

Talking points for Emin Turan (SANOFI) in the meeting with Prime Minister & Minister of Planning and Investment

22nd April, 2023

[GREETING]

- Your Excellency, Prime Minister Pham Minh Chinh
- Your Excellency Minister Nguyen Chi Dung
- I would like to thank you for your precious time to meet us here in Hanoi.
- It's a real honor for me to represent Sanofi Vietnam to meet you in person today.

[INTRODUCTION]

- Sanofi is an innovative global healthcare company that has operated in Vietnam for 70 years, making valuable contributions to the country's economy and healthcare sector. Our joint venture with a state-owned pharma cooperation, Vinapharm, in which we invested up to US 75 million in a state-of-the-art manufacturing site with a 100 million box per year capacity for Vietnam and for export, is a great illustration of how a multinational corporation and a local business can successfully collaborate to develop the local sector.
- We are very grateful for the government's efforts to improve the business climate by engaging in bilateral discussions with foreign-invested businesses like ours. We expect that the current initiatives will contribute to making Vietnam's pharmaceutical industry one of the engines of economic growth and a regional leader in pharmaceutical and biotech manufacturing and research.

[KEY POINTS]

- In today's discussion, we would like to draw your attention to 3 key topics:

Key topic 1 – Improving efficiency of regulations: Today, the access to innovation to Vietnam is behind APAC peer countries. That means only **9%** of the 460 global innovative medicines launched in the past decade in the world are available in Vietnam as of 2021. Vietnamese patients need faster access to these innovative medicines and multinational pharmaceutical companies need faster access to the market. These are due to **policy barriers, administrative delays in drug registration, lengthy reimbursement processes, and frequent policy changes and maybe sometimes unexpected, that affect the time to access of Vietnamese patients to new, innovative treatments, including medicines & vaccines.** Due to these obstacles, a new drug or vaccine is only available to Vietnamese patients at public hospitals with a long delay, sometimes up to 8 years from the time of submission in the country. This is negatively impacting best treatment options for the Vietnamese patients and at the same time impacting investment decisions of innovative pharma companies.

Vietnam, in our opinion, has a lot of potentials, both as a market with rising demand for high-quality healthcare and as a nation that may develop into a regional hub for pharmaceutical and biotech manufacture and research. So, to realize these potentials, the pharma sector needs an enabling, foreseeable and sustainable business climate to operate. Therefore, we humbly request that the government and pertinent ministries pay particular attention to the creation and execution of policies in the pharmaceutical industry and support cross-ministerial cooperation to:

- PM Decision 1661 issued in Oct 2021: already aims to remove admin barriers and we would strongly encourage the Decree 54 revision within 2023 to reflect the improvements in this Decision.
- Speed up time to registration: by adapting the Regulatory Reliance best practices as recommended by the WHO to utilize the assessments already done by stringent regulatory authorities, optimize VN resources and speed up the approval timeline for new medicines & vaccines.
- Speed up time for new medicines' availability in public hospitals: the current reimbursement listing process is infrequent and usually delayed versus anticipated timelines. We suggest an annual review process for new medicines to be eligible for use in public hospitals instead of the current 4-5 years cycle.
- Enable patients' choice at public hospitals' service pharmacies: even before the aforementioned medicines are available through the public reimbursement and tendering cycles.

Key topic 2 – FDI:

- Enabler for operations (FIE model): Vietnamese government strongly encourages multinational pharma companies to operate through a foreign investment entity's business model. Sanofi is one of the first to implement this and to our knowledge, more than 80% of innovative pharma companies are already in this model. FIE model while encouraging direct investment, also imposes certain restrictions on our companies. We respect Vietnam's reservation of certain rights for local companies, however the current system imposes operational inefficiencies in certain parts of our business processes. During our recent exchange with the Minister of Health, this topic was addressed and we will be organizing a mutual workshop between the industry association and the MOH to address the barriers and propose solutions. This will significantly encourage our HQs to further invest in the country and we will be glad to continue the discussion with the Government towards the finalization of the new Pharma Law.
- Incentives for investment: While we applaud Vietnam's ambition and clear vision to develop the pharma sector via Resolutions 29 & 36, as well as Your Excellency's Decision 376, we believe Vietnam should distinguish itself from its ASEAN peers in providing policy incentives to realize this vision. Such incentives should be transparent, foreseeable, specific and efficient in implementation. Sanofi as part of Pharma Group is already in active dialogues with your administration to define a clear pathway towards this goal.

Key topic 3 – Planet Care:

While it is not our core business, sustainability is a top priority for Sanofi. In Vietnam we have a flagship **environment project: RICE IS THE NEW GREEN**. In 2021, we signed an MOU with our partner Vinapharm in Paris in 2021 with the witness of your excellency, Prime Minister Pham Minh Chin, to implement this clean biomass project, creating a circular economy through partnership with a Vietnamese nanotechnology company; BSP Nanotech. The project demonstrates our strong commitments in environment protection which is absolutely aligned with the government's priorities mentioned in Cop-26 Climate Change Conference. Currently, the movement of the project is behind timelines due to official processes from relevant local authorities. So, we would kindly request

your attention to facilitate the official processes for our clean biomass project for the benefits of our environment.

[THANK YOU]

- Finally, thank you very much for hosting and receiving us in your office today.
- We do appreciate frequent dialogs like today's session. We should maintain this great initiative so that we can make Vietnam become an attractive business environment in the region.
- It has been a real honor to represent Sanofi Vietnam to have a great conversation with His Excellencies.