

Uloff Münster – General Manager, Merck Biopharma Korea



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Uloff Münster, general manager of Merck Biopharma Korea provides his insights into the Korean healthcare system. Dr Münster also discusses the drug pricing situation in Korea and the potential for companies like Merck to utilize local partnerships.

“Merck Biopharma Korea offers a nice range of products in the Korean market, with similar size revenues and a good balance between different indications. We are very proud of our complete portfolio for IVF treatments, which has grown after the reimbursement change. We also have a strong general medicine business, covering cardiovascular disease, diabetes and a recombinant growth hormone, and last, but not least, a product in Colorectal cancer. All our products are in leading positions in their specific markets. We are in the process of preparing launches of our new molecules in oncology and immunology. We see great opportunities within these therapeutic areas,” says Dr Münster.

Münster joined the pharmaceutical industry in 1995, with various positions in clinical research, medical support and marketing before advancing into a senior management position in 2002. In Korea, he also serves as a vice chair of the Korean Research-based Pharma Industry Association (KRPIA) and chairman of the healthcare committee of the European Chamber of Commerce Korea (ECCK).

Merck, a highly innovative science and technology company, operates across healthcare, life science and performance materials in Korea. The company's biopharmaceutical business has integrated innovative products and industry-leading scientific excellence with deep expertise in neurology, fertility, oncology, general medicines, and endocrinology. It also has a robust pipeline of potential therapies in immuno-oncology and immunology as its main R&D focus areas.

“We are thinking about innovation in a broader sense and combining it with service. For example, we have developed an online information system for growth hormone products, enabling physicians to monitor the patient’s treatment adherence,” emphasizes the neurologist-turned-general manager. “We are also bringing new fertility technology which will standardize and automate the entire IVF process as we will be able to monitor and improve the quality of every step in the lab, which currently still depends a lot on human judgement.”

Korea is strategically important for Merck Biopharma especially in clinical trials. “Korea famously excels in clinical research. The quality of clinical data is very high. Globally it is ranked sixth in terms of clinical trial investments. For Merck, Korea ranks fifth and is active in trials for all major products. In my opinion, the main strengths of Korea’s healthcare system lie in its R&D capabilities, the high medical standard and the easy access for patients to receive treatments,” notes Dr Münster.

He adds, “The scientific output in Korea is globally significant. Many developments in the pharmaceuticals and biotech arena are coming from Korea. University teams from Korea appear at all the major conferences, presenting on a range of different topics.”

Dr Münster is keen to emphasise that the Korean affiliate is the third largest in the Asia Pacific Region for Merck’s biopharma business. “However, in terms of business launches, due to the size, there are other markets where Merck receives higher returns across the globe. Nevertheless, the Korean market remains important and presents a mid-range business for Merck globally. This is probably in line with the landscape of many other companies operating within this market” he said.

When asked about Merck Biopharma Korea’s performance this year, Münster mentions that its oncology drug’s (Erbix) reimbursement extension as part of a so-called “risk sharing agreement”.

“We were the first company to negotiate a risk-sharing agreement (RSA) for our oncology product in Korea. There are similar schemes in many countries which always create upsides and downsides. For example, the agreement usually costs in terms of price, but is a mutually agreeable way to ensure availability of the product to patients in need for innovative solutions,” he explains.

Adopted in December 2013, the RSA system allows a four-year contract between a pharmaceutical company and the National Health Insurance Service (NHIS) for mainly oncology drugs without any other substitutes or rare disease treatments. This system helps patients get more access to innovative, new drugs. Merck Biopharma Korea successfully expanded Erbix’s RSA contract with the health authorities in June this year as the first drug in local industry.

Touching on the concern of low reference pricing in Korea, Münster highlights that Merck is actively involved in discussions with Korean regulatory authorities. “This is ongoing and can be challenging

at times. But from a Korean perspective, it means they receive a very good price for innovative products,” he admits, adding “the low prices are a concern for all companies as prices are naturally one of the most important drivers of commercial success. Nonetheless, it is important to look at this issue in context, as the problem is not profoundly different from that in European countries. It is important to proceed constructive discussions with pharmaceutical companies and health authorities by putting patient access first.”

Before he came to Korea, Dr Münster had led Merck Biopharma's business in the Netherlands and Belgium at a time of significant structural changes. He was also in charge of the Pharma Business of Merck Serono for a region called “Intercontinental”, which includes Russia (+CIS), Middle East and Africa. When comparing Korea's healthcare system with other countries, he said that Korea reminds him of an amalgamation of multiple northern European healthcare systems.

With regards to “Moon Care” (named after the current Korean President Moon Jae-In), designed to lower the financial burden for citizens in need of medical care, he underscored some positive aspects. “To give an example that Merck Biopharma Korea is directly involved in, for IVF, the reimbursement laws were amended in October 2017, and we now see the number of treatment cycles gone through by couples reach a conception increased by 15 percent, which we believe is the result of changes to reimbursement.”

The Moon government's healthcare initiative aims to expand national health insurance coverage to include ultrasounds and MRI scans and takes more responsibility for the treatment of dementia, major age-related disorders and rare incurable diseases.

Münster also offers his advice for potential entrants to the Korean market, saying “there is a clear correlation between market attractiveness and investment. If you have an attractive market, companies will want to launch their products. This is something that should be considered for Korea.”

Switzerland is a case in point as its regulatory framework is very supportive of innovation. Moreover, the United States attracts investment because of the liberal pricing policies in place.

“Considering the big picture, there is a clear correlation between market attractiveness and investment. If you have an attractive market, companies will want to launch their products their first.”

In terms of external partnerships between local companies and Merck in Korea, Dr Münster notes that “Merck currently has four such partnerships within the Korean market for co-promotions and other partnerships. We are interested to engage in new partnerships on all levels, from preclinical to clinical and also for marketing, paying particular interest to pre-marketed products.”

“Investment with a long-term perspective is what drives innovations continuously. Merck Biopharma Korea is growing on the back of a well-balanced product portfolio that includes oncology, infertility, multiple sclerosis, and diabetes with an ultimate goal of becoming Global Specialty Innovator. We, Merck Biopharma Korea, are committed to developing and providing innovative products and services in key therapeutic areas with high unmet needs for Korean patients.”

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