



Greece and the path to growth

By Konstantinos Frouzis, *President of SFEE, Hellenic Association of Pharmaceutical Companies*

The path to growth is what Greece has not only to find, but to run on in order to secure a safe place in the Europe of the 21st century. The debt crisis that hit, on different levels, big parts of the European economy is essentially a competitiveness crisis due to developments connected to globalization.

The global map of capital and competitiveness has changed dramatically in the last 25 years causing a number of disruptions, challenges and threats. The western economy and particularly the post-war European social model, is suffering in many respects. Although Greece had many special characteristics regarding its production model, the dependence on debt and imports and chronic state inefficiency, can still be seen as part of the general picture of a western

and European economy under the threat posed by the changing nature of the global production model. The path to growth which is linked to the survival of the welfare state and the safeguarding of social and political stability can only be achieved by a significant jump in competitiveness in all knowledge-intense sectors.

Pharmaceuticals are one of the most prominent knowledge – intense sectors in the world that hold the promise of transformative developments in life sciences and in human well-being. These developments are expected to be translated into huge gains in growth and employment as well.

The pharmaceutical Industry is integral to the economy on a global and national level. The direct and indirect effect of the pharmaceutical sector in the Greek economy has reached the level of €7.55 billion, or almost 4% of GDP while the impact on employment is estimated at 135.000. Production in Greece has been characterized by high quality levels, allowing the sector to

achieve exports to more than 100 countries.

In the next years we aim to invest more than 10% of our annual returns in research and development in the context of a strategic plan that would allow us to reach the “Europe 2020” target of 1.5% of GDP directed towards research and development. This is linked to a real jump in investments on clinical trials to €300-400 million yearly, the 50% increase of exports and the doubling of direct employment in the sector.

All that means is that in 2020 we could and should be stronger than we were in 2010. This ambitious future cannot be really achieved without a closer collaboration between the state and the sector to remove obstacles and create conditions that safeguard a stable tax, regulation and financial environment where investments can grow. The promise of the future is real. Greece has to get itself into the league of European knowledge economies in order to survive the shifts of globalization as a winner in all fronts.