Adriano Antonio Treve – General Manager, Roche Turkey

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In Summer 2018, we spoke to Adriano Antonio Treve, then general manager of Roche Turkey, now Area Head Central Eastern Europe, Turkey, Russia, Central Asia, Iran, Pakistan & Indian Subcontinent.

Treve provided insights into the main opportunities and challenges of the Turkish market, Roche's unrivalled commitment to making a difference to patients' lives as well as the company's phenomenal capacity to manage transitional phases throughout his career at Roche, spanning past 33 years, while the latter today faces the two-fold mission to successfully launch its groundbreaking new medicines and resist biosimilar competition on the oncology side.

Leveraging on your extensive industry experience forged in both mature and emerging markets, what would you highlight to our international readers as the main specificities of the Turkish pharmaceutical market?

Above all, a key specificity of the Turkish pharmaceutical market relates to the country's single-payer reimbursement system, which today covers 98 percent of the population. As a consequence, Turkey's private market is particularly small. As part of the Turkish model of healthcare, patients are therefore entitled to attend any hospital (either private or public) and have their treatments reimbursed by the social security SGK. Furthermore, following the impressive transformation of the country's healthcare paradigm through the Health Transformation Program (2003-2013), Turkish patients nowadays expect to access standard-of-care products as well as the latest, innovative therapies available – in the exact same way as in Europe or in the US.

In spite of the great population coverage offered by the country's reimbursement system, market access hurdles remain. It is important to recognize that the situation has improved recently through dialogue and collaboration. Yet, registration and reimbursement timelines are still particularly long, and bringing innovative products to Turkish patients still emerge as a lengthy endeavor.

Last but not least, the pricing pressure put on pharmaceutical companies truly stands as an aspect that cannot be overlooked. As a matter of fact, the prices in Turkey are among the lowest in the world. This is essentially due to the widening gap between TITCK's fixed EUR/TRY exchange rate *[1 EUR =2.69 TRY in August 2018]* and the 'real' market exchange rate *[1 EUR = 6.10 TRY on August 7, 2018]*. In this regard, the situation has clearly become difficult for many pharmaceutical companies, especially if one considers an additional mandatory discount of 41 percent for a product to be reimbursed. We strongly believe that a sustainable pricing policy is critical for increasing investment in pharma industry, which occupies an important position in Turkey's 2023 vision.

Taking into consideration both the wide coverage of the reimbursement system and Turkey's extreme pricing pressure, how attractive is Turkey as a market for Roche?

There is no doubt that the contribution of the Turkish market to the revenues of the group has decreased over the past years when converted to Swiss Francs. Although the market has somewhat lost its superb from an economic standpoint, Roche is not the kind of company that would all of a sudden walk away. This is part of our commitment to patients all around the world.

We have been operating in Turkey for 60 years; regardless of pricing discussions, Roche has always embraced a long-term approach to this market. This implies we tirelessly strive to make a difference in patients' lives by bringing our latest products to the country, prioritizing patients' access, and hoping that Turkey's pricing situation will advance moving forward. We apply this thought process to all our products, including our latest, groundbreaking immuno-oncology products, for example.

In the grand scheme of things, Roche's approach in Turkey is the same as everywhere else in the world: we are committed to working with the government and find required solutions in terms of access, because – at the end of the day – our only objective is to ensure that patients can benefit from the breakthrough innovation of our products.

As mentioned, Turkey has experienced a true healthcare revolution through the successful implementation of the Health Transformation Program (2003-2013). Now that almost all the Turkish population is covered by universal health coverage, do you feel that Turkey has been moving from a volume-based to a value-based healthcare paradigm?

By definition, a value-based health system implies that payers accept paying reasonable prices to provide their patients with the benefits of higher-value products. In Turkey, reimbursement decisions taken by the SGK *[which is part of the Ministry of Labor, Social Services and Family]* are rather based on a budget impact evaluation. At this point, what we seek is giving a greater importance to the value based, scientific assessment conducted by the Health Technology experts of the Ministry of Health.

