Georg Schroeckenfuchs – President MEA and Head Gulf & Saudi Country Group, Novartis



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Georg Schroeckenfuchs, Novartis' president MEA and head of its Gulf and Saudi Country Group, explains how the company's objectives are aligned with Saudi Arabia's Vision 2030, the progress made towards the nationalization of its Saudi workforce, the potential impact of changes in the tender process, and why Novartis is uniquely positioned to build on Saudi Arabia's clinical trial capabilities.

What have been the highlights of your tenure since PharmaBoardroom last spoke to you and how did the organization manage during the pandemic?

Our ambitions in Saudi Arabia have not changed. Moreover, Novartis' mission of reimagining medicine to improve people's lives was not disrupted by the pandemic. Especially during a crisis, it is important not to change your focus and the things you want to achieve and that your team keeps committed to its purpose because patients cannot be left behind. We have been focusing on innovation, reaching patients and launching medicines, not slowing down on regulatory activities. The team has proven to be resilient and that is the beauty of the MEA region; our people here are used to dealing with volatile environments.

The organization has spent time accelerating what we had already started, particularly in terms of digitalization. It was impressive to see that we were able to switch to working from home almost

overnight, build up digital engagements with key stakeholders and continue our collaborations with government representatives. The Saudi government, for example, was fast to adapt. By moving to electronic signature processes, meetings, and engagements they ensured that there was not the feeling of connection disruption. Because of that, we were able to keep up the pace of our regulatory and launch activities.

As head of the MEA cluster for Novartis, can you explain how your organization is structured in the region and the place of Saudi Arabia within it at a time when the focus is on Vision 2030?

The main markets in MEA are Saudi Arabia, the UAE, the Gulf countries, and Egypt. These countries have fast access to innovation and regulatory timeframes are quite short even compared to other developed markets such as the US and Europe.

I must say that the ambitious mindset that the Saudi Arabia Vision 2030 sets out fits well with the mentality we are embracing at Novartis. I like to say that we shoot for the moon, and even if we miss, we will land among the stars.

We have many collaboration and partnership models with the Saudi government because they are open to public-private partnerships to improve the outcome for patients. I believe that both Vision 2030 and our mission to reimagine medicine fit quite well with that.

As a research-based pharmaceutical company, it is good to see a proper ground for innovation in Saudi Arabia and a renewed focus on the healthcare sector, which the country sees as a critical one. As Saudi Arabia continues its push towards diversification, they are looking at pharmaceuticals and healthcare as sectors to build on.

Often, when countries start rethinking their approach to the pharmaceutical industry, they fixate on creating local manufacturing at the expense of scientific infrastructure and capabilities as well as clinical trials. What should be the focus of stakeholders in the Saudi ecosystem to create a strong life sciences industry?

The framing of this question is interesting because it is exactly one of the dialogues we are having with the Saudi government. I have to say that, , although local manufacturing is one of the elements on the Saudi agenda, it is not the sole one. We are one of the strongest supporters of the

nationalization objectives to bring Saudi nationals and more female talent into our organization to enhance the country's ambitions.

Another element is capability building. Saudi Arabia is one of Novartis' hubs for cell and gene therapy, which is especially relevant given the high prevalence of genetic diseases in the Middle East. The Gene therapy treatment of patients with inherited retinal disease due to mutations in RPE65 has a great impact for small children, and Saudi was the first country in the Middle East and the second outside of the United States to receive it, showing the level of openness to innovation here.

The ambition should revolve around capability building and knowledge transfer and move beyond local manufacturing. Manufacturing alone is the old-fashioned approach to the pharmaceutical industry whereas the future is more about cell and gene therapies, the manufacturing for which takes place in laboratories. We have encountered openness from the Saudi government to find a wide spectrum of different activities to support their goals. Novartis is also doing clinical trials, which is one way we want to support scientists in the country.

