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INTERVIEW WITH THEODORE TRYFON, PRESIDENT OF THE PAN-HELLENIC UNION OF PHARMACEUTICAL INDUSTRIES

Defining a Pharmaceuticals Policy is a National Matter

Talking to Greek financial newspaper *Imerisia*, Theodore Tryfon spoke of an indirect subsidy on imported drugs, which cover 80% of pharmaceutical expenditure, pointing out that domestically produced drugs in Greece have shrunk to below 18% in value and about 20% in volume, according to the latest figures by the National Organization for Healthcare (EOPYY).

Is the current pharmaceuticals policy the result of our country aligning to EU directives? How much is it influenced by the Troika pressures?

The EU has 27 different Health systems. Each member-state is exclusively responsible for organizing its health and hospital care systems. It organizes its national policy in Health, its national pharmaceuticals policy, by its own goals, its particular social and economic circumstances and its own culture. Consequently, there is no type of "Directive" on how to organize our national policy. It is a matter of the government to formulate a National Pharmaceuticals Policy to the avail of the country, namely, to the avail of society and also for development.

As to the Troika, its "pressures" cannot be directed in a different context. It has no say on defining a national pharmaceuticals policy. Any intervention it makes is to do with the cost of pharmaceutical expenditure in the context of the country's fiscal adjustment. And this, for better or worse – for worse, we think – has been agreed to stand at €2 billion for the [social insurance] funds. The government is politically responsible to materialize a policy that would allocate this amount to the avail of the [social insurance] funds, sufferers, domestic production and development.

You obviously mean the share of the Greek pharmaceutical industry in the "fixed" pharmaceutical expenditure. What is this current share in volume and value?

Exactly. I mean that in the context of the €2 billion "fixed budget" for the [social insurance] funds, we need to exploit the potential of the Greek pharmaceutical industry, which fully services its diverse drug treatment categories and also curtails pharmaceutical expenditure costs, boosts growth, and sustains employment. These days, imported drugs, which cover 80% of spending, are indirectly subsidized. Domestically produced drugs have shrunk below 18% in value and around 20% in volume, according to the latest figures by the National Organization for Healthcare (EOPYY).

There is a financial crime committed here. Greek drugs, which are branded, safe, of good quality and of international acclaim, can meet 70% of the country's needs in treatments, at cost-effective prices to the avail of sufferers and the economy. And yet, this obvious fact is dismissed. As a result, the country runs a €2 billion deficit every year on its drug trade balance. It is crystal clear that in this era of debts and deficits this has to stop at once.

Of all you have said, we understand that the pharmaceuticals policy followed in this era of crisis has impacted the penetration of Greek drugs, mainly generics, into the market. Isn't it compulsory though to use them at 60% of consumption under the memorandum?
Indeed, there is this guideline, because throughout Europe national health systems promote the use of generics as an effective means to control pharmaceutical expenditure. In Germany, for example, their share exceeds 70%, in Denmark 69%, in England 60%, in France 50% etc. Unfortunately, the 60% target is unfeasible at the moment. And this is so because, despite potential intentions, the entirety of measures and procedures to get generics marketed, priced and penetrating the market act as disincentives in this direction.

Our industry has proposed to the government a series of measures that will facilitate the penetration of Greek drugs into the market. These measures are primarily: i. To incentivize doctors by enabling them to prescribe and so to opt for generics over off-patent [drugs]; ii. To institute price floors in the prescriptions of generics, wherever these are available; iii. To expand treatment protocols and combine them with the aim to increase the prescription of generics; iv. To offer financial incentives to pharmacists to opt for quality drugs produced in Greece, and v. To raise awareness among the general public about quality drugs produced in Greece and their low contribution for generics.

The Greek industry stands firm, remaining a lever of growth for the economy even to this day. How are the sector's overall economic operations currently? What is its outlook?
You are right. The sector's contribution to the Gross Added Value of domestic manufacture is extremely high, the 3rd highest in the European Union. The pharmaceutical industry generates €2.8 billion of the country's GDP. Based on the estimated multipliers, one can assess that for every €1,000 spend in the market of Greek drugs, the country's GDP goes up by €3,420. The total impact of the sector to employment is also high and it is assessed to exceed 50,000 human resources. And yet, the turnover of the pharmaceutical industry is shrinking.

In 2009 the total turnover of Greek businesses in the sector stood at €780 million. In 2014 we haven't got safe figures, but it is anticipated to shrink to €420-450 million. The policies in place, primarily the overwhelming cuts in old drugs and the direct or indirect taxes that can be as high as 55%, create a totally stifling setting. I'm afraid that, if a generics policy and structural measures to control the consumption of expensive drugs are not implemented, then in 2 years all drugs in the Greek market will be imports. Is that what we want?

What is the exports roadmap of the sector and what plans are there to approach new markets?
Penetrating foreign markets is the sector's oxygen. We produce branded, innovative, extremely competitive drugs, which we export to more than 80 countries, including the entirety of the European Union. Greek drug exports reach 500 million, which ranks the sector #2 in the country's exports.

Certain surveys by McKinsey, the Foundation of Economic & Industrial Research (IOBE) and the Center of Planning and Economic Research (KEPE) establish that the Greek pharmaceutical industry and Greek drugs are a considerable force of development for the economy and a pillar for jobs. We have proposed specific measures, which, once materialized in a short space of time, will help the country exit the vicious circle of unemployment, deficits and debt.