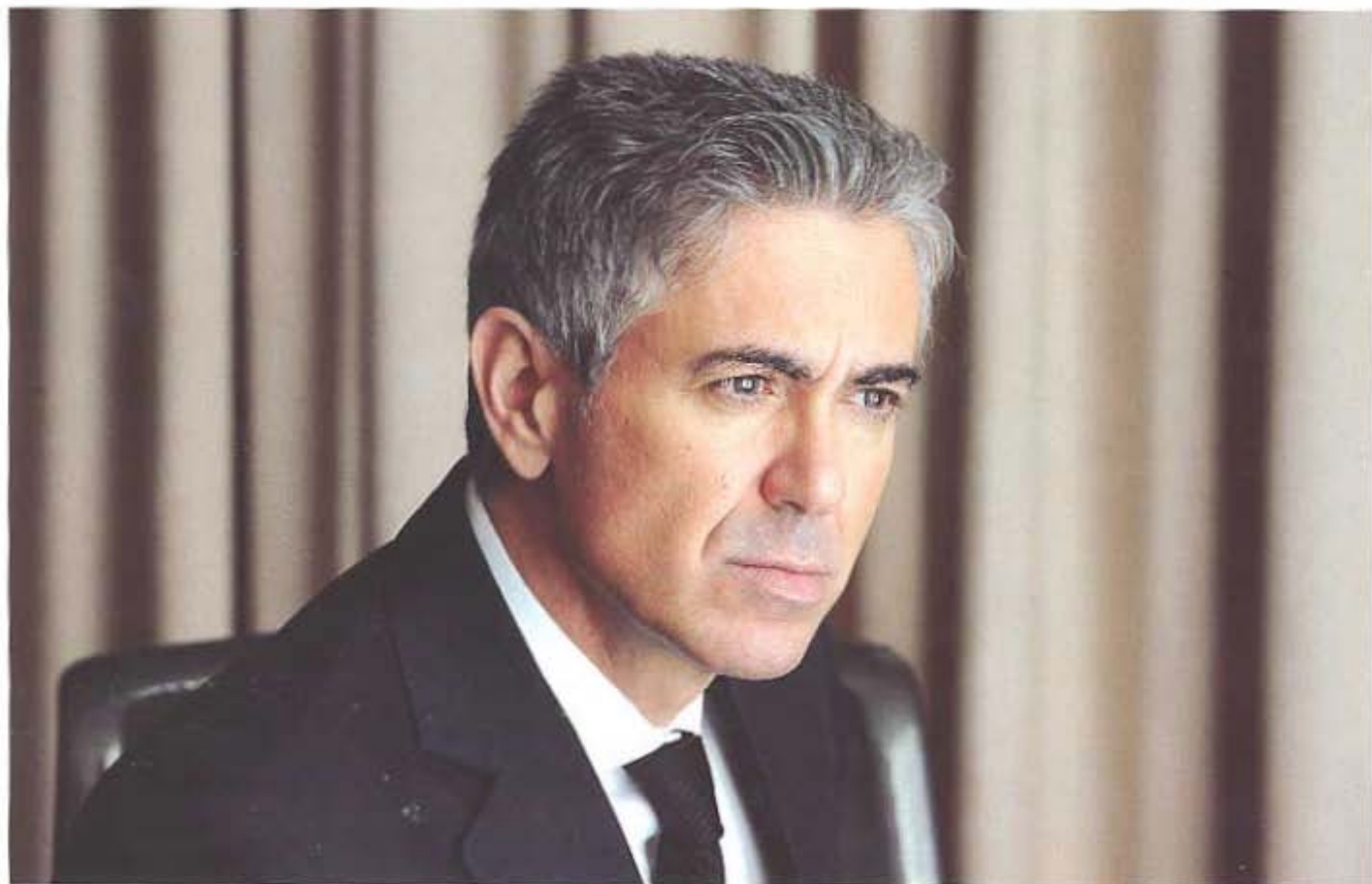


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The country must restore its belief in growth



During the escalation of the economic crisis in Greece, the expert advisers of the Greek government, in an effort to map out the untapped potential of Greek entrepreneurship, reached the firm conclusion that the pharmaceutical sector was one of the few domestic driving forces that could lead the Greek economy out of the recession. The impact that the pharmaceutical industry can have on the economy is indeed unquestiona-

ble. In fact, the blueprint entitled "Greece 2021: The new Growth Model", presented at a meeting of the Euro Working Group a few days ago, identifies the pharmaceutical sector as one of the nine pillars that can support the restart of the Greek economy.

The pharmaceutical industry is a prime example of business activity that is guided by a vision for the future. This is a vision of better societies, growth and innovation. This is what Greece needs now.

Admittedly, the distorted business model adopted in past decades by the large majority of Greek firms – especially small or medium-sized – was characterised by a lack of vision, a tendency towards imitation rather than original thinking, and reluctance to break new ground. Now we can no longer afford to repeat that failed model, which strewed Greece with hundreds of ailing businesses, taking a heavy toll on jobs, employment and on the country's main source of financing, the banking system.

Although this dysfunction is quite clear by now, what we can see even today is that the government, in its endeavour to foster entrepreneurship during these difficult times, still fails to break with the wrong practices of the past. The state machinery seems to stick to traditional "prescriptions" for improving competitiveness, with an almost exclusive focus on labour costs, which will lead to new deadlocks. This logic takes us some thirty years back, when piecework manufacturing had fuelled unsustainable and perhaps fictitious GDP growth in the country, without adding value to Greece's national branding.

