

**Elif Ã?elik â?? Executive Vice President  
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*Elif*

*elik, executive vice president of the Healthcare Division of Eczacıbaşı Group, explains the rationale behind the group's divestment of its generics arm and its new strategy to establish itself as a holistic healthcare organization, focused on bringing innovative solutions to Turkey through diverse partnership opportunities. Elik also discusses the shifting attributes of Turkey's healthcare environment and why stakeholders should not be discouraged by temporary challenges.*

**When we last met in 2015, you were heading Eczacıbaşı's joint venture with Baxter, which subsequently became the Eczacıbaşı-Shire joint venture. Now, you are heading the entire Healthcare division of the Group. Could you tell us more about this division's scope and your strategy?**

Eczacıbaşı is a global company with over EUR 2.5 billion in turnover in 2017, and currently the healthcare division accounts for about 12 percent of the group's total turnover. From a domestic perspective, the division accounts for 20 percent of value approximately, while before divesting our generics arm it accounted for over 30 percent of the whole group.

The reason behind this divestment was to focus on bringing additional value and solutions to the unmet needs of the market. Under the newly shaped healthcare division, we are essentially focusing on specialty care, innovation, rare diseases, and consumer well-being segments. Our focus is on human life; putting patients at the core to support the entire lifecycle from wellbeing to early diagnostics and treatment.

For example, we are increasing our focus on wellbeing with new brands natural products, vitamins, and other supplements to contribute to healthier lives. That's an addition to treating diseases a major change in strategy compared to the past. We are also operating in diagnostics alongside our radiopharmaceutical company, Eczacıbaşı Monrol, which is highly involved in the oncology world, where there is an increasing trend in not only screening, but also treating localized tumours with radiopharmaceuticals. In this regard, Eczacıbaşı Monrol will be positioned as an integrated oncology company servicing both diagnostics and treatment of cancer. With our joint venture Eczacıbaşı-Shire, we're also focused heavily on immunology and rare diseases.

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## **Eczacıbaşı has been known for establishing joint ventures in Turkey, is this still a relevant initiative to the company?**

Absolutely! Our group is an excellent example of this, not only in healthcare and pharmaceuticals, as Eczacıbaşı partners with different stakeholders across all our areas of operations. This is our business model and it has always been successful for us, but also beneficial to Turkey.

Through strategic partnerships, there are new possibilities to bring innovation to the companies and pioneer new areas together. We believe this is a partnership era and we plan to continue this key strategy of development. Since our beginning, and even today, it has become an increasingly defining characteristic of Eczacıbaşı's culture – one company cannot do everything alone.

## **What have you seen as success factors to nurture flourishing joint ventures?**

Cultural fit is very important in the formation of a joint venture. When coming together with a potential partner, both organizations have the chance to learn from one another and experience different values and cultural priorities.

## **The Turkish market, especially the pharmaceutical industry, is facing several challenges from many angles. How is this influencing the ecosystem of local and multinational collaborations?**

Ten years ago, the Turkish pharma market was obviously more attractive and the pricing system was allowing companies to allocate more resources to their operations and make more investments. Within the years the industry started to face significant challenges due to very tight budgets allocated for pharmaceuticals. Unfortunately, with the recent FX jump, our industry is facing a further hit especially due to the fixed Euro rate, lagging far behind the actual.

Today certainly companies do not need to be convinced of the importance of Turkey and the unmet needs that still exist here, but main concern is about sustainability. I believe together with all stakeholders we need to bring out a balanced and sustainable pricing model for Turkey, which will enable us to attract new innovative companies to invest/collaborate in Turkey.

## **What do you see as the key developments in the changing healthcare dynamics around the world and how are these trends reflected in Turkey?**

In the last decade pharma world meant reference chemical products and their generics. In this period all around the world, the emerging trend is biotech and biosimilars.

In the meantime, many genome research entities are working with pharma companies to develop precision medicines, descriptive diagnosis, and genetic sequencing methodology. Pharma companies will need to include this in their operations map to produce not only safe but cost-effective products. With this approach we will be able to identify diseases at the earlier stages and we can cure with targeted treatment.

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Rare disease has also become a crucial topic. While most pharma companies used to be essentially focused on the most common diseases, this area was for a long time ignored. However, there is an increased interest in addressing these diseases to bring new solutions to the market.

Finally, digital health management will also hold an important role in the future, as it will reduce the need for live doctor visits and lower healthcare costs.

**Eczacıbaşı aims to bring the most innovative products to Turkish market. Looking at this the other way around, to what extent does the company share its expertise internationally in other markets?**

All the new initiatives I have discussed are being built from a regional point of view, not just in Turkey. Moving forward, the areas we would like to regionalize are where we can bring added value and serve unmet needs in the region.

As per today, we have radiopharmaceutical manufacturing and sales operations in Romania, Bulgaria, Egypt, Dubai; with a foothold in these countries along with our staff and local distributor relations, we can leverage biosimilars, Orphan drugs, and OTC products regionally.

**Any final message?**

I think it's a great time to initiate partnerships in Turkey. For an outsider, the market conditions may be a bit blurry. But we believe the unmet needs are still here and this economical fluctuation will be settled and sooner or later the market will once again become more sustainable. The dynamics exist to bring better market outcomes.

Also what is important about Turkey is that it is medically a very up-to-date country: all the new trends and developments happening globally are also closely followed and reflected here. I believe that's a very key factor to define the potential of a market.

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