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Turkey's pharma sector is growing rapidly and it comes as no surprise that this attracts potential foreign partners

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Gamze Aytarlu, Murat Aytarlu and Pinar Akar of Ekin Kimya discuss the progress of the Turkish pharma industry moving towards biotechnology. Moreover, they give insights into Ekin Kimya's partnership strategy for pharmaceutical production, highlighting the importance of quality and customer-centricity.

Can you please introduce Ekin Kimya and its services to our international readership?

Ekin Kimya is a supplier of high-quality chemical products to Turkey. We build long-term strategic partnerships with the world's leading chemical manufacturers, and we offer an extensive product portfolio to the pharmaceutical, food, cosmetics, lube oil and medical diagnostics sectors. The company was founded 1995 and currently employs 69 people. We are more than only a supplier, as we see ourselves as the Turkish business partners both of our suppliers and customers, providing solutions. Our core business is techno-sales, as everyone in our team has a background in the sector and continuously receives training, which provides the great technological expertise we give back to our clients. In 2014, we also opened our own formulation support laboratory and warehouse, which allows better involvement in our customer's projects and brings quick solutions in all product stages from concept to shelf. Hence, we also act as a consultant and offer workshops, rather than only distributing a product and giving out samples.

Many of our interviewees describe the difficulty of establishing an international reputation for a Turkish company, especially in the field of innovative products. How did you face this challenge and establish a brand of high quality and reliability?

We serve sectors with high potential - Turkey's pharma sector, for instance, is growing rapidly and it comes as no surprise that this attracts potential foreign partners. Ekin Kimya is an active member of the Pharmaceutical Manufacturers Association of Turkey (IEIS) and Dietary Supplement Manufacturers Association (SURDER), so we are working together with the industry to improve the image of Turkey and make it a regional hub for pharma. Our company has a 24-year long tradition in the industry, having gathered a lot of experience and technological knowledge and offering unique customer service.

Through our partnerships with leading global players in the chemical industry, we have acquired a high reputation. Recently, we have elevated our partnerships to the next level, by also being present in the biotechnology and working with all relevant investors in this area.

The global pharma industry, as well as the Turkish industry, is moving increasingly towards biopharmaceuticals. How ready is Turkey for this market sector?

Our partners are offering products for the processes of biotechnology for a long time now and we have been approaching the local market by organizing seminars on biotechnology since six years, but back then there was no interest in this trend. Turkey has missed the first train, but it is catching up rapidly. Biopharma is structured differently to pharma having products with much higher margins. Finally, the industry has seen the opportunity and its value. Currently, biopharma constitutes 20% of the total volume of the pharma industry in Turkey. While more than 96% of all biotechnological products are imported, large investments have been made recently by the government to kickstart local production, especially for biosimilars. Turkey's biotech scene is special as the production technologies are already approved by the regulatory bodies like EMA and FDA, so foreign players decide to access the Turkish market and establish production here.

We heard that many Turkish biopharma companies follow a lone wolf strategy, preferring to develop their products on their own, rather than having industry-wide collaboration. What is your take on the general ecosystem in the Turkish biopharma sector?

While we have seen this trend, we are strong supporters of collaboration. We are signing secrecy agreements (CDA) with customers and making three-way agreements that include the suppliers, manufacturers and customers. In January, we will invite our partners to Turkey to share experience and expertise on industry trends and innovative technologies with Turkish biotech companies. This is an activity organized with the Turkish Biotechnology Platform, which we are also a member of. Additionally, Ekin Kimya is known for organizing scientific meetings and seminars, involving opinion leaders from our strategic suppliers, the government, industry and academia, to favour a dialogue around biotechnology.

When we have met you the last time in 2015, Ekin Kimya was targeting the Indian and Chinese markets looking for partners. What is your partnership strategy right now?

Our strategy is set as moving forward with our existing major suppliers. We welcome new suppliers only with quality products complementing to our existing portfolio. At the end of 2017, we have signed an agreement with the world's largest distribution company for laboratory products, which now enables us to offer anything and everything a laboratory needs.

