

Interview: Christian Lajoux - President, Fefis (Fédération Française des Industries de Santé), France



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The President of Fefis, and the recently elected President of Medicen Paris Region, a Paris-based business cluster, talks about the need to build the future of the French health economy, not on past and current assets but to develop new ones; reveals how there is now a growing awareness of the need to develop the Med-Tech industry in France; and why his objective is to raise the profile of Paris as a global health innovation capital.

In 2008 you were elected president of the Fefis, the employers' union for healthcare companies in France. You declared that your role would be to reinforce France's attractiveness and competitiveness in the areas of life sciences. Seven years on, do you feel that you have been successful in this task?

During this period we have sought to clarify France's position within the global market. We spent a lot of time identifying the strong and weak points of our market. In France we focus too much on regulatory and pricing issues. Many consider that health economics is the economy of regulation. Regulatory economics is not the only way of measuring the health system. We must distinguish between the global system of health in France and the challenges which many companies face working in the healthcare system.

We have also seen a growing awareness of the need to develop the Med-Tech industry in France. While France is lacking a Med-Tech giant, the country has a background in the scientific ecosystem which is one of the most competitive in the world. Our history of strong innovation is due to excellent research. Seven years ago we did not talk about Med-Tech, today we understand that it has an important role to play in providing therapeutic solutions. Numerous government measures have been designed to encourage the development of the Med-Tech industrial process.

Looking ahead, the main goal for the next ten years will be to ensure there is a clear role for the health economy in France. This includes the level of dialogue between public researchers and companies, both large and small, and firmly establishing France's place within the global market.

How does France compare to other leading healthcare markets?

Today France is no longer a leading healthcare market. We are a big market but not a leading one. In France we face many difficulties concerning market access, as well price-related issues. Studies have consistently shown that drug prices in France are lower than the European average. There is a lack of predictability, visibility, proactivity and coherence regarding certain governmental decisions.

While France has an excellent research ecosystem, the ability for private industry to partner with this system is often lacking. Major industry investments come from the public sphere, and we need to increase the role of private investments. Our approach to venture capital differs greatly from that in the US. The low level of venture capital in France is due to our struggle to transform our innovative capabilities into concrete industrial processes.

Can you give a broad overview of the importance of the pharmaceutical sector for the French economy today?

We have lost jobs in the French pharmaceutical industry because our industry is failing to modernize. While the country has over 200 manufacturing plants, many of them produce products without intellectual property, a weakness in the manufacturing situation of the country. The number of plants in the biotechnology industry is low in France. We are strong in vaccines, a traditional strength of the country, but in terms of biotechnological innovations we do not have a leading position. Europe has recently developed 13 new molecules, not one of them was manufactured in France. This is a sign of things to come if we do not adapt. France has a lot of assets. Today we need to build the future of the French health economy, not on past and current assets, but to develop new ones, primarily in the areas of public research. The key will be to develop small French companies capable of standing up to the fierce level of international

competition.

Fefis is meant to represent not only the pharma companies but the wider healthcare stakeholders, containing diverging interests. How do you deal with such diverging interests?

The federation deals with common challenges faced across the entire healthcare industry. As president of Fefis, I believe that each professional organization has a role to play in dealing with issues unique to the health industry, namely issues concerning regulation and market access issues. Our role at Fefis is to go beyond the corporate issues faced by each professional organization and consider global issues faced by all health companies. Such companies face many of the same issues as other industries. The challenge of ensuring France remains an attractive environment for companies has to do with the cost of labor, tax incentives and the complexity of doing business. These are issues faced by all industries.

We are witnessing an increasing digitalization of healthcare. How is Fefis adapting to such developments?

It is impossible to talk today about technology in the field of health without considering digital issues. However, digitalization is a means and not an end in itself. While it allows us to put in place new technology, we cannot reduce the progress in health only to digitalization. Digital developments need to be built upon by actors involved in research and industrialization. France is a country of scientists, biologists and medical doctors, but it also a country of engineers. Increasingly engineers and doctors have to work together. Tomorrow's next medical breakthrough will require cooperation between both professions.

In April 2015 you were elected President of Medicen Paris Region, a French business cluster dedicated to biological and clinical research. What do you see as your mission as the new head of this cluster?

Our role is to bring together, academics, hospitals, companies of different sizes and politicians to discuss the issues crucial to our industry. My role is to look beyond France, to provide Medicen Paris Region with international visibility. 50 percent of global medical research is based in the Paris region. While Paris is a world-renowned city in many areas, we are not recognised as a health capital. My objective is to raise the profile of Paris as a health innovation capital. We need to increase the number of both large and small French pharmaceutical companies. Medicen Paris Region has to become not a place for developing projects, but a place for developing products. The policy of Medicen Paris Region today is to create dialogue around scientific challenges. A weakness

in the French system is the inability to have a common objectives between the different actors.

You have said that through you, Sanofi was a candidate for the presidency of Medicen Paris Region. Can you explain what you meant by this?

Sanofi supported my candidacy. This was a sign that Sanofi believes France has a lot of assets and that we can use these to develop a competitive advantage. It demonstrated a confidence in the excellence of French research and our ability to rebuild a competitive industrial process able to compare with the leading markets across the world. Medicen Paris Region is present in all research fields. You have several businesses clusters in the world, but few are as multidisciplinary as we are. The multidisciplinary character of scientific excellence in the Paris region is a means to minimize risk from an investor's point of view.

What is your five year vision for Medicen Paris Region?

We have to be an international cluster, with good visibility. We must be able to transform our excellent quality of research into competitive business.

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