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Developing a Pharma HR capacity

by David Kelleher

The generic pharmaceutical sector in Malta continues to expand at a very healthy rate. There are currently 15 companies producing generics and between them they directly and indirectly provide employment for over 700 people. In this second part of a three-part series, two pharmaceutical companies give their views on the industry and which areas are of concern.

The growth of the pharmaceutical industry in Malta can be attributed to two principal factors: the inclusion of the Bolar exemption into the country's patent legislation, and the very limited number of patents that have been registered in Malta to date.

It is incorrect, however, to state or even assume that these factors alone were – and are – sufficient to attract leading generic pharmaceutical companies to the island.

“The growth of the industry would have been hampered had not the Maltese government taken the initiative to ensure that the supporting infrastructure develops in tandem with a particular focus on the availability of suitably qualified and skilled human resources,” Mario Galea, chief officer for business development at Malta Enterprise (ME), explained.

Government and ME have gone that extra furlong to cater to the needs of these companies. Overall, their experience here has been very positive.

“Judging by the companies' intentions to strengthen and expand their operations here our strategy is bearing the desired fruit. There is still a long way to go before we have a fully-fledged pharmaceutical industry but we have laid the foundations,” Mr Galea added.

The Pharma Park at Hal Far is serving the industry well and there is still space to accommodate new companies that want to set up operations here. So what are the issues that still need to be addressed?

I spoke to Steinthor Palsson, managing director of Actavis, the largest generic pharmaceutical company in Malta, and Josef Grech, plant manager of Medichem Ltd, a Spanish-owned operation, to see where more effort was required.

“One of the main problems faced by industries such as Medichem is the provision of adequate third party facilities for the storage and disposal of pharmaceutical waste. It would be of great assistance to industry if the procedures leading to the export of waste are expedited and that third party storage facilities are available to store quantities of such waste until these can be eventually exported,” Mr Grech told The Malta Business Weekly.

Asked to comment on this matter, Mr Galea said that waste disposal was a priority for ME and the infrastructure to deal with this type of waste was being gradually built. In fact, ME offers the full package of incentives to waste treatment companies and has recently approved a number of projects that can address this issue.

According to Mr Grech, another challenge facing companies like Medichem in establishing themselves or expanding operations in Malta is satisfying local regulatory and legal requirements to begin operations.

“The assistance provided by Malta Enterprise in this regard has been pivotal in facilitating the processes whereby start-up of operations could be initiated in the shortest possible time.”

This point of view was echoed by Mr Palsson who described the “delays in getting things done” as one of the few barriers that existed.

“I would not say that factory space or land is an issue here. We would like to see things happening more quickly; but our main concern is the limited number of skilled people to go into research and development,” Mr Palsson said.

With the industry set to expand and diversify further in the coming years, the need for highly skilled personnel will be a key issue for these companies.

Both Mr Grech and Mr Palsson see the sector developing even more and both companies believe there is room for further growth in production and the development of new generic drugs.

“It is anticipated that this sector will continue to grow, with some degree of diversification expected in later years,” Mr Grech said, adding that “Medichem’s plans over the next five years are to consolidate current operations and expand production activities to continue to service the company’s international client base.”

Mr Palsson agrees: “The industry will continue to grow. All companies have plans to increase their operations. We have seen that ourselves. We started off with 240 people and today we employ close to 400. The industry will need to increase its HR potential and this will be the main challenge.” Actavis’ managing director said that young people needed to understand that there were excellent career prospects in the industry.

“We have to constantly tell young people about the opportunities in his industry. They need to be encouraged to specialise in this field. On our part, we are extremely happy with the workforce here. Close to one fourth of our staff are graduates and the others are highly skilled,” Mr Palsson said. He added: “As the industry continues to grow, we will need more pharmacists and more graduates with degrees in chemistry. The industry will also need more trained technicians. That said, things are moving in the right direction.”

ME is tackling the issue of education at three levels: through the Employment and Training Corporation (ETC), the Malta College for Arts and the Sciences (MCAST) and the University of Malta.

“The local educational sector offers three levels of training for those who want a career in this industry. At the most basic level, the ETC offers specialised training for assistant laboratory technicians and chemical operators. Students with the minimum required qualifications can then follow a specialised laboratory technician course at

MCAST, or go to university to read for a Post Graduate Diploma course in Applied Chemistry,” Mr Galea explained.

The present complement of graduates and technicians is sufficient to meet the needs of the industry, however further expansion will require a greater turnover of skilled people. “The government is aware of this and last year introduced a number of incentives to encourage young people to take up science subjects. The success of the industry depends on us being able to provide the infrastructure and at the same time the necessary human resources. It is an ongoing process that takes time to reach fruition,” added Mr Galea. The three-phase development of the sector will take at least another seven or eight years. Phase One is finally complete and ME is actively working to move into pre-clinical trials.

Mr Palsson and Mr Grech also told The Malta Business Weekly that their experience in Malta over months has been very positive and this suggests that ME has managed to get the right mixture of incentives, infrastructure and training in the same test tube.

“It has been a really good experience for us. Our company has transformed itself, we have rebuilt our facility and developed R&D units. We continue to invest annually and develop new products. We are looking forward with confidence,” Mr Palsson said.

“Medichem’s experience in setting up a manufacturing plant in Malta has been positive. The company has invested heavily in setting up facilities to international environmental and health and safety standards and it is pleased with the quality of human resources it has sourced from the local market to manage and operate the plant in Malta,” Mr Grech added.

Part three: Clinical trials and the future