

Vassilis Pentafragas



Mr. Vassilis Pentafragas, Executive Consultant at the Panhellenic Union of Pharmaceutical Industry (PEF) and Corporate Affairs Director at the Greek Pharmaceutical Industry ELPEN, characterizes the way in which pharmaceutical expenditure is being handled as one-track logistic and utterly irrational.



Greek drugs targeted by the creditors

Recent developments in the drug field have brought the sector into the spotlight, raising the issue of dissolution of domestic drug production. What is the basis of these particular claims?

Unfortunately, this is where we have been driven. Although I would like to refute what you just mentioned, I do confirm that, if the troika's irrational demands are eventually implemented, the discontinuation of drug manufacture by 27 ultramodern production units will be a certain outcome.

The degradation seen over the last five years in the entire pharmaceutical healthcare, due to the persistent focus on prices, does not preoccupy the creditors. In the name of our national "salvation", they ask for further cuts in the prices of Greek drugs, which are comparatively more economical.

By targeting Greek drug production, they are paving the way for the dominance of more expensive imported drugs. Besides, it is clear that any further compression in the prices of Greek generic drugs (which are currently

given with a discount of up to 70%, compared to the initial price of imported originals) will make their production disadvantageous, thereby driving them out of the market.

All this happens against a sector, which has over 50 years of accumulated technical know-how, contributes annually 2,8 billion to our country's GDP, and represents 90% of new investments and 60% of the sector's employment.

Nevertheless, the troika "raises the flag" of increasing the penetration of generics, setting the target at 40% - a target to be achieved by the forthcoming December. Do you consider that the potential volume increase may somehow change the scenery?

This is a flagrantly hypocritical attitude on behalf of the creditors. It is naïve - to say the least - for someone to believe that the use of generics in Greece can be expanded from the current 18% to 40%, while on the same time they insist on a general implementation of

prescribing based on the active ingredient. In fact, this particular measure enhances the use of originals, since, in the case of protected drugs (which are naturally unique in the market), inscription of the active ingredient coincides with the brand name. On the contrary, in the case of generics, prescribing based on the active ingredient completely strips them of their identity, thereby establishing the most important disincentive for their use.

In addition, the troika's representatives obviously ignore that, for the generics' penetration to be increased, what is required is to provide appropriate incentives to physicians and pharmacists alike, but also to implement a policy of public information about generics.

Therefore, our creditors' claims about counterbalancing price reductions with volume increases, especially within such a short period of time, prove to be "wool over our eyes". In other words, these have been five years of wish lists...



The Greek pharmaceutical industry is currently facing an international environment, which is constantly putting pressure on it, in order to create monopolies and oligopolies across the entire drug chain – that is, from the stage of production, up to the stage of circulation and local pharmacies.

You are describing an extremely asphyxiating environment. How does the Greek Pharmaceutical Industry intend to “respond” to the approaches you just mentioned?

For the Greek Pharmaceutical Industry, ensuring patient access to the necessary treatments (whether cheap, expensive, domestically produced or imported) is a primary concern. What is presently going on is a blatant distortion of reality; the discussion is being disoriented towards the prices of the more economical drugs, while the need to promote structural measures for the control of prescribing and consumption is being ignored.

The rationalization of pharmaceutical expenditure will only be brought about as a result of the rationalization of drug use. Let us not hide behind our finger; the skyrocketing of pharmaceutical expenditure during the 2000-2009 period stemmed from the substitution of old, cheap, drugs by more expensive ones, as well as the inability to perform any sort of control.

If we do not promote the necessary structural measures for controlling the actual consumption and evaluating the therapeutic value of drugs that are imported into the system, there will be no substantial savings. As long as we continue to focus on pricing issues, in a one-sided manner, we will remain at the exact same point.

And, of course, the deferral of new treatment evaluation to 2017 proves the hypocrisy of our creditors, as it is certain that, with the implementation of the recent pricing measures, our sector will, sooner or later, cease to exist.

How do you explain the creditors’ focus on prices, in spite of the fact that they do not yield the expected results?

Allow me to say this: the fact that they do not bring about the expected results, like you mentioned, is less significant than the dramatic consequences, which will be caused in Public Health and the National Economy.

The monopolization of the market by expensive imported original drugs is impeding the patients’ access to reliable and affordable treatments, such as the Greek drugs. You, thus, realize that this raises serious ethical issues, especially at periods of reduced income, like the one we are facing.

While the troika is doing everything within its power to reinforce the substitution of economical Greek drugs by expensive imported ones, it is essentially negating its motto about the need for establishing growth rates in our country. But, how is it possible to ask for a recovery of the national economy, while aiming at the dissolution of an industrial sector that has been the flagship of Development in Greece for the last 50 years?

Ignorance, nowadays, is not an argument, especially when dealing with such serious issues. The Greek pharmaceutical industry’s growth potential has been recognized by Greek and international research entities. The Foundation of Economic & Industrial Research (IOBE) has calculated that for every euro spent on a Greek drug, our country’s GDP is reinforced by 3,45 euros. Moreover, in a research entitled “Greece 10 years ahead”, McKinsey has characterized the domestic drug production as an “emerging rising star of the Greek economy”.

The creditors’ representatives know all this. Nonetheless, they insist on their irrational demands. For sure, this is not a coincidence.

Do you mean that there is some sort of expediency behind these particular goals?

Clearly. These specific approaches are being instigated by powerful centers, which act within the European Union, aiming at serving the interests of multinational giants. Obviously, these particular circles do not want the development of regional industries, so they are pulling the strings in specific directions.