

Greek Drug: a driver for the National Economy's growth

What is the contribution of the Greek pharmaceutical industries to the economy? Have they been affected by the financial crisis?

The Greek pharmaceutical industry represents a sector with significant dynamic, in terms of Public Health, National Economy, Employment and Development. With 27 modern production units across the country, this industry holds 60% of the sector's employment positions and 100% of new investments. In the same time, it supports research and innovation, by annually investing 30 million in more than 80 research programs. In parallel, through its 50-year expertise, it promotes stable collaborations with domestic and foreign research organizations, and it has been recognized as the second most dynamic export sector of our country.

Nevertheless, the pharmaceutical policies that were implemented during the economic

crisis did everything but encourage the "release" of growth dynamics of this specific sector. On the contrary, they objectively led to a surrender of the Greek pharmaceutical market to expensive imported drugs, and drove most Greek pharmaceutical industries to a financial impasse; the risk of devaluating an industrial sector that can decisively contribute to public health, employment, research, and development, has become visible.

What are the competitive advantages of Greek drugs?

Greek drugs are endowed with the heritage of a great expertise, which has been constantly developing, for more than 50 years, within the research centers and production units of the Greek pharmaceutical industry. The quality and therapeutic efficiency of domestic production have earned the confidence of Greek families, bringing Greek drugs in every Greek home. But we have gone beyond this: Greek drugs have conquered the international markets as well, thereby distinguishing the Greek pharmaceutical industry as the second export sector of our country. However, during the crisis – a crisis that, undoubtedly, affected the health care sphere as well –, the sector's potential to positively contribute by providing branded, cost-effective, high-quality and safe drugs to Greek patients, was ignored.

The quality of our drugs, which is the result of numerous years of research activity in our sector, in combination with their affordable prices, constitutes an undoubtable competitive advantage; an advantage that becomes particularly crucial, amidst a period of prolonged economic crisis. Greece produces safe drugs that, following strict international control, are certified and exported to 80 countries. It is a misfortune to import what we actually produce. This is something the State needs to deal with on a serious basis.

Why have the efforts not brought the desired result, up until today?

Unfortunately, the policies that were implemented during previous years brought the Greek market in a position dependent on imported drugs; many of these imported drugs appear as "innovative", although essentially, they do not provide any



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due to the fact that the efforts undertaken by previous governments followed an "accounting" strategy and focused, unilaterally, on the issue of drug pricing, implementing exhaustive price reductions to the – anyhow – cost-effective Greek drugs. This situation made visible the risk of withdrawing many Greek drugs from the market, since their production was unprofitable, thus paving the way for their substitution by expensive imported drugs. In parallel, the absence of an information campaign and the lack of encouragement for the use of high-quality Greek Generics – in the production of which most Greek pharmaceutical industries are engaged –, became yet another counter-incentive in the effort of expanding the use of Greek drugs.

What should the State do in order to increase their market penetration?

The increase in domestically-produced drugs' market penetration is inextricably linked to the existence of a sustainable and efficient pharmaceutical policy framework, with precise benefits for the country, the patient, the domestic added value, and the production. Towards this direction, the Greek State should make a number of targeted interventions, which can be summarized in the following points:

- Provide incentives for the pharmacist, such that he/she administers generics.
- Provide incentives for the physician with brand names for generic drugs, in order to ensure the possibility of prescribing generics he/she actually trusts, instead of choosing more expensive treatments.
- Inform the public about the quality of Greek drugs. Provide incentives for the insured, through smaller contributions.
- Create a clawback-based return system, which does not exceed 3% of the pharmaceutical expenditure.

What is the message you wish to send to the new political leadership of the Ministry of Health?

Having the honor and responsibility to represent a highly significant industrial sector – one which, according to domestic and international studies, is amongst the critical growth forces

additional therapeutic value, in comparison to older and already well-established Greek drugs. Today, 8 out of 10 drugs that are consumed by Greek patients are imported by multinationals. This significantly affects the health system, the Funds, the fiscal results and the insured patients alike. But it also has a negative effect on the Greek pharmaceutical industries venturing within an economic environment, which is dominated by a closed pharmaceutical expenditure budget. And this is

for the restructuring of Greek economy –, I firmly believe that the violent and across-the-board cuts of previous years must be replaced by a development strategy.

Towards this direction, the Greek pharmaceutical industry has repeatedly emphasized that it can significantly contribute to the country's productive restructuring, producing, with no additional cost for the country, Health and Development. More precisely, within the context of a Social Contract, the pharmaceutical industry has formulated specific, costed proposals, with which it commits to:

- Its capacity to cover 70% of the pharmaceutical needs in primary care, and 50% of the ones in hospital care, with reliable, branded, and cost-effective drugs. Greece must, at last, consume what it produces.
 - New, immediate investments in fixed equipment, cutting-edge technology, research and expertise.
 - Enhancing employment with at least 2,000 new recruitments, and significant increase of indirect employment.
- Within this context, I consider that the Greek State's efforts must focus on:
- Immediately rectifying the budget on drugs, by establishing pharmaceutical expenditure at 2,4 billion euros, instead of the currently set 2 billion euros. This dramatic reduction has led Greece to having the lowest per capita public pharmaceutical expenditure in the EU.
 - Establishing a separate closed budget for high-cost drugs.
 - Using more affordable and reliable drugs, in order to reduce the citizens' contribution costs for drugs.
 - Having an evaluation system for new drugs. It is clear that truly innovative drugs must be immediately imported in the pharmaceutical market.
 - Separating the social welfare policies in the drug sector from the pharmaceutical expenditure closed budget.
 - Limiting the unbalanced tax burdens and the rebate/clawback measures, which drive domestic drug production to an economic impasse.
 - Designing and implementing a policy for the use of Greek Quality Generics.

What is your opinion about imposing a gradual rebate, depending on the country of production or packaging?

I consider this to be a measure in the right direction. Firstly, it will become an incentive for Greek and Multinational companies to produce in Greece. I also believe that it is unjust for the Greek industry to subsist the same charges as importing companies, which merely have only one marketing agency. We clearly have huge operating and financial costs: we employ approximately 15,000 employees, while we affect the employment of another 40,000; our overall participation in public revenues amounts to numbers covering 50-55% of the turnover, and we constantly invest in research and infrastructure. This differentiation is also legitimate in terms of insurance contributions and GDP reinforcement, given that 2/3 of the insurance bodies' budgets is covered by employer and insured contributions. In a study carried out by IOBE (Foundation for Economic & Industrial Research), it has been calculated that for every 1,000 euros spent on a Greek drug, the GDP is enhanced by 3,420 euros. The insurance funds should therefore reward those who contribute to their sustainability. In all decision-making procedures, by all Funds in the EU, the domestic added value is taken into consideration as a factor.

By revoking the current counter-incentives, I believe that the Greek pharmaceutical industry can become a permanent and stable solution for the health system, the society and the national economy. With our investments in research and Development, employment positions and exports, we pledge to help Greece move away from the recession tunnel.

I would like to believe that we will work closely with the new political leadership, as well as with all institutions, in order to achieve this.