

Merkel dumb on Greek pharma's liquidity pleas

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During her visit to Greece, German Chancellor Angela Merkel granted a favourable hearing to the petitions of the pharmaceutical industry, according to SFEE, the Greek pharmaceutical industry association. However, she refrained from following up with any commitments.

SFEE's president, Konstantinos Frouzis, was one of a group of business leaders who met Ms Merkel along with Greece's Prime Minister Antonis Samaras on 9 October. "There was an open, sincere and very constructive discussion and both Angela Merkel and Antonis Samaras were very interested to hear all that Mr Frouzis and the rest of the participants had to say," SFEE told *Scrip*. "However, they did not comment on what they heard."

Mr Frouzis took the opportunity to re-iterate the pharma industry's plea for certain urgent issues to be addressed, notably the outstanding issues of the debts owed to companies for drugs supplied to the social [security](#) funds, and the losses sustained in the government bond haircut by companies that had been forced to accept bonds in lieu of cash for outstanding drugs bills.

SFEE says that the state's medicine bill arrears will reach €2 billion by the end of the year, while a further €1 billion has been lost by pharma companies in the bond haircut.

During the meeting, Mr Frouzis also underlined that both market liquidity and the financing of the social security (EOPPY) funds are a further prerequisite for the pharmaceutical industry being able to contribute in future to output and employment in Greece.

"[Ms Merkel and Mr Samaras] seemed to be really interested as far as the liquidity problem is concerned and given the fact that all businessmen present stressed its importance towards resolving the current problems faced by all sectors, in order to regain stability in the market and set the basis for a path towards growth," commented a spokesperson for SFEE.

These pressing issues necessitate the release of the next loan tranche in the bailout package from the European Central [Bank](#), the International Monetary Fund and the EU, argues Mr Frouzis. The SFEE spokesperson told *Scrip* that Greece needed the bailout by the end of November to avert the collapse of the market. "If it's not released we can't go on talking about development and growth," they said.

However, the IMF and its partners are reluctant to untie the purse strings and release the €31 billion tranche until the Greek government has done more to deliver on the spending cuts, [tax](#) rises and reforms that it had vowed to carry out in order to secure the bailout

package. The possibility that the next tranche could be staggered has been mooted but it is unclear if Greece's creditors will agree to this.

Stability Pact

Meanwhile, if the immediate issues can be resolved, SFEE believes the government and pharmaceutical industry "should and could agree on a stability pact for the coming years", in which industry would commit to helping the government meet its targets and achieve economic recovery, in return for a more predictable healthcare environment in which to do business.

"This is a worthwhile effort, as it will ensure Greek citizens' healthcare and access to innovative treatments, while at the same time safeguarding social cohesion," said SFEE.