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Suchart Chookruvong and Wanna Thanesanont of Thai generics player Polipharm, highlight the growing importance of R&D within their strategy, how the firm has remained focused on quality, and why Polipharm aims to position itself as the partner of choice for all stakeholders in Thailand; a local company with an international mindset.

Can you introduce yourselves and give an overview of Polipharm's history and positioning in the Thai market?

Suchart Chookruvong (SC): I graduated with a Pharmacy degree in 1972 and have a master's degree in pharmaceutical chemistry. While working for Roche as a sales rep, I decided to go to the United States to continue my studies and work as a research assistant.

I returned to Thailand in 1980, it became clear that pharmaceutical companies here preferred to import APIs from abroad because it was cheaper and quicker than having their own synthesis plant. Hence, I switched to work in a formulation plant instead.

When I joined Polipharm, more than 30 years ago, the company had a small factory with fewer than ten employees and less than 1,000 square meters. Today, we have more than 400 employees, and the factory is around 8,000 square meters. Our turnover is closed to USD 20 million, and we are

one of the Top 20 pharmaceutical companies in Thailand.

I have overseen several significant changes over these 30 years. When I first joined Polipharm, we did not have a sales or marketing team. When Mr Fischer, a German businessman, took over the company, we expanded and became more focused on quality. We started to meet GMP quality standards and developed new generic products and built up the marketing and sales department. We also became an original equipment manufacturer (OEM). To date, we have more than 15 OEMs, both local and international.

Wanna Thanesanont (WT): I graduated with a Pharmacy degree from the Philippines in 1987, and joined Polipharm shortly after while working as quality control pharmacist I also got an MBA in finance. Then I had many opportunities to work in other fields, including HR, warehouse management, regulatory affairs, R&D management, import-export management, and quality assurance management. I was promoted to general manager in 2019.

Thailand is aiming to become a more innovation-focused and globally competitive pharma power, in line with the Thailand 4.0 policy. What opportunities do you identify for the local pharmaceutical industry to contribute in this context?

SC: It is important that the government pushes for more innovation in Thailand. However, the Thai pharmaceutical industry has started this push a little too late. If we have had started 30-40 years earlier, we could have been one of the top international players in the pharmaceutical industry. But at that time the government encouraged only formulation plants, not API synthesis.

At Polipharm, when we began to focus on innovation, we started on formulation and producing new generics. We became strong and well-known in the field. The Thai FDA is pushing the development of innovation and good quality products. Once we have developed enough innovative products, they could be licenced out to other developing countries, and invest again in R&D and looking for more innovation.

You received a Good Quality Award from the Thai FDA for three consecutive years (2016-2018) How to do you ensure that the Thai patient has access to innovative products?

SC: Our main customers are the hospitals, doctors and pharmacies. Our mission is to give them the correct information about our new innovative products and why they should use them instead of older products. The government encourages the private sector to do more R&D and Polipharm has allocated 15 percent of its profit to the sector. They are trying to push more pharmaceutical companies to develop innovation, in the hope that to replace the older generation products for safety and saving healthcare expenses.

Thailand heavily relies on pharmaceutical imports, which rose in value from USD 1.8 billion in 2016 to 2.2 billion in 2018. What needs to be done in order to make Thailand more self-sufficient?

SC: Currently, imported products represent about 60 percent of the Thai pharma market in terms of value, with locally-manufacturing products representing 40 percent. If we are able to increase R&D and innovation sooner we will be more self-sufficient, and our products price will be much lower. In the ASEAN countries, the quality path for Thailand is probably one of the best, excluding Singapore, where the majority of companies are multinationals. The other ASEAN countries are looking for Thai products thanks to their quality and price, even if they are a bit more expensive than some other Asian countries' products.

The pharmaceutical industry is fast-changing. In 15-20 years, most current products will have become obsolete. New categories of product are coming such as biopharmaceuticals, including peptides, probiotics, and vaccines.

At Polipharm, we have already been working in biopharmaceuticals, biosimilars, nutraceuticals, functional foods, and probiotics. We have signed a contract with a Taiwanese company in the field of probiotics. Also, we are now in the negotiation process for biosimilar products from Korea, as we know Korea is one of the leaders in this field.

Can you describe your portfolio and which areas are most promising?

SC: We have a few products we are particularly proud of in neuro-medicine for Alzheimer's disease. Parkinson, Nerve Pain etc. We have received a number of approvals from the Thai FDA as products for the elderly are increasingly important because of the country's ageing society.

Polipharm has opened a new factory, laboratories and a warehouse, and has increased the number of products registered and received GMP PIC/s certificates from the Thai FDA. What the impact will this have on the development of the company?

SC: At the moment public sectors spending on R&D is quite low. The Board of Investment then set up project to support those companies who start to do R&D, the companies can benefit from an exemption of corporate tax for 5 years. With the BOI privilege, Polipharm has improved the facilities and able to expand to broader areas we are now ready to be for a partner for outsourcing, R&D, formulation, quality control, regulatory affair services and other. More than 10 percent of our business already comes from contract manufacturing, and we are open to expanding this part of our business.

What is your internationalization strategy for Polipharm and which geographies do you plan to focus on first?

SC: Right now, we already export in the ASEAN region, except for Indonesia. Once we have a strong portfolio we will expand internationally. The next steps for us are developed markets. Within five years, when we will have enough innovative products, we are planning to export to Europe, Japan, or the US. We are also trying to achieve WHO qualification for some products.

Thailand has a very competitive domestic pharma industry; what makes Polipharm the partner of choice?

SC: Polipharm is seen as a trustworthy, reliable, financially strong, transparent, and ethical partner. Quality is, of course, our number one priority. Polipharm have received the Thai FDA award for quality three consecutive years and have different quality certifications such as GMP and PIC/S ISO 17025 ISO9001 2015 etc. It helps us to build strong collaborations with our partners. Furthermore, if international companies want to come to the ASEAN region, Thailand is the right market and Polipharm is the right partner. We can help along the entire value chain, from registration to manufacturing, and marketing.

In the next five years, what is going to be the key achievement of Polipharm?

SC: Innovation is definitely a must for us. We hope that this will drive growth of between 12-15 percent a year and propel us into the Top 10 pharma companies in the country. Conventional products are gradually becoming obsolete and in the next five to ten years will be replaced by now categories of products. We hope that we will be able to develop biopharmaceuticals and have different partnerships in those fields. We are also ready for a new joint venture or corporation in any form, as long as both are benefit. Since we are a reliable manufacturer and we have a lot of different services we can do business with multinational standard. We are a key partner in Thailand due to our knowledge, expertise and international mindset.

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