In the past three years, we have looked for potential partners, especially in India. However, we have seen their business model was not the right fit for ours. In China and India, there are thousands of producers, some with loosely defined production standards and Big Pharma producers are cautious about working with them. Our customers request quality certifications for their APIs and they are willing to pay a premium for quality West origin products. The consistency of quality, sustainability and stability are the three main requisites for us since we target to deliver excellent service in the long-term.

There are more than 77 pharma manufacturers in Turkey, sourcing APIs, which are usually not produced locally. Hence, they need to work with companies like you or your competitors.

How do you see the landscape evolving in the next years?

We see more and more API distributors entering the Turkish market with aggressive prices. Luckily, price is not the only parameter. It is important to have a sustainable business model: if a company offers a very low price first, but the product is of low quality or not delivered on time, the player loses the competitive race. In the past years most of the distributors entering the market fast exited even faster. We expect, once Turkey secures a position in the region as a source for pharma products and biopharmaceuticals share in local production increases, quality and sustainability will outweigh price as a buying decision criteria. In the long run, that will make all the players in the sector gain.

How do you differentiate yourself from these new competitors?

Our relationship with the market, suppliers and our customers is a special one. We are not just buying and selling products. We maintain long-term relationships with all of our stakeholders. Most of our employees have extensive experience in the sector, so we speak the same language as our suppliers. We set strategies together- we are their extended arm in Turkey.

We follow both global and local market trends and continuously update our industry knowledge through fairs, conferences, and industry events besides online sources. In the light of these insights, we build our future plans. Our organizational structure evolves in parallel to the developments in the market and our partners.

A few years ago, when we realized that we needed to strengthen our knowledge and capabilities in formulation processes, we decided to invest in this area, hiring highly qualified professionals with experience in chemical and biological processes and an excellent understanding of biotech and APIs. Today, Ekin Kimya is now seen as an expert in all technological aspects of formulation. We develop our suppliers' and our customers' business by continually sharing knowledge, know-how and experience. At our laboratory, we develop and test new formulations to meet our customers' individual needs. We implement tailor-made cost or process optimization projects. Our goal is to become technical consultants to our customers.

Another core value we embrace is being a learning organization. We believe in the power of minds working together. We learn from each other, we also give an ear to our stakeholders. We have introduced "One Route One Team" management approach 3 years ago. We encourage our managers, employees from different departments to form mixed teams and solve problems, develop future strategies together. Through independent external parties, we conduct surveys to measure satisfaction and reputation among customers and employees. Our customer satisfaction index is 86 - 10 points above Turkey average -and has been continuously improving over the last three years. We also have a high reputation both among employees and customers. This was one of the reasons why we have been shortlisted in the "2018 Best Managed Turkish Companies Awards" in 2018. We are looking to perform even better next year.

Where will we see Ekin Kimya in 2023?

Our goal is to establish Ekin Kimya among the Top 500 companies in Turkey. Additionally, we want to improve our position in the market, as a strategic partner, and we want to be one of the top three major players in our industry.

One of our customers introduced us to another manufacturer with the words “If you are a manufacturer in Turkey, no doubt that you have heard Ekin Kimya.” This is exactly our ambition to be the partner of choice for any company entering the market. Everyone should know Ekin Kimya as an essential partner for success.

Any concluding words you would like to send out to our readers?

As suggested in the title of this report we encourage the Turkish healthcare industry to “Go Beyond”. We should be more open to innovation and collaboration. In particular, it would be important to establish a strong link between the industry and universities, like it is the case in Europe and the US, as this will benefit the innovation capabilities of our country. The government also supports numerous platforms for collaboration, like SEDAP (Health Industries Transformation & Research Platform) Turkey will take strong steps to the future in the pharmaceuticals arena. We can sense that from the incredible enthusiasm that people in the industry display for investing and collaborating. It is the time for Turkey to move to the next chapter.

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