brazil emerges as the sixth largest pharmaceutical market in the world, and – more importantly – it also stands as a true expertise hub in Latin America's oncology area. As a result, Brazilian oncologists and hematologists are actively participating in international conferences and medical congresses, where Pierre Fabre has been present for decades. In this context, leading Brazilian oncologists and hematologists already knew our company and its expertise prior to the development of our local footprint in Brazil.

Over the past six years, our main objective was therefore to translate this international, institutional image into a local strength and showcase to these KOLs and physicians that Pierre Fabre is now strongly implanted in and committed to Brazil.

Another opportunity for Pierre Fabre relates to the fact that – in Brazil – prescribers still hold a real decision power even after generic entry, which is not the case anymore in European countries, where prescribers have to first and foremost comply with payers' reimbursement lists. In Brazil like in many other Latin American markets, we do see prescriptions changes happening at the point of sales; however, physicians' high influence entails great development opportunities for companies like Pierre Fabre, which has managed to build for itself a great reputation in Brazil's oncology field.

Beyond the sales of the Brazilian affiliate, what is the importance of the country in the global operations of the group?

Brazil undoubtedly stands as a market that receives a significant attention from Pierre Fabre's headquarters. In 2015, the group announced a strategic investment plan of over BRL50 million [USD15 million] to primarily strengthen the group's industrial presence in Brazil through the modernization of our manufacturing facility in Areal, which currently employs more than 100 employees. These investments will allow quintupling our current production capacity and increasing our efficiency by 50 percent by 2020.

Finally, our plan in the mid term is to turn our Areal factory into our production and logistics platform for the entire continent. Finally, I want to highlight that Pierre Fabre decided to invest in this asset in 2015, at the height of the latest economic and political crisis [*the Brazilian GDP contracted by 3.8 percent in 2015 and by 3.6 percent in 2016 - Ed*], and this decision truly showcases the long term commitment and the ambitions of the company in Brazil.

With public spending capped to inflation rate for the next twenty years and the number of Brazilians covered by HMOs decreasing from 51 to 48 million since the beginning of the crisis, access has truly become the name of the game in the oncology area. What has been Pierre Fabre Brazil's approach and initiatives in this regard?

Market access is truly a priority in our organization, and our efforts encompass both our current portfolio as well as our upcoming oncology products. In this regard, we have launched several initiatives in the public sector, where hospitals have been suffering from solvency problems since the beginning of the crisis. Pierre Fabre strives to work with wholesalers and find alternatives to ensure these public hospitals' patients can still access their treatments. In this endeavor, the patients are truly our focus and we concentrate our efforts on establishing a sustainable pathway to make our treatments available to them. In this regard, Pierre Fabre strives to be as flexible as possible from a commercial standpoint, and our access department works hand-in-hand with healthcare institutions' multi-disciplinary teams to precisely establish which patients would benefit the most from our oncology products. For our chemotherapy *vinflunine*, we for example strive to bring together oncologists and urologists - an approach which is rather rare in Brazil - to jointly identify how we can improve the quality of life of their patients.

On the private side, the government approved two years ago a law widening the access to oral oncology drugs, and HMOs are now obliged to reimburse these treatments to their beneficiaries. However, the pharmaceutical industry still holds the responsibility to ensure products are included

into HMOs' listings by showcasing their unique added value. In the private sector too, broadening access will rely on our capacity to develop innovative schemes with HMOs – and Pierre Fabre Brazil aims to be an active contributor to this approach. Although the private insurance market is extremely fragmented in Brazil, we can start working with some of the country's largest institutions and jointly design access models, which could then be used as blueprints by other HMOs down the road.

In the grand scheme of things, the only way forward in terms of access in the oncology area is to foster a greater collaboration between all stakeholders involved – pharmaceutical companies, healthcare institutions, HMOs, the government and patient organizations.

Where would you like to see Pierre Fabre Brazil within the next three years?

I am really optimistic regarding the evolution of our economy, while Brazil is set in 2017 to exit a two-year recession period [*the OECD recently forecasted 0.7 percent and 1.6 percent growth rates for 2017 and 2018, but some economists also announced more optimistic growth rates – Ed.*]. In the meantime, our combination of *encorafenib* and *binimetinib* is currently undergoing a phase III study for colorectal cancer, which could entail huge opportunities for our company moving forward.

Thanks to our current strategy based on both organic and inorganic growth, I believe we could at least double the size of our organization within the next five years.

Do you have a final message for our international readers?

Brazilian population is rapidly aging and healthcare needs are soaring accordingly, especially in the oncology area. As a matter of fact, over 30 million Brazilians will be over 60 year old by 2025. In this context, all stakeholders must redouble collaborative efforts and join forces to develop sustainable access solutions in both the public and private sectors. The pharmaceutical industry as a whole has a key role to play in driving this collaborative efforts – and Pierre Fabre Brazil, as a company committed to the oncology and hematology areas, will work tirelessly to ensure patients can benefit from life-changing products.

[See more interviews](#)