



Press release  
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## ***Health industries propose concrete measures to secure the supply chain of medicines***

**For a proactive industrial policy for the pharmaceutical industry to guarantee sustainable safety and health autonomy: on the basis of a study carried out by PwC Strategy&, the health industries propose concrete measures adapted to the different types of vulnerabilities identified.**

In recent years, France and Europe have had to manage situations of tension and even disruption of supplies of active pharmaceutical ingredients (APIs) and medicines. The COVID-19 crisis has highlighted the vulnerabilities of certain raw material supply chains and our dependence on non-EU countries for health care, particularly in Asia.

In light of this widely shared observation, the strategic committees of the Health Industries & Technologies and Chemicals & Materials sectors wanted to identify **measures that would make it possible to sustainably strengthen the complex value chains of the pharmaceutical industry by focusing on innovation and the reindustrialization of the production of APIs, pharmaceutical intermediates and registered raw materials.**

In this context, the profession, represented by the pharmaceutical fine chemicals (SICOS), medicines (Leem) and generic and biosimilar medicines (Gemme) industries, has entrusted PwC, with the participation of G5 Santé, with a **study of API supply vulnerabilities for the medicines industry.**

**Taking into account recent reports on the subject, the study recommends classifying critical APIs according to five categories of vulnerabilities identified at different stages of the value chain in order to implement concrete and adapted measures:**

- fragile input supply,
- complex production chain,
- manufacturing based on old technologies with significant discharges and low standards outside the EU,
- economic fragility,
- particularly unstable or very low volume demand.

In response to these vulnerabilities and their consequences, **the study identifies four types of measures** to secure the drug supply chain:

- the inclusion of the full cost of supply (including environmental impact and security of supply) in the economic policy for medicines,
- a support to the European production offer,
- accelerated innovation in pharmaceutical chemistry processes,
- more coordinated and harmonized management of shortages in Europe.

**Finally, the study identifies the fields of innovation specific to pharmaceutical chemistry** that would make it possible to boost the European production offer and develop the attractiveness and competitiveness of the territory, by maintaining and securing in Europe skills and technologies that are critical to the development of new drugs and new therapies. In particular, it details the means of accelerating their implementation. This is the case, for example, with *particle engineering*, biotechnologies, new, more competitive and greener production processes, and digitisation to improve productivity, quality and speed of development and marketing.

*"The analysis carried out by PwC with a consultation of numerous players in the value chains has identified critical vulnerabilities. We are convinced that the implementation at European level of concrete, targeted and adapted measures proposed in this study would allow a relocation through innovation in Europe for the benefit of our health sovereignty in the long term"* declares **Vincent Touraille, President of SICOS**.

*"This study confirms the strategic nature of the pharmaceutical industry. The production value chain is complex and involves a large number of players with multiple skills. A sustainable and efficient production of active ingredients, as close as possible to the innovations in tomorrow's therapies, is essential for Europe to maintain a world leadership position in innovative therapies. The proposed measures will benefit patients first and foremost by significantly improving the country's capacity to host innovations and by strengthening our country's strategic autonomy in terms of medicines. They will give us the means to restore the competitiveness and attractiveness of France and, more broadly, of Europe"* adds **Frédéric Collet, President of Leem**.

*"For the past 20 years, French and European pharmaceutical strategy has been essentially driven by a policy of lowering drug prices. Today, with the health crisis, Europeans have discovered the consequences of this policy. It is not too late, there are still successful manufacturers in Europe throughout the value chain. Let's give them the means to accelerate their innovation projects in production in order to maintain their activities in Europe in the long term,"* says **Stéphane Joly, President of Gemme**.

The results of this study will contribute to the work in progress at the French and European levels in the context of defining national and European pharmaceutical and industrial strategies.

*"By improving our capacity to welcome innovations and by strengthening our strategic autonomy in the field of health, we will collectively give ourselves the means to restore the competitiveness and attractiveness of France and Europe,"* concludes Vincent Touraille.

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