

**The Pharmaceutical Company Investment Observatory publishes its initial results:
€9 billion of new investment in 2020 evidences a strong recovery of France attractiveness**

In accordance with the commitments of the 2018/2019 Strategic Council for the Health Industries and following the 9th edition of the CSIS held at the Élysée Palace on 29 June 2021, the pharmaceutical companies are publishing the first data from the Observatory set up to monitor pharmaceutical company investment in France.

Set up by Leem with operational support from leading management consultants Roland Berger, this body monitors the (R&D and Production) added value created by the pharmaceutical industry in France using a series of simple and repeatable indicators. Its results will be published annually to monitor and track the trend in industry investment over time.

This first of these results come in the wake of one of the most serious global health crises experienced in the modern era, which has highlighted the strategic importance of the health industries for society and the need for Europe to become more autonomous in supplying the health products it needs.

In this first monitoring period, a representative sample of pharmaceutical companies (50 companies representing 66% of industry annual revenue) responded to the survey, and the data collected were then extrapolated to provide a snapshot of the situation across the industry.

What they show is a very strong recovery in investment in France despite the health crisis:

- **€7.3 billion was invested in research and development during 2020; a figure 17% higher than in 2019.** It is important to note that **70% of this capital spending was focused on biological products.** This increase **reflects a real desire to promote the French ecosystem and its expertise.**
- **€2 billion was invested in the French manufacturing base during 2020; reflecting an increase of 11% over 2019.** A large proportion of this investment (**55%**) was in **new manufacturing capacity and digital.** The vast majority of this investment was in **bioproduction** (about **60% of all investment in manufacturing**). Rising manufacturing capacity and significant investment in the production of innovative therapies are **a clear signal of the industry's recovery in France.**

This first step towards recovery is a direct result of the proactive policy aimed at improving the competitiveness and attractiveness of France led by the government, and its recognition of the industry as one of the main strategic planks of the French economy.

The improvement in the general taxation landscape, notably through the reduction in corporation tax and the measures introduced by the *France Relance* national recovery plan (particularly the reduction in production taxes), the call for expressions of interest, the reshoring of production activities, and the recent announcement of the IPCEI (Important Project of Common European Interest) for Health, should all contribute to re-energising the attractiveness of France.

Following the early access reforms long-awaited by manufacturers, and an extensively revised framework agreement, the 9th CSIS further accentuates this desire to win back the market.

“Against today’s background of intensified competition, I remain convinced that France has a stronger hand than ever. The Investment Observatory data we are publishing today show clearly that we are beginning to feel the first benefits of a deliberately aggressive research and manufacturing policy. The commitment shown by the French President and the government since the 2018 CSIS has provided the forward visibility essential to the development of ambitious investment strategies. It is therefore essential that we keep up that momentum. The latest Strategic Council for the Health Industries opens up exciting prospects in terms of jobs, investment and research in France. Working alongside our public authorities, Leem will continue to put its commitment behind the implementation of the decisions already announced”, says Leem Chairman Frédéric Collet.

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