

Interview with Muhammed Bodhania, President, NAPM- NAtional Association of Pharmaceutical Manufacturers

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Focus Reports is back in South Africa as part of a second set of reports on the BRICS. What would you say are the main changes in the market since we first came in 2005?

There have been enormous changes in the market since you first came here.

First, we have had a fair amount of consolidation. Also, there has been growth in the industry, especially among the generic business, and we have today more listed generic companies on the Johannesburg Stock Exchange (JSE). Cipla Medpro, now the third largest generic company in South Africa and listed on the stock exchange, is one of the top 10 pharmaceutical companies in South Africa.

There have been new entrants into the market, such as Teva which were not here directly in 2005. Also, during these six years, we have seen Aspen overtaking Adcock Ingram as market share leader.

On the association level there has also been changes. The most important change in the NAPM is that we have become more involved in global issues. Indeed, the NAPM has become a full member of the International Generic Pharmaceutical Alliance (IGPA). At the time, we were interested in the IGPA's initiatives and subsequently became an "observer" member for two years. We applied for membership and were admitted last year, in 2010, as a full member of the IGPA.

Being part of the IGPA has helped us to understand whether our challenges as a generics industry are unique to the South African market and whether or not other generic associations or companies in the world face the same challenges. We have realized that we can learn significantly from other associations within the IGPA. Being part of the IGPA has also allowed us the opportunity to interact with the World Health Organization (WHO) and the World Trade Organization (WTO). We will also be part of South Africa's solution to more affordable, quality medicines, taking into account TRIPS issues which we are far more exposed to now due to our association with the IGPA as well as access to world class practices on regulatory and production issues.

Moreover, there have been changes in the way we work. We now have six portfolio sub-committees and each portfolio sub-committee focus on a particular strategic issue for the NAPM. Our sub-committees are based around regulatory, NHI, trade and industry " " which is intended to cover manufacturing and harmonization " " and pricing. In the last five years, the NAPM has become more structured and by operating in sub-committees we have access to more resources. This is why we have made significant progress. The NAPM itself was a founding member of the South African Generics Medicines Association, created in response to an increase in need for regional collaboration as we were facing regional issues at the time. Our membership led us to start looking

at the bigger market instead of just South Africa, as we are now looking at opportunities across the border.

This is the first time the IGPA Conference is held in Africa. Did it meet your expectations and what kind of impact does this have on the local industry?

The content of the conference was phenomenal. It has provided insights which every delegate can appreciate. Although we would have liked more African delegates, I think this conference showed that South Africa and the world community understand the challenges which the continent is facing. We have had regulators attending, as well as WHO representatives, and it is now our responsibility to take and spread the information they have shared with us both within South Africa and also in the region of Africa. Once we are able to share this with the rest of the region and the continent, it will create far bigger opportunities for generic pharmaceuticals in Africa.

During the conference, there has also been a debate about promoting global manufacturing versus regional manufacturing. Well, I believe there is a fair amount of industrial activity in South Africa today.

Do you see the market share of generics stabilizing in the future and how do you define the relationship between originators and generics in the market?

Firstly, as a generic player, we respect intellectual property (IP) rights – there is no doubt about that. On the other hand, when the patent expires, originator companies need to allow generic companies to expand the market space, making drugs more affordable and accessible. We are a little concerned about some of the pre- and post-patent activities of some originator companies which we have been addressing in the media and through other forums.

Nevertheless, we have been able to work on certain common issues and engage with other industry associations where the need arises. We, as the generics industry have very specific needs which we need to champion. If there was no need for a strong generics agenda, the NAPM as an industry association would not exist.

The generics agenda is very distinct from the originator agenda and our aims and objectives are to promote the use of quality and affordable generic medicines.

There are few incentives aimed at local manufacturing in South Africa. What are the opportunities which could be created from this?

The NAPM has some members who manufacture locally. However, our primary objective is to supply generic medicines whether locally produced or imported. So from this perspective, our members are a mixture of local manufacturers and importers.

We also acknowledge that there is a natural evolution in any business. It may start off being an importer, then as it gains critical mass and gets a larger market share, then there may be some contract manufacturing which may ultimately lead to opening up a manufacturing plant.

However, care must be taken that the authorities do not over emphasize the importance of local manufacturing to the extent that it creates barriers to entry for importers.

These barriers reduce healthy competition and therefore access to more products. So the wider the access to product, the more affordable medicine become for the population.

What are the strategic priorities for the NAPM in the near future and what role will you play within the industry?

The most urgent issue on our agenda as an association is to improve the registration time for generic medicines. Every delay in registration is delaying market entry, opportunities for generic companies, opportunities for competition and opportunities for lower prices.

What would be your final message to our international audience about the NAPM, South Africa and the country's manufacturing capacity?

South Africa has a robust generics industry and there are many opportunities for generic companies to enter the market as licensors, distributors and even as local manufacturers. There is always space for more competitors and this will improve the health and welfare of all South African citizens. The NAPM is optimistic and the need to support the growing generics industry will require growth within the association which we are excited about.

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