When it comes to moving to a more value-based pricing and reimbursement approach, the discussions between the research-based pharmaceutical industry and the government have so far shown that we have a long way to go.

In the meantime, as Turkey is considered a reference market by other countries' pricing agencies, including neighboring markets such as Russia, Egypt, and Saudi Arabia, as well as in far-fetched countries like Colombia, the impact of Turkey's pricing system truly goes beyond our country's borders. As an industry, we understand the necessity to ensure the financial sustainability of the Turkish model of healthcare, but I hope that we can meet on common grounds with the authorities to find a healthier balance on pricing issues.

Roche typically stands as a frontrunner when it comes to working hand-in-hand with the government and regulatory authorities in order to design tailor-made, innovative access models. Are you able to replicate this approach in Turkey too?

Yes, for sure. Together with the payers, we have jointly established alternative reimbursement models, and the latter seems to work very well. This clearly proves that if a given company genuinely looks for a solution, the Turkish government reveals itself as collaborative.

Overall, Roche Turkey has been rather successful over the past years and I am optimistic about the evolution of Turkey’s pharmaceutical market, however true challenges exist and must be acknowledged. I believe that – as in many other emerging countries – international companies must proceed with cautious steps and be realistic about their assumptions in a fast changing environment. There is no doubt that the Turkish market holds a great potential, while the country stands as a fantastic place to do business, but it should not be visualized as an *easy place* for international pharmaceutical companies.

What are some of the objectives on top of your agenda for Roche Turkey?

In a similar fashion as in many European countries, Roche Turkey is undergoing a two-fold transition phase. The first aspect of this transition relates to the increasing competition of biosimilar products in the oncology area, affecting strategic products that used to make up a large share of our revenues. Nevertheless, generics competition is nothing new to the pharmaceutical industry and we have been preparing ourselves for this development – at the end of the day, the loss of patent exclusivity does not mean that we shall stay idle and let other players easily stake a claim.
The second pillar of our transition phase is to ensure we successfully launch our new groundbreaking medicines in Turkey. We recently received approval for Roche’s multiple sclerosis product while a hemophilia product is set to be launched in Turkey.

Beyond our financial results, my overarching mission as the head of the affiliate has always been to develop our people and ensure Roche Turkey is recognized as a highly skilled company, with the best expertise and knowledge, as well as talented professionals ready to bring the affiliate to new heights.

What would be your piece of advice to a recently appointed, foreign general manager coming to Turkey?

Turkey can reveal itself as a very rewarding market, but it requires time and perseverance. In the meantime, one must accept that things frequently change, and at a rapid pace. Over the four and half years of my tenure at the head of the Turkish affiliate, I have worked with four different Ministers of Health and three Presidents of the medical agency TİTCK.

You have been working at Roche for over 33 years, and we can feel you are still extremely passionate about this company when you talk about its commitment to the patients and the sheer innovation of its products. How do you explain such a loyalty?

First of all, the company has always provided me with fantastic career opportunities – as a matter of fact, I am about to take over the reins of a region gathering together 20+ countries.

Furthermore, Roche truly stands as a phenomenal company when it comes to managing transition phases such as the one we are going through at the moment. Over these 33 years, we have experienced many of those phases, but – product launch after product launch – Roche therapies have regularly established themselves as standards of care in their respective categories, which is absolutely mind-blowing. As a company, Roche has had a tremendous impact on many life-threatening diseases and contributed spectacularly to improving disease prognoses in many crucial areas, oncology in particular.

Fifteen or twenty years ago, few observers believed that Roche would ever become the world’s leading company in oncology – and here we are today. While we are broadening our portfolio and entering new therapeutic areas, we are also pioneering genomic profiling. In the meantime, we aim to further consolidate our leadership in oncology. Regardless of our strategy or area of focus, our unrivaled commitment to make a game-changing impact in patients’ lives remains absolutely unchanged. It may be difficult to understand for people outside of the company’s walls, but this is the daily goal of any Roche employee – ensure the incredible innovation of our products are fully unlocked and benefit the patients, all around the world.

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