Interview with Emin Turan, President, Sanofi Pasteur Thailand

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st of President for Sanofi Pasteur in Korea to President of Sanofi Pasteur in Thailand 1,5 years back. What have been the milestones so far and what have been the most important lessons learnt?

Thailand is a country of dynamism. Thai people are very professional and hardworking, and that is why I believe it has become a center of gravity in Asean and Asia as a whole.

The private vaccine business is important for Sanofi Pasteur in Thailand, and I have been working hard to integrate with my team in order to anticipate the market changes we face.

On the public side of the Sanofi Pasteur business, where we have a strong presence as well, there have been some significant changes and our Joint Venture (JV), the Government Pharmaceutical Organization â?? Merieux Biologicals (GPO-MBP), has been going through a transition period. The changes for the JV business and the changes on the pribvate market side were where I focused my attention in the first 1,5 years.

Sanofi Pasteur currently operates three vaccine plants in Asia; in usual suspects India and China, and in Thailand. Would you give an outline of the importance of Thailand within Sanofi Pasteurâ??s global operations?

Our production facilities in the JV here are the result of a fruitful Public-Private Partnership. The factory itself dates back 14 years, when the Thai Ministry of Public Health decided to build up vaccine capacity. They reached out to Sanofi Pasteur to realize this and we then established the JV. The JV is divided with 49 percent for Sanofi Pasteur and 49 percent for the GPO; the remaining 2 percent is in the hands of the Crown Property Bureau. As such it is a perfect set-up, as it cannot be controlled by one of the parties but the purpose â?? to extend the national vaccine capacity â?? is shared. The JV has been growing rapidly; while we started with capacity to produce one vaccine, today we can manufacture ten different vaccines. GPO-MBP is capable to meet domestic demand, but also started to develop our export to different countries in the region. The plant is also the only WHO certified vaccine facility in Thailand, and as such it is the biggest vaccine asset of the country and a testament of the dedicated efforts of GPO and Sanofi Pasteur for more than a decade.

Minister Witthaya praised Sanofi Pasteur as one of the few MNCs that made substantial investments in Thailand. This has not put Sanofi Pasteur in a bad position with a 43% market share when we were last in Thailand in 2007! How has the market share since developed?

Combining the public and out-of-pocket markets we have over 40 percent market share in Thailand. Our JV GPO-MBP has a very strong position on the public market, but Sanofi Pasteur is also leading the private market.

While the privileges that followed our investment in Thailand expired at the end of 2010, our strong foothold on the public side was not immediately affected. The reason is that we developed the Sanofi Pasteur and JV operations into a vaccine manufacturer catered to the demands of the local market. As the governmentâ??s extended immunization program evolves, we can evolve and adapt our manufacturing operations at GPO-MBP: we are working in line with the government to fit our manufacturing capabilities to the evolution of their immunization program.

On the private side the strong presence of Sanofi Pasteur is based on the investments that the company has made in Thailand over the past three decades. Almost our whole portfolio is registered here and we have new vaccines in the pipeline. In short, Sanofi Pasteur believes in Thailand because it is a potent market, but it also goes beyond that. Thanks to the operations here, Sanofi Pasteur has a very strong footprint across the Asean region.

We also have extensive clinical operations in Thailand. The structure of a biotech organization is roughly divided in three operations: industrial, commercial, and R&D. In that sense Sanofi Pasteur Thailand is almost like a Petri dish of a pharmaceutical company: we have manufacturing through our PPP, we have our very strong commercial operations that provide us with market leadership, and we have clinical operations, to develop new vaccines not just for Thailand but for the wider region.

Again thanks to our JV and the presence of our manufacturing facilities we will, hopefully early next year, launch a new Japanese Encephalitis vaccine developed through clinical operations in Thailand and will be manufactured at our joint-venture GPO-MBP.

We see that vaccines produced by MNCs often raise issues when it comes to accessibility and affordability. This is also one of the drivers behind the National Vaccine Strategy â?? to become less reliant on expensive imports. What are you doing to do to increase accessibility and affordability of the Sanofi Pasteur vaccines for the Thai population?

The vaccine business is a business of scale. Thailand has a sizable population, and the birth cohort â?? the key determining factor in the vaccine business â?? stands at around 800.000. This makes Thailand a big market, but does not justify an investment just to satisfy local demand. In comparison, China has over 15 million birth cohort, and as an example Myanmarâ??s is over one million. As we canâ??t invest in every country, a good balance between local demand, government policies, the cost of labor, and cost-competitiveness is therefore needed, and in that sense it is not realistic to reduce the cost for every single vaccine simply by localizing manufacturing activity. We need to look at local demand and cater locally manufactured vaccine, and from that base we can consider exporting. Such a strategy makes it possible to scale up a strong local business through export, which in turn allows for further cost optimization. That is good for the local market while it will make the country competitive for exports.

One thing that stakeholders in throughout the vaccine industry should beware of is the idea that vaccine production will be cheaper as long as it is done domestically. Competing with the scale of very large manufacturing bases such as India, China and multinational companies like Sanofi Pasteur is not easy. Any national vaccine strategy should use a well thought through step-by-step approach that entails expanding biotech know-how, moving further down the manufacturing steps and later expanding it with exports.

