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An industrial policy that works for the pharma sector

EVENT REPORT



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Data and geopolitics: adapting to a changing world

An industrial strategy that works for the pharmaceutical sector must focus on regulatory frameworks for up-and-coming technologies, transform skills and find the balance between competition and collaboration, panellists told a 10 September Friends of Europe Café Crossfire debate organised in partnership with the European Federation of Pharmaceutical Industries and Associations (EFPIA).

The event, part of Friends of Europe's 'Towards European Industrial Innovation: Who Should Lead the Way?' series, addressed what the European Union can do to deliver on the potential of the pharmaceutical sector, which employs approximately 800,000 people.

Commenting on the nomination of Stella Kyriakides as Commissioner for Health, **Marcel Haag**, Head of the Directorate for Jobs, Growth and Investment at the European Commission Secretariat-General, said that there should be more clarity about an industrial policy and the priorities for health by the end of the year.

"We are right in the middle of the chaos of the changeover of the EU mandate and we recognise that many things are up in the air," **Tamsin Rose**, moderator and Senior Fellow at Friends of Europe said. "We want to feed into these events and explore what we have to say in the broader discussion in what we need in an EU industrial policy."

The challenges for the healthcare sector are well-known, Rose noted, "By 2030, Europe will be the oldest continent in the world and we are facing climate change, which will have enormous impacts on society." And in the wider world, the role of industry has changed, she added. "It has transformed rapidly from dirty, heavy industry to today's lean, just-in-time coordinated supply chains that have changed the world."

“ How can Europe pool data resources? That is really the key to getting more affordable and efficient healthcare systems

Laura Gutierrez, Vice-President for Public Affairs for Europe at Sanofi

The panellists identified the big shift in technology as a trend that the industrial strategy should capitalise on. "Everything in the pharma sector – including electronic health records – can be connected. Patients are also recruited online for clinical trials. This is a profound transformation", **Laura Gutierrez**, Vice-President for Public Affairs for Europe at Sanofi said.

Emphasising that data is an indispensable part of the puzzle, Gutierrez stated that "We are very limited in what we can do as one company. How can Europe pool data resources? That is really the key to getting more affordable and efficient healthcare systems."

Daria Tataj, Strategy Adviser and Chair of the Research, Innovation and Science (RISE) High-Level Expert Group at the European Commission Directorate-General for Research and Innovation (RTD), agreed that implementation of policies on open data and digitalisation is a core element to focus on.

“Research and innovation are absolutely strategic for the future of Europe and such a regulatory framework will be key,” she continued, underlining that “embedding research and innovation into industrial policy is not a trivial task.” Zooming out on the global circumstances, Tataj remarked that the situation was very different from five years ago, “Europe needs to remain open – this is key for diversity, which in turn is key for innovation.” Gutierrez also maintained that “From a geopolitical perspective, we have an interest in a thriving life sciences sector.”

“ Leveraging clusters of innovation and making them open to everyone is important. We need to not just network Paris-Grenoble-Cambridge, but also Bari in Italy

Tamsin Rose, moderator and Senior Fellow at Friends of Europe

Tataj, an expert in ecosystem thinking, highlighted the link between ecosystem thinking and geography. Picking up on that, Rose stated that “Leveraging clusters of innovation and making them open to everyone is important. We need to not just network Paris-Grenoble-Cambridge, but also Bari in Italy.”

Linking that to the changing global context, Tataj said that we have to focus on how we treat the periphery of innovation networks. “During the economic crisis, the narrative was that we should focus on the most competitive innovation hotspots. Today, the answer is in the middle. It is all about connecting the two parallel activities: ability to innovate and ability to network. A third leap exists of connecting those two abilities to create value.”

Transforming innovation through skills and collaboration

Tapping into another facet that should be part of an industrial strategy, the Vice-President of Sanofi stated that “Transformation of factories and skills is paramount. We always say this, but we cannot emphasise it enough.”

“ It is difficult to transform systems and there is only one way to do it: you need to attract top talent

Daria Tataj, Strategy Adviser and Chair of the Research, Innovation and Science (RISE) High-Level Expert Group at the European Commission Directorate-General for Research and Innovation (RTD)

Tataj believes that in this respect, there is a lot we can learn from emerging economies. Transfer of tacit knowledge and a very concrete migration policy for promising researchers are two examples that can be explored. “It is difficult to transform systems and there is only one way to do it: you need to attract top talent. European policy should support transformative local leaders who can mobilise resources from the bottom up.”

Global competition is another major challenge for the pharmaceutical sector. “We are working in an environment that has undergone and is still undergoing radical changes,” said Haag. “We are increasingly dependent on products from outside the EU. We have to make sure that Europe remains an attractive place for research and innovation.”

“The benefits of collaboration should be greater than the risk of collusion. This is a fine balance that we have to find on a case-by-case, sector-by-sector, area-by-area basis

Marcel Haag, Head of the Directorate for Jobs, Growth and Investment at the Commission Secretariat-General

Responding to a question about how best to balance competition and collaboration, Haag remarked that “The benefits of collaboration should be greater than the risk of collusion. This is a fine balance that we have to find on a case-by-case, sector-by-sector, area-by-area basis.” Joining the challenges of competition and digitalisation, Haag remarked that collaborating on data policy will be key to the future of the pharmaceutical industry.

The way forward

Elizabeth Kuiper, Executive Director for Public Affairs at EFPIA, added that discussions on other key elements, such as competition and innovation, should not take place in separate rooms from health discussions. While France and Germany are keen to drive the industrial strategy, all 27 member states should be on board.

Asked what her recommendation for an industrial strategy would be, Tataj said, “My message would be to prepare an ecosystems strategy.” She regretted that the vast majority of organisations do not possess one, but lauded that the Commission will introduce missions. “Working around missions emphasises that boosting innovation and networks is imperative.”

Haag assured the meeting that ecosystems thinking is very close to the way the Commission is designing policies and that new colleagues would take this up. “There is a clear will to integrate all different policy elements into our strategy.”

Haag concluded by inviting the life sciences sector to engage with the process of the new EU industrial strategy, “We will be best served if you inform us of what you need to ensure that we have a state-of-the-art, inclusive health system in Europe.”

Rose welcomed this challenge: “This is an invitation from the Commission for the health community to get its act together and say what it needs to thrive and to be competitive and sustainable in future.”



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1. **Daria Tataj**, Chair of the Research, Innovation and Science Expert Group of the European Commission Directorate-General for Research and Innovation (on screen)
2. **Tamsin Rose**, Senior Fellow at Friends of Europe
3. **Marcel Haag**, Head of the Directorate for Jobs, Growth and Investment at the European Commission Secretariat-General and **Laura Gutierrez**, Vice President for Public Affairs for Europe at Sanofi



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