

Interview: Frans Labuschagne – Head of Pharma, Bayer South Africa



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The head of pharma for Bayer Southern Africa reveals how South Africa plays a key role in Bayer's African strategy, with more than 60 percent of the continent's total sales, how

South Africa is increasingly becoming responsible for neighboring countries, acting as the gateway to Africa and how in time to come we will not be speaking about countries but large cities, as people move towards the cities from the rural areas, and why.

Your experience in Bayer has seen you be responsible for Bayer's business in numerous countries in Africa, and now to your home country South Africa. Bayer South Africa plays a key role in Bayer's African strategy. What sets the South African market apart from other African countries?

Bayer South Africa plays a key role in Bayer's African strategy, with more than 60 percent of the continent's total sales generated in the country. Ever since I returned to South Africa, we have added many more countries from east Africa to my South African portfolio. Increasingly South Africa is becoming responsible for neighboring countries making it a gateway to Africa. Mauritius, Madagascar, Zimbabwe, are some examples of the many countries that we are now responsible for.

What is the strategic importance of Bayer South Africa within the region and globally?

South Africa has a lot of capacity. For example, we have the potential to become a hub for training in the region. A centre of excellence of this nature, would be beneficial for our country and many surrounding countries that rely on us. In addition, South Africa has become a global contributor, not only in what we do business-wise but also for what is happening in our regulatory system and our patent offices.

How will the government's National Healthcare initiative change the healthcare landscape in South Africa?

Minister Motsoaledi announced it as a 14 year plan in 2012, so we are still about 10 years away from its implementation. Trials have already begun, but for now we still have a two-tiered healthcare system. The NHI, as a concept, is a good initiative because it will give access to medicine for people who can least afford it.

If we look at Bayer's Portfolio in South Africa and in the region, we can see that you have attracted envious glances for your new drugs in the previous year that you have been able to bring to the market on the global level, what have been some of the drivers for the business in South Africa?

I believe that our new molecules for Novel Oral Coagulants as well as our oncology products, are behind some of our big success stories in South Africa. That said, I believe that our focus on science for a better life has benefitted many South Africans by ensuring that we also launch the latest technology into the African continent.

Bayer has been on the forefront of female contraception and health. What are some of the challenges of working in this sector?

We are very aware that it is not always easy for women to get the product that they prefer. To this end, we are currently busy with Train-the-Trainer programs, through our ongoing collaboration with government. Our relationship with government is key to provide training to specialized medics in order for them to ensure that women receive the proper counseling they require. We recognize that while there are many different methods available, at the end of the day we want to ensure that women have a choice.

When we interviewed Nelson Ambrogio at Bayer Portugal he told us that the main objective at Bayer right now, independent of country, was to make innovative products available for the local population. How does this translate in South Africa where access seems to be the big common challenge for R&D driven companies?

This is a persistent problem, it is always a volume price related issue. Everyone wants to have innovative products, and they would like to have them at 30 percent of the cost, and at 70 percent of the volume. The opposite is currently happening in the South African private sector. We are regulated by the single exit price in South Africa, and are not allowed to provide medicine for free other than to the government, so in that sense we are a regulated market. This is challenging because we are not allowed to use certain tools that may be otherwise used in many other countries.

What can other countries in the region learn from South Africa?

I believe capacity building through an initiative such as a center of excellence, should enable us to become a hub for the surrounding African communities. However, it should be noted that many other African countries have their own regulatory bodies that are functioning well and should not be discounted. Furthermore, in the future we will not be speaking about countries but cities. Big cities are where the young are flocking to. In time to come we will see less people speaking about Nigeria and Kenya, but instead we will talk about Nairobi and Abuja. The process of urbanization is happening much faster in Africa, we see a lot of people moving towards the cities from the rural areas, especially the youth and middle class.

Do you see this as a problem for providing access to the rural areas of Africa?

As a company that constantly seeks to leverage science for a better life, we should always remember the last mile. We have to ensure that we are not only looking after one part of the population but all areas of the population.

In terms of your vision for the future, for the affiliate and for Bayer in Africa, where would you hope to be by 2020?

We have a few issues to overcome, both economic and political in nature. Our regulatory environment can also be improved in that it should ideally not be taking three to four years before registration is complete. While I do still see a good outlook for South Africa, I do not anticipate that it will remain on the levels that we have witnessed over the last few years. Eventually, I do believe that such growth levels will return.

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