

Interview with Fok Tai Hung, Executive Director, Singapore Management University (SMU)

08.11.2012

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Since the last time we had the pleasure of meeting you, 4 years ago, what have been the main developments and changes in the Singaporean pharmaceutical industry?

One of the most important changes was that Singapore and India signed a MoU; within this treaty Indian generic drugs will benefit from the fast-track registration process. The major concern regarding this quicker process is that our members that have generic arms will not benefit from the registration because it only applies to Indian generics.

On the other hand, we don't know how successful the fast tracking will be since until today there are not many Indian generic companies and their products would still have to be reviewed, accepted and approved by our local doctors. Since Singapore is a dispensing market, doctors are very careful of what they dispense.

There have been a few developments, for instance, quite a number of companies have set up plants in Singapore for very clear reasons: the political stability, the quality of the human resources and the location of the island. Location plays a very important role since Singapore exports most of the products it produces.

Furthermore, the pharma industry has continued to be an important contributor to the Singaporean economy. Some of the latest figures of 2010 include the Bio Medical Science Manufacturing (BMS) output, estimated at S\$ 23.3 billion, which accounts for 8.6% of total manufacturing output and 7.7% of the GDP. Our industry also employs around 13,700 people (40% in the pharma sector, and 60% in medical technologies).

In terms of investments, the cumulative investments in manufacturing plants by our members is over 5 billion SGD. Some of the latest considerable investors include GSK who set up a vaccine plant and MSD who have also invested to increase their manufacturing capabilities. It is noteworthy that our members have not only invested in manufacturing plants but also 1.78 billion have been directed into R&D activities, which currently include 60 ongoing clinical trials, patient compliance programmes and patient access schemes for needy patients.

What have been the developments in terms of healthcare?

Our government, like many others, is exerting a lot of effort in attempting to make healthcare more affordable. Hence, they have come up with diverse forms of schemes. In this regard, they modified Medisave and created a new scheme – Medifund, in which the government contributes 100% of the cost to help the patients that really cannot afford treatments.

The new health minister will give priority to enhancing healthcare affordability, continuing the program to ensure adequate infrastructure and resources, and meeting the healthcare demands of an aging population.

Maintaining Singapore's high quality of care will be the principal priority; of which emphasizing treatment for chronic diseases and strengthening public private partnerships (PPP) will be the leading objectives. As an example, the primary care partnership schemes (PCPS) now known as the Community Health Assist Scheme (CHAS) from 15 January 2012, that enables the needy, elderly and disabled patients to receive subsidised treatments at general practitioner (GP) clinics will cover 10 major chronic diseases. This will complement the expanded Chronic Disease Management Programme, which allows certain patients to use Medisave accounts to pay for private outpatient treatment.

What potential impact will this have on the industry and what kind of collaboration will MNCs like to have with the government to enhance the healthcare sector?

Demand for private healthcare services will be driven by CHAS and the recovery of medical tourism. The influx of foreign patients will boost demand for multinational brands, whose major market are the private hospitals. We also expect that consumption of medicines will be driven by the expanded screening programs policies to manage chronic diseases and additional subsidies for drug purchase.

As for the collaboration, we try to get the MOH to work closer with the industry and our members but governments are frequently keeping a distance from industry players. Although they accept working closely with us, they have been clear on their stance that they will not endorse our activities or create joint committees (composed of industry and government) to look for new ways to enhance the healthcare system.

Hence, our part of the collaboration is to propose all that we think is necessary and offer it for their consideration, for example, in order to enhance the healthcare system some of our members are willing to make certain concessions to increase the number of innovative products on the Standard Drug Lists.

Do you think that the new MOH will consider moving towards a prescription market?

I believe that the situation will remain the same, since the doctors lobby is very strong. The dispensing system is also very convenient for patients because when they visit their doctor they can get all of their medications under the same roof. .

Today India and China are attracting all the attention of the MNC companies. Why should MNCs still consider Singapore?

Many companies, particularly in the last 2 years have been moving to China for a very concrete reason – China's huge patient base creates many opportunities for clinical trials. Despite some of the companies moving, the Singapore EDB has done an excellent job in attracting MNCs to not only set up manufacturing plants but also R&D centers. MNCs still eye Singapore and come to invest here since we have high quality, well-trained human resources and a premium location.

What is your outlook for MNC based in Singapore?

The immediate future is positive for most of the MNCs that are based here because these are companies that are increasingly investing in manufacturing and that demonstrate that they still have faith in Singapore, believing that Singapore is still an important place on the international pharmaceutical map.

What would you like to be the final message for our readers?

We are very proud to say that our association has been recognized by the MOH as the voice of the industry.

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