

PRESS RELEASE

The 2024 Barometer of France's attractiveness to pharmaceutical companies:

Leem pinpoints the conditions required for sovereignty in health and industry to the benefit of patients, for a strong France in a strong Europe

In the current context of political instability, what are the conditions required to safeguard the pharmaceutical industry's ability to consistently deliver on its mission, which is to provide patients with the treatments they need on a daily basis?

Leem will address this critical issue on Tuesday 18 June when it reveals the results of the latest Barometer of France's attractiveness to pharmaceutical companies, conducted by Roland Berger. This survey provides a detailed overview of the wider context of the pharmaceutical industry in France and highlights its strengths and weaknesses. In order to restore France to its rightful status as Europe's leading manufacturer of healthcare products, Leem has identified a number of key reforms that must be incorporated into the next Social Security Finance Bill (PLFSS) to be debated this autumn, beginning with the need to bring the safeguard clause under control.

Access, pricing, taxation, production: where do the flaws of the French model really lie?

This 2024 Barometer survey draws together publicly available data, Leem research data and the results of an exclusive survey of French pharmaceutical company executives. It provides a unique analysis of the strengths and weaknesses of France as a pharmaceutical power, and therefore makes an **active contribution to public debate**.

Despite increased investment in R&D, an upward trend in employment and an ecological transition well underway, **a number of other factors should alert us to the many ways in which patient access to treatment is under threat:**

- **France is not making a sufficient contribution to ensuring European health sovereignty:** fewer than 1 in 10 new medicines are manufactured in France, compared with 1 in 4 in Germany. At the same time, France's balance of trade reduced by a factor of 8 between 2022 and 2023.
- **The margin squeeze imposed by the combination of having the lowest prices in Europe, but the highest level of taxation, continues to significantly penalise pharmaceutical company growth:** France overtaxes its pharmaceutical industry (60% of annual income, including 88% in industry-specific taxes), at the same time as imposing price caps that are 10% lower on average than those applied by comparable European countries. In Germany, for example, where the industry-specific tax burden on medicines is only half that of France, the balance of trade is 60 times higher.
- **France is not exploiting its full potential for innovation,** as evidenced by the fact that it stagnates in 3rd place among European countries in terms of clinical trials and is even slipping backwards in certain therapeutic areas. This adverse trend accentuates the loss of opportunity for patients who have to wait longer to access the latest innovations in treatment.

- **The “early access” mechanism works, but regulations restrict its application to the most severe diseases:** more than one-third of new medicines (37%) are not subject to this exemption procedure, and still have to cope either with periods of negotiation that are too long to meet the European target, or even absolute deadlock. Since this mechanism was introduced in 2021, only 100,000 patients have benefitted from early access, despite the fact that 13 million people in France currently suffer from long-term illnesses.
- **Apart from exemption procedures, average patient access times are getting longer:** 527 days on average in 2023, compared with 508 days in 2022.
- **The availability of medicines is not consistent across Europe:** 37% of new medicines authorised for use in Europe between 2019 and 2022 were still not available in France on 31 December 2023 (compared with just 12% in Germany).
- **Lastly, the French regulatory framework lacks stability, which discourages inward investment in the industry, despite its strategic importance for France:** in just 8 years, the terms of the early access mechanism have been changed 7 times, and the safeguard clause 8 times.

How can France regain its leadership in pharmaceutical manufacture and healthcare sovereignty for the benefit of patients?

Despite positive developments in recent years, France has yet to find all the solutions it needs not only to secure its status in a globally competitive world, but above all to guarantee that all patients have access to the treatments they need now or will need in the future.

Leem is convinced that France's decline as a healthcare power is not inevitable. The conclusions of the 2024 Barometer survey should result in major political decisions, some of which should be incorporated into the Social Security Finance Bill (PLFSS) for 2025:

→ **Beginning work on the urgent reform of the funding and regulation of medicines.** The most pressing need is to bring the safeguard clause under control from 2025 onwards and set it on a downward trajectory to reduce its level to below €500 million in 2027.

→ **Implementing a ‘simplification shock’ (radical administrative streamlining and regulatory reform) for the industry.** The speed of clinical research must be accelerated, superfluous market access procedures removed, and existing (direct access and early access) mechanisms optimised to cut reduce patient access times to medicines and take full advantage of advances in European clinical assessment.

The pharmaceutical companies of France are calling on the public authorities to introduce a regulatory framework designed to encourage investment, reshoring manufacturing capacity and health sovereignty. It is time that everyone came to the realisation that medicines have a positive impact on healthcare provision, preventive healthcare, regional development and the skilled job creation.

In September, Leem will set out its recommendations for the PLFSS for 2025 and the future of the French pharmaceutical industry.

“The results of this Barometer survey show just how far we still have to go before we can make France a truly attractive place to live in terms of healthcare and access to treatment. It also shows that urgent action is needed to accelerate the introduction of innovative treatments and patient access to them, to transform our manufacturing base, and to review the financing and regulation of medicines. Leem will submit its proposals to the appropriate government departments and the next government as soon as it is in place”, confirms **Thierry Hulot**, President of Leem.

→ **Learn the full results of the 2024 Barometer by visiting www.leem.org**