Thailand will not be another India in terms of costs and scale but it will certainly benefit from Asean integration in this regard. Thailand is one of the most advanced biotech country in the region, thanks to the governmentâ??s policy to support national vaccine capacity. The presence of GPO-MBP has been a key contributor to this. Asean, with its population of 600 million and much larger birth cohort will, supported by a robust demand in Thailand, increase the local cost-competitiveness.

Given this vision, how do you assess the chances for success and the challenges in reaching the target of Thailandâ??s National Vaccine Strategy to advance domestic capacity in safeguarding the country against vaccine-preventable diseases? The plans rely very much on governmental bodies that in the past have been unsuccessful in making progress in vaccine development and on a narrow budget of US $140 millionâ?¦

The challenge is not just to find the resources in terms of money but to find the right knowledge. What really matters is the know-how of the vaccine development process and even more so the sustainability and consistency of that process.

Producing vaccines is not like producing pharmaceuticals; vaccine production involves working with living organisms and converting them to antigens that are no longer harmful to the human body. Then they are formulated through a very complicated process in order to create a stable presentation. Behind this liquid you see in a small container are hundreds of years of man hours and hundreds of millions of dollars invested in many cases.

Financial resources and technical and academic know-how for the clinical studies need to be combined and balanced to come to this final result, and on top of that the manufacturing know-how is needed to manufacture on a stable basis. Producing one batch of vaccines is one thing, making sure that the next three batches and all the batches thereafter do not fail is another. And failure is not an option in the field of vaccines because it is given to healthy individuals; it is not about treating a disease but about preventing it.

And is Thailand investing in the right way to succeed with the National Vaccine Startegy?

Yes, but it will not happen in one day. Thai governmentâ??s very smart National Vaccine Strategy is designed for the long term, for the coming ten years. It is a bright approach, because a dedicated National Vaccine Institute (NVI) has been created to pursue this strategy and cooperations have been set up with companies that have the right knowledge and a demonstrated manufacturing track record, such as Sanofi Pasteur. Without robust collaboration with such companies, developing capacity from scratch is very challenging.

How important is the role of Sanofi Pasteur then in the success of the National Vaccine Strategy?

NVI aims to increase the vaccine capacity in the country, focusing on a number of priority vaccines and Sanofi Pasteur supports several of those. Today we have a world class sterile manufacturing site which can manufacture many different vaccines, but the government wants to develop further upstream manufacturing capacity as well. I will not get into details, but Sanofi Pasteur is working with the government to bring more technology to Thailand in order to go further upstream in the manufacturing process as well as advancing various vaccine technologies in the country.

Besides the partnership with GPO, Sanoï¬• Pasteur has a strong commitment to Research and Development partnerships with major universities, research institutes, government bodies, biotechnology companies and contract research organizations. What other partnerships are you developing or hoping to develop in Thailand?

While our partnership with the GPO remains the focal point, we are developing other partnerships. We are partnering with academia and collaborating with the Ministry of Health. One of the upcoming global vaccines is for the prevention of dengue, a very endemic disease that is impacting 2.5 billion people across the globe, and Sanofi Pasteur is deeply involved in the most advanced dengue program in the world in partnership with Mahidol University. Our vaccine already underwent an efficacy study; this is the worldâ??s first efficacy study of a dengue candidate vaccine. Once licensed, this vaccine will be pivotal for dengue prevention around the world.

This cooperation is one of the most successful industry-academia-government collaborations in the field of vaccines today, and it is hopefully coming to a successful conclusion. We do not have the results yet but hope to get them by the end of the year.

Our Japanese encephalitis vaccine also came from cooperation with Thai academia; clinical trials have been conducted in Thailand with batches manufactured at GPO-MBP. The product is already registered and will be launched after scale-up in 2013, and Thailand will be the country of origin for this vaccine which is to be exported around the world..

A rich history, an impressive present and a hopeful future for Sanofi Pasteur in Thailand! Where will you have taken Sanofi Pasteur in Thailand five years from now?

I would like to see Sanofi Pasteur as an even stronger partner in public healthcare through further vaccine activities in the GPO-MBP and through our clinical investment in Thailand, and as an even stronger partner for the government and academia in boosting the national vaccine capacity. We hope to bring new and Thailand-developed vaccines into the market. Five years down the road I would like to see results of our successful partnersip with GPO, with further upstream industrial activities, with more clinical studies and antigens involved.

Beyond that, we strive to better prevent existing diseases with our proven vaccines. Sanofi Pasteurâ??s conjugated meningitis vaccine will launch this year, an improved Japanese encephalitis single dose vaccine will launch early next year, and a six-in-one combination vaccine should be launched within two years. Last but definitely not the least, within the next five years, I would like to see dengue disease being controlled thanks to the Sanofi Pasteur dengue vaccine. Hopefully in 2016 the public healthcare landscape will be much better than it is today.

What is your final message to our global readership about the commitment of Sanofi Pasteur to preventing disease in Thailand and the region?

Sanofi Pasteur has a bold vision: a world in which nobody dies or suffers from a vaccine-preventable disease. This is a major challenge given the number of diseases and the scarcity of resources and of course there are big steps to take, but at Sanofi Pasteur, in Thailand and around the world, this vision makes us get up in the morning and go to work with passion every day.

For Thailand we want to be a stronger public healthcare partner to prevent diseases because prevention is better than treatment. By improving the quality of vaccines and by investing in new vaccines, our aim is to improve public healthcare to better levels, striving for our vision, so that nobody needs to suffer from a preventable disease.

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