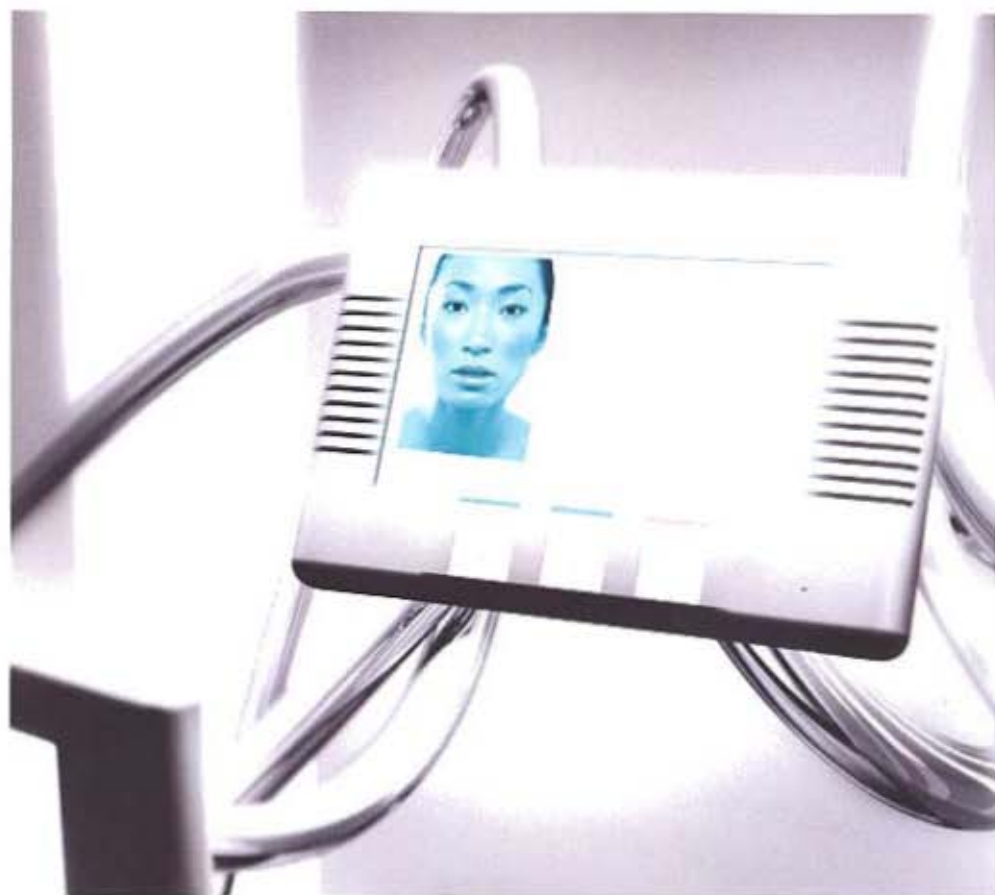
As repeatedly stressed by all of us who have business ties with the global economic community, Greece is not an island in the world economy and cannot possibly expect to achieve growth by cashing in on its glorious historical past. Instead, the only option widely recognised as effective over the long term is the hard way, which places emphasis on higher competitiveness.

The country needs to adjust its economy by gearing its policies towards innovation; this can be achieved by exploiting its valuable and rich potential of scientists. This is a very important parameter. The country needs to invest in human resources and create an environment that encourages experimentation, innovation, initiative, calculated risk-taking and all types of creative activity.

Turning to the vision of the pharmaceutical industry, it is our belief that the industry can emerge as a leader in the Greek economy in terms of production, exports, research and services.

This of course requires even better communication and cooperation between the pharmaceutical industry and the Greek state to jointly develop a framework for bolstering entrepreneurship and attracting new investment from Greek and multinational companies in the field of healthcare.

The strategic objective is to ensure that companies invest in research and development more than 10% of their turnover, thereby enabling to achieve the "Europe 2020" target of 1.5% of GDP for R&D investment in Greece.



A factor that can contribute in this direction is the establishment of the country as a hub for clinical studies; in this area, Greece can attract investment worth EUR 200 in the near term and EUR 400 million in the medium term. An additional important aspect that will further help research outcomes to feed into the economy is networking academic and research centres and industry in order to attract young scientists and researchers.

Our objective is, with the assistance of the state, to increase the number of patents in the pharmaceutical sector, to double investment in domestic production plants and to further improve the competitiveness of Greek medicinal products to achieve an increase of 50% in exports, while also increasing the number of jobs in the pharmaceutical industry.

Moreover, Greece has the infrastructure and capability to become a leading destination for medical conferences and life-long learning events for the medical community, as well as for medical tourism.

These goals are spelled out in more detail in our forward-looking action plan, which rests on two pillars: Pillar 1: "Research, Development and Innovation," and Pillar 2: "Production and Exports".

However, the successful implementation of this plan requires, first of all, the removal of the major impediments to the proper functioning of the market itself and the obstacles to research, as well as a strategy for promoting innovative entrepreneurship in healthcare. At this point I would like to mention, in particular, the legislative framework. As has been rightly pointed out, the period of the economic crisis has seen a plethora of new legislation, which under the pressure of panic is often circumvented. Legislation should be simplified and, more importantly, not be subject to continuous changes that affect compliance with the law, which is crucial for attracting investment and is also an essential requirement for restoring the impaired credibility of our country.