

Marius Calleja - General Manager, Starpharma, Malta



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Marius Calleja, general manager of Maltese contract manufacturer, Starpharma, discusses the company's current growth strategy and how Starpharma can capitalize on the emergent medical cannabis niche.

Even though you only started as general manager six months ago, can you describe the evolution of Starpharma over the years?

Starpharma has been operational in Malta since 2001, the second pharmaceutical company established in the country. In May 2017, the company was acquired from Valpharma, the Italian founder. The new acquisition was composed of a Maltese company, Healthy Living Group, and an Indian partner, Sovica group. For strategic reasons the group Health and Living Ltd bought out the shares of the Sovica group to become the first fully owned Maltese company in this segment.

Our new strategy is not to be another run-of-the-mill CDMO generic company. We aim at creating a unique competing space for our customers through complex and difficult to produce molecules. In line with this strategy we are currently focused on sustained release formulations having more than fifteen years of knowledge and experience in this area.

What have been the key changes in the company since December 2017?

The company's current headcount has increased to 24 from the original 18 employees. Our target is to increase this number to 60 over the next two years.

In recent months I have made strategic changes in the management by recruiting some of the best-known people in the Maltese pharmaceutical scene. This brings a wealth of experience to Starpharma.

Apart from looking at skills, my main focus was to create a company culture that embraces open communication and team work. Starpharma offers flexible and work-from-home work conditions aimed at creating a real balance between work and life and a return back to industry opportunity for professional females that had to leave to care for children.

How many products do you have in your portfolio?

Currently we hold IP for five slow release (SR) products. We have a plan to develop four new molecules over the next two years. These are going to be products which will be off patent by 2022.

Starpharma will remain a 100 percent export only facility. We will remain present in Spain where we supply 83 percent of the generic market for Venlafaxine SR. We are currently working on contracts in the UAE, Iran, UK and India with intention to spread our presence wider and further.

As a fast-growing Maltese contract manufacturing company, what is Starpharma's growth strategy for the upcoming years?

We want to continue producing unique complex molecules. Malta has just passed the bill allowing the manufacturing of medical cannabis. We are collaborating with one of the five letter of intent (LOI) holders and have set a very aggressive target of being first to market by Q4 this year. Regulations and security for the product go beyond what is considered norm in the pharmaceutical industry.

Several countries are passing laws regarding cannabis for medical usage, but few have allowed manufacturing and demand far exceeds supply. Therefore, we would like to seize the opportunity and position ourselves in this growing market segment.

Our collaborating partners have over a decade of expertise on this product. They have one of the most renowned professors in the industry; he was one of the first to identify cannabinoids receptors within the human body. There are over 144 different identified cannabinoids and the

human body had evolved to accept them. Even though people still get confused about this, the reality is that only one of the cannabinoids has hallucinogenic effects; the others have medicinal properties.

Even the Minister of Industry Chris Cardona is lobbying for the medicinal usage of cannabis, and he is working with the government to make them accept the new regulations. What do you believe is going to be the main challenge?

Convincing the general public that this is manufactured solely for medical purposes. There has to be a shift in mentality and an understanding on the difference between recreational and medicinal usage. The government is regulating this sector in a way that will avoid any potential conflict like what happened in the US, where the banks got scared of money laundering problems and cartels entering the pharmaceutical industry. Therefore, it is important to work on a precise structure, where only screened, qualified employees can access a high security manufacturing site.

Do you have any interest in investing in other areas besides cannabis?

We need to expand the facilities because our goal is to offer a one-stop-shop to customers. We intent to invest in a packaging line and a fluid bed dryer. Our goal is to adopt a lead strategy. Potential new clients would be working on nine to ten projects simultaneously knowing that only one or two will go through. This makes it difficult for them to invest in a manufacturing site of their own. We are here to avail them of the extra capacity and equipment that they need. Therefore, globally CDMOs business is growing. Originators are looking to focus on new molecules from the core of their business, and as we have bigger flexibility, they can outsource it to us. In Malta CDMOs have built a reputation for delivering high quality products whilst respecting aggressive project times lines and delivery.

Malta being an island may be seen as a disadvantage in terms of logistics this is not the case as we have a good connection with mainland Europe such as vessels reaching Genova (Italy) on a weekly basis and air-freight is connected daily, although it is more expensive.

How is Starpharma collaborating with other key stakeholders in the country to leverage potential synergies?

We are a contract developing manufacturing organization, we collaborate with other local pharmaceutical companies. One locally present multinational company has chosen us because we have niche equipment which a lot of companies don't have in Europe, and therefore we have the capacity to develop their products.

With your existing capacities, are you able to develop more partnerships?

Absolutely! At the moment, we can produce around 200 million tablets and 100 million capsules. But we are also currently in discussions with the government to further expand the plant.

Starpharma is undergoing a rebranding exercise and in the process of creating our new website. Furthermore, this year we will be present at PharmaVenue in Spain and CPHI. We also have a far-reaching contact list built over the years of working in this industry.

Being the first Maltese owned company implies a flatter organization that is less cumbersome, and hierarchy constrained. We can personalize project to client needs with a faster execution time and more value added.

Besides rebranding, what are the new key values that you want to establish for the company?

I want a company that is fun and pleasant to work in. I believe that if you keep your employees happy, the customers will be happy. Its starts by working on the internal structure. We communicate a lot. Recently we created our new logo, all the employees were involved in the decision-making process. It is the best way to feel part of the company.

What are your main objectives for the upcoming three to five years?

Growing the company whilst making sure that the new company culture is sustained. This requires focus and effort with headcount increase to ensure that the bonding remains the same. The company culture is pinnacle to the growth of the company. We also have new owners, so we will make sure to deliver good financial returns in return for the trust they place in us to run their business.

More on a personal note, you started working here six months ago. How can you leverage your previous experience in the industry to motivate your team and also grow the company?

I have learned from the past that you have to delegate; you have to get people involved. If they believe into something they will work for it. Imposing things is not the best way to go. I have been given different tasks across the years, sometimes described as impossible but – with a solid team behind me – I have always managed to deliver.

Coming back to the company, Starpharma is here to stay and continue growing with a good team behind it. It takes time as well as financial resources to consolidate and recruit the perfect team,

but it pays off. Human resources will remain the main factor limiting growth and Malta high employment rate will ensure to keeping me busy on the coming years.

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