

EU industrial policy can dramatically improve medicines manufacturing resilience and security of supply

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MEDICINES FOR EUROPE STATEMENT TO EU CO REPRESENTATIVES IN VIEW OF THE MEETING ON COVID-19 AND INDUSTRIAL POLICY

Medicines for Europe calls on Heads of State and Governments to build on the lessons learned from the COVID-19 pandemic, with a thoughtful Industrial Policy that should strengthen European manufacturing and critical medicines supply chain resilience, while ensuring equitable access for patients.

The European [structured dialogue initiative](#) is a first positive step in this direction and, if combined with smart policy reforms, results will be delivered: **sustainable market reforms to incentivise resilience**, a **flexible and digitalised regulatory framework focused on quality and efficiency** and **smart investments through the recovery and resilience facility to maintain and expand the EU manufacturing ecosystem for medicine**.

- Lowest-price purchasing policies are incompatible with Europe's essential medicines manufacturing resilience and security of supply. **Reforms are needed to make markets sustainable**, including the introduction of **Most Economic Advantageous Tender (MEAT) criteria**, such as environmental, supply reliability, manufacturing resilience and/or product specific characteristics criteria, **in procurement to reduce industrial consolidation pressure and create a level playing field**. Pricing and reimbursement policies should also recognise the importance of manufacturing security for affordable generic medicines rather than focusing only on obtaining the lowest price possible.
- A **digital transformation of the regulatory system** would maintain high EU scientific standards while dramatically reducing administrative burdens and vastly improve the EU crisis response to shortages. It would stimulate an evidence based two-way communication and bottom up cooperation between Member States, EU Institutions, regulators, industry and actors of the supply chain to coordinate an effective crisis response and to address potential supply bottlenecks. As demonstrated by COVID19, **regulatory flexibilities** are needed to prevent medicines shortages, to enable, for example, faster cross border movement where medicines are needed.
- The **Recovery and Resilience Facility**, centrepiece of the Next Generation EU recovery instrument, is an opportunity to strengthen manufacturing resilience: Member State National Plans should include dedicated investments in medicines manufacturing. **Investments in manufacturing technology (greening, digital, process technology, automation)** are needed to enable EU manufacturers to upgrade their technology to compete and to meet societal expectations for security, value added innovation and the environment.

Commenting ahead of the EU CO meeting, Medicines for Europe President Christoph Stoller (Teva) said "COVID-19 has highlighted the strategic importance of a strong and open medicine value chain in Europe. Despite pronounced EU important dependencies and demand surges in critical areas such as ICU medicines, we have demonstrated the resilience of the pharmaceutical supply chain during this unprecedented time, as well as the power of two-way collaborative work with policy-makers to secure access to critical medicines. With smart policy reforms, Europe can address the current drivers responsible for the growing vulnerabilities of its essential

pharmaceutical production and supply. I call on EU leaders to support a vibrant medicines manufacturing sector in Europe. it is now time to act to increase Europe’s resilience, diversity and sovereignty while capitalising on fair and open trade”.

Medicines for Europe

Medicines for Europe represents the generic, biosimilar and value-added medicines industries across Europe. Its vision is to provide sustainable access to high quality medicines, based on 5 important pillars: patients, quality, value, sustainability and partnership. Its members directly employ 190,000 people at over 400 manufacturing and 126 R&D sites in Europe and invest up to 17% of their turnover in R&D investment. Medicines for Europe member companies across Europe are both increasing access to medicines and driving improved health outcomes. They play a key role in creating sustainable European healthcare systems by continuing to provide high quality, effective generic medicines, whilst also innovating to create new biosimilar medicines and bringing to market value added medicines, which deliver better health outcomes, greater efficiency and/or improved safety in the hospital setting for patients. For more information please follow us at www.medicinesforeurope.com and on Twitter @medicinesforEU.