



PRESS RELEASE

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Leem Employment Indicators for 2015
***Employment in pharmaceutical companies - a victim of the degradation
in the French business climate***

2014 saw the trend of declining numbers of employees working in the pharmaceutical industry confirmed. This new drop follows a number of warnings issued in recent years by Leem while the sector has been subject to unprecedented levels of regulation and taxation for the fourth consecutive year. However, the pharmaceutical industry has a strong need to recruit new staff, particularly employees with new competences and those from other disciplines.

Besides its ineffectiveness in addressing the structural causes of the deficit in the Social Security budget, the pressure exerted on pharmaceutical companies is detrimental to the activity of a sector which is commonly acknowledged to be strategic for the national economy and jobs. While 2014 has seen a historic contraction - by almost one third - of the positive trade balance for pharmaceuticals, the social consequences are also of growing concern.

CLOCK TURNED BACK TEN YEARS

The 2015 report on employment in the pharmaceutical companies, which has just been released by Leem, confirms that employment levels in the pharmaceutical industry continue to decline, and numbers have now dropped below 100,000, with 98,810 employees in post at the end of 2014, a fall of 0.6%, compared with the previous year.

As a consequence of the deterioration in the regulatory, fiscal and administrative environment for companies operating in France, this 7th consecutive year of decline in employment levels returns the sector to its position of a decade ago. Between 2008 and 2015, nearly 10,000 jobs (9,800 to be exact) were lost, despite new recruitment taking place.

Manufacturing jobs, which still account for the largest occupational group, representing 43% of the total workforce in the sector in France, are also starting to slightly decline, with a drop of 0.31%. A small, yet worrying trend, in levels that had previously been rising consistently and which can be associated with the decline in manufacturing investment observed in recent years and the difficulty experienced by French manufacturing sites in securing the production of new drugs, particularly those derived from biotechnology. As a result, of the 130 new molecules licensed in Europe between 2012 and 2014, only 8 will be produced in France, compared with 32 in Germany, 28 in the UK and 13 in Italy. This difficulty in securing the production of new drugs can be associated with the 0.63% decline in French-based R&D employees. Indeed, in any given location, there is a direct link between the ability to innovate and that to manufacture the products derived from that innovation.

As in previous years, this downward trend in employment rates is considerably more pronounced in marketing (down 1.47%, compared with 2013), and this in addition to the fact that marketing jobs have already been hard hit by the wide ranging restructuring activity seen in the sector in recent years.

Generally, this decline in staff numbers is greater in large companies (of more than 1,000 employees), with only one third of companies employing less than 200 people seeing their staff numbers reduced in 2014 (compared with two thirds of companies employing more than 2,000 staff).

AN INNOVATIVE INDUSTRY IN SEARCH OF NEW SKILLS

Worrying though it may be, this reduction in staff numbers should not be allowed to detract from the dynamic social contribution of the sector, which includes high levels of investment in training