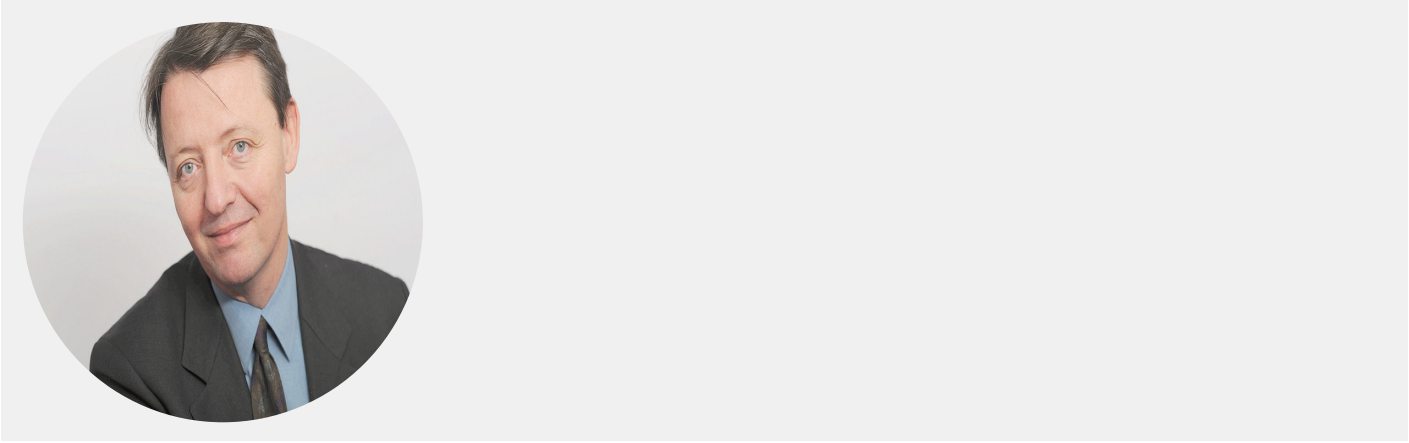
Interview with Philippe Lamoureux, LEEM – Les Enterprises du Medicament



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What are the main tasks of the LEEM?

The LEEM is the only professional organization representing the pharmaceutical industry in France. It includes almost all companies which seek to develop, manufacture and market drugs. Leem represents all components of the profession: international groups, medium-sized companies, an important fabric of small, medium-sized companies, startups specializing in targeted therapeutic areas, as well as biotechnologies, generics, other companies specialized in self-medication and third-party manufacturers. LEEM is a place of expertise and experience for all.
Leem staff members are daily Leem members interlocutors. Leem action is conducted according to strategic priorities and policies established by the Board of Directors.

Leem includes 6 departments:
– The Department of Economic Affairs and Institutional Relations.
– The Department of Scientific, Medical and Pharmaceutical Affairs
– The Department of Social Affairs, Employment and Professional Training
– The Department of Legal and Fiscal Affairs
– The Department of European and International Affairs
– The Communications department

How does one explain the necessity to open up to such a wide organization? Is it because generics have come very late in France?

The distinction between generics and originator products is a distinction that has become less pronounced over time; increasingly, pharma companies specialized in originator products, now have a generics branch. For example, this is the case with the French companies, Sanofi and Servier, but also with the top rank international companies like Pfizer. It can also be observed that a certain number of generics manufacturers progressively get involved in R&D.

It is highly strategic for the pharma industry to remain united in a country like France whose characteristic is to sustain a continuous dialogue with the authorities, as illustrated by the public/private conventional policy. In this context, the more divided the profession is, the weaker it is.

A few weeks ago the CSIS (the Strategic Council of Health Industries) meeting was held, which seemed to reflect what the industry wanted. What measures have contributed to making progress?

The 4th CSIS meeting held on 26th October 2009, was eagerly awaited. The drug industry was clearly recognized as a strategic sector as well as a lever of growth for France. Prepared in cooperation between the industry and the government, the CSIS project contains 11 guidelines, which notably consist in developing biotechnologies with the creation of a nearly € 140 M fund, also in developing public / private partnerships in biomedical research as well as in backing up the industrial changes to preserve the production tool and actually contribute to the re-industrialization of France.

All observers acknowledged that we have just experienced a historic CSIS meeting. Indeed, several decisions were taken showing a profound change in the approach of the pharmaceutical industry in France. France clearly turns to biotechnologies. After succeeding in the production of chemical medicines in the 90s, France is today Europe’s leading producer: our goal today is to succeed in the revolution of biotechnologies. This requires setting up both a fund to support biotech products as well as production sites to manufacture batches for clinical trials and products to be marketed.

Sustaining production activities was also a crucial measure addressed and adopted by CSIS. It consists notably in allowing producers of originator products to authorize a contract manufacturer to manufacture, but not to market medicinal products before they come off patents. In return, manufacturers of originator products would be granted some economic compensation by the Economic Committee for Health Products (CEPS).

