4.09.2023

High-Level Insights: The Role of Life Science in European Industrial Policy

On September 1, 2023, Think Tank EUROPA and LIF – The Danish Association of the Pharmaceutical Industry hosted a roundtable on the role of Life Science in European industrial policy.

Skrevet af

Rasmus Egmont Foss
+4561106288
rasmus@thinkeuropa.dk

Ditte Brasso Sørensen
+4561101115
ditte@thinkeuropa.dk

Kaia Fallinge

Kontakt

Ditte Brasso Sørensen
+4561101115
ditte@thinkeuropa.dk

For the first time in two decades, the European Commission is proposing an ambitious overhaul of the Union's pharmaceutical legislation. This roundtable discussed the overall ambitions and challenges facing the new industrial and health policies, with particular focus on the Commission's proposed Pharmaceutical Reform.

STATE OF PLAY

The COVID-19 pandemic and the EU's crisis response have transformed the Union's health policy: In a short span of time, the EU's health budget grew significantly, and the mandates of health institutions were expanded. The pandemic meanwhile contributed to a revival of European industrial policy that was already initiated by the climate crisis, a development that further accelerated after Russia's invasion of Ukraine. In the 2020s, European industrial policy must balance multi-dimensional policy objectives, from reaching climate neutrality to ensuring Europe's competitiveness and securing supply chains.

As industrial and health policies are increasingly merging in the EU, public authorities, business leaders and politicians face a range of competing demands with difficult trade-offs. This balance is the question at the core of current debates about the Commission's new Pharmaceutical Reform. The proposal is commonly said to strive towards three A's – making medicines more *available*, *affordable*, and *accessible* – while also aiming for three C's – improving the *competitiveness* of EU's pharma industry, ensuring *compliance* with the European Green Deal and *combatting* antimicrobial resistance.

LOOKING AHEAD – DISCUSSIONS

The Roundtable focused in particular on the following three objectives and their trade-offs:

1. Striking the right balance between access and innovation

Reducing unequal access to medicines across the EU is a key objective of the Commission's Pharmaceutical Reform. The proposed means to achieve this goal, primarily through incentives based on the regulatory data protection period, were debated.

On one hand, improving access to medicines is a public health objective which the Commission wants private actors to contribute towards reaching. But at the same time, it is crucial to create favorable conditions for innovation to thrive as this will

allow companies to invest in Europe to develop new medicines for European patients in the long term. The Roundtable discussed whether or not the Commission's proposal has found the right balance between these objectives.

The problem is also tackled through cooperation between national authorities, and the potential for sharing knowledge and best practices on medicine approval was discussed.

2. Fostering global competitiveness

The Commission's policy proposals were evaluated against how they affect the position of European companies relative to global rivals at a time when the EU's competitiveness is questioned across sectors. Beyond the objective of improving access to medicines, the proposed Pharmaceutical Reform contains a wide range of new initiatives with an impact on Europe's industrial base and competitiveness, such as the ambition to create a Single Market for medicines and to reduce administrative burdens. The Roundtable debated to what extent the recent proposals will improve or hinder Europe's competitiveness and resilience in a geopolitical context that places high demands on strategic autonomy.

In addition, the broader tasks for member states to ensure availability of skilled labor, design tax policies, cultivate the academic performance of universities and fund research and development are important requirements to reach these goals.

3. Securing medicine supply

A novel challenge facing not only the pharmaceutical industry, but large parts of Europe's economy, is to ensure supply of critical medicines. The first task for medicine authorities is to assess which supplies are 'critical' and necessary to prioritize, based on which policies can be developed to secure these supply lines.

In order to solve the growing problem of medicine shortages, health and industrial policies are increasingly merging. The prospects for future health industrial policy initiatives – e.g. a Critical Medicines Act – were discussed, as well as how to strengthen framework conditions for medicine manufacturing in the EU.