In terms of Saudization, 65 percent of our workforce are Saudi nationals, a very high percentage. We are helping them develop through programs that allow them to rotate between different countries to further enhance their learning and reach higher levels within the organization.

You mention clinical trials as a gateway to expose clinicians and patients to scientific innovation, and at some point, there will be a hub in the Middle East for such activities. Considering that Novartis already has a cell and gene therapy hub in Saudi, how do you evaluate the country's capabilities for clinical trials and its chances of becoming the region's hub?

That is another dialogue we are having with the government because we support them to continue creating the right infrastructure for clinical trials considering that the medical infrastructure and quality of experts and hospitals is very high here. What has to be further enhanced are the approval processes and the stabilization and speed of the processes because there is fierce competition from other countries.

One of the frequent complaints from industry stakeholders is Saudi Arabia's reference pricing system. What is your perception of the pricing mechanisms set by the Saudi FDA

and how big of an impact does it have on your regional portfolio?

I have a different perspective because it is important for pharmaceutical companies to have stability, clarity and predictability. The ambition of the Saudi government is to build up a consistent, solid and transparent healthcare system with smart pricing policies. I personally like transparency and believe that every government has the right to foster a sustainable system and aim for good prices. They have to balance access to innovation, which normally comes at a higher price, and good prices in parallel. Having affordable prices should not come at the expense of less innovation.

That is why I like the fact that Saudi is working to establish a health technology assessment that looks at the therapies they already have, the ones they can buy, and the value of additional innovation being received. With that in place, Saudi will be a great place to invest for many companies.

So, you believe that the HTA will probably bring transparency to the decision-making process for the Saudi market?

This is my expectation. The good thing is that Saudi is transparent, and the question is the intent and the strategy for the pharmaceutical industry. I think transparency is key for a successful partnership. In the future, these kinds of partnership models of outcome-based agreements will become more relevant. Saudi is more than willing to evaluate different opportunities to work with the industry, benefiting all stakeholders.

What is your view of the transformation of NUPCO as a centralized body for the tender process? How will it impact Novartis?

Every change creates opportunities for companies that move fast and try to work with the system. By centralizing, you have the opportunity for bigger volumes. We have to be smart in how we deal with centralized tender procedures. I would probably try the same approach if I were the government, why not?

This change is a good opportunity for Novartis in particular because, as one of the leading pharmaceutical companies, we have the agility and flexibility required. Because of our partnership mindset to create value for the future, we have to ensure that the system remains sustainable; it is

in everybody’s interest that more patients get the treatment they need, and the healthcare system can be viable in the long term.

Moving to another government decision that is changing the market dynamics, Saudization, how do you see the pharma industry’s attractiveness when you have to compete for talent with the oil and gas industry and the public sector?

I remember when the nationalization requirements for the pharma industry were announced a few years ago, and we immediately began to think about it as an opportunity and see how we could take their approach one step forward. Our ambition was to see it as an opportunity because there are many graduates from local universities with the right knowledge to succeed in our industry. We wanted to move fast, creating an internal training centre to ensure that young and ambitious talent got opportunities. We achieved a nationalization rate of 65 percent of which women make a very large proportion.

Knowledge and capability are important, but ambition can sometimes make up for the lack of knowledge. Especially if you think about female Saudi talent, they are so ambitious and willing to help the country’s transformation. The level of commitment, support and knowledge has helped us achieve the nationalization objectives. Overall, the healthcare sector and the pharmaceutical industry enjoy a good perception from the labor force.

After three decades working in the industry, what are some of the professional and personal ambitions that you would like to achieve?

My personal purpose best describes what I want to achieve, that is to help develop people and talent to overcome their own barriers and limitations to have a better impact on patients’ lives. I am someone that supports talent to make sure that there are opportunities within the organization so they can move up and become enterprise leaders. My purpose fits well with the region because there are many growth opportunities in the Middle East and Africa. As countries move away from oil and gas, they are developing new industries and opening doors for everyone.

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