A third major point consisted in strengthening public / private partnerships through mutual commitments by major French research institutes and industry in many areas of pharmaceutical research: epidemiology, clinical research, translational research. This policy illustrates a profound change as our country is traditionally marked by a deep rift between academic research and private

research.

CSIS meeting also came out with many other additional measures: in particular the provisions related to export pricing (dual pricing), eagerly awaited by U.S. companies operating in France.

All the health industries representatives were much impressed by the active involvement of the public authorities. At the highest State level, the President of the Republic and 4 of the most important Cabinet Ministers devoted half a day to discuss with health industries representatives. It was then decided to appoint a senior official to be in charge of following up mutual commitments by stakeholders in the Strategic Council. Once more, that decision proved to be a major profound change.

All this is actually a clear illustration of a new mindset emerging in our country.

Has any change occurred regarding the relationships between pharma industry employees and their employers?

Yes and no. Traditionally, until 2008, the pharmaceutical industry in France used to create jobs – around 2,000 per year. For the last 2 years the pharma job market trend has been flattening out. Our business model is going through a dramatic change: mainly detailing activities but also production activities are much affected by job cuts.

On the other hand, the industry also creates new jobs and needs new skills. Leem has initiated discussions on this issue with the Ministry of Research to streamline professional training courses and create suitable tools to meet the needs of the industry in terms of jobs.

In our country there is a strong will to adapt the professional training system to get suitably prepared for the skills we will need tomorrow. From a social standpoint, the negotiations with professional organizations remain very active despite the economic downturn. We have just signed several important agreements on the employment of disabled and senior workers. Furthermore, in agreement with a number of unions, we have just undertaken the updating of our collective agreement, notably with regard to detailing activities.

The social dialogue is actually sustained in France. In the context of globalization, the pharmaceutical industry is, in that respect, considered as a rather exemplary sector.

You mentioned the will by CSIS to make France a heavyweight in biotech. Considering most other countries have already taken this turn, isn’t it too late for France?

It’s clear that biotechnologies offer a promising future: more than 50% of new drugs currently in development come from biotechnologies.

It’s not too late because we are not starting from scratch. France stands traditionally as a major biotech country (insulin, vaccines,…). Besides, France has about 400 health biotechnology companies, that is a twofold increase over the last ten years. However, these companies often remain fragile because of their small sizes, their low capitals and too limited portfolios of products, at early stage of development, where risks of failure are high.

We also have a pool of researchers whose expertise is recognized worldwide, as well as a dense and efficient network of university hospitals.
Traditionally, France has shown difficulties in moving from invention to innovation, or more exactly in establishing a better link between basic research and the industry.

We are not actually behind other countries. However, we face more difficulties than some of our neighbour countries in switching from a research-based approach to an entrepreneurial approach. Hence the importance of CSIS and the creation of the biotech fund named INNOBIO and all the backup measures around it.

You mentioned that a lot of actions and changes are expected in the LEEM. Could you please give us a brief outline of these changes?

One of our major challenges is the emergence of overall health solutions. In the future it will no longer be possible to consider medicines independently. They will be only part of the answer to meet patient needs.

We are therefore getting closer to other health industries involved in medical devices, diagnostics, electricity and electronics. Beside, the customized approach of treatments, medicine and patients expressing new needs lead us to take the same orientation. We are actually embarking on this opening-up policy in several areas such as research, professional training and corporate responsibility…

Our approach actually consists in respecting individual characteristics while working together.

You mentioned the attractiveness of France. Aren’t Americans rather afraid of France? What do you think they are afraid of? Why?

U.S. manufacturers have been located in France for a very long time. They actually play a key role in our country. France offers multiple assets: together with Germany, it is the largest European market, yet with 20% less population. Our academic research is of the highest quality. Our hospital’s network staff is highly competent. France also has an attractive central geographical position in Europe with highly developed infrastructures. Lastly, we have one of the most attractive tax incentive mechanisms in the world for investments in research activities.

However, France is also well known for its deterrent political and social environment. We have the reputation for being a strictly regulated country where social tensions are frequent. That image, I am afraid, is too caricatural. Multinational companies settled in France are much less critical of the situation than foreign observers. Mind magnifying effects. Those who have taken the step of settling in France have been welcomed, have realized that the productivity of French workers is one of the highest in Europe; they have also observed that labour flexibility to industrial production needs is better than expected. They have also realized that, however omnipresent the French government may be, its acquiescence still means great freedom of manoeuvre. Our rigorous system offers some advantages such as a strict evaluation system for medicinal products, which contributes to making France one of the leading countries in the pharma sector in Europe.

What message would you like to send?

One should not be scared about the ‘French revolution’. Our country is going through profound changes. It is now regaining its industrial vocation. We are also breaking away from a rigid social model, sometimes impeding initiative. Moreover, we are making public/private research more closely associated. Not only are the reforms announced but they get actually implemented.

We now live in a country where health industries are no longer regarded as a problem but as a solution to the end of the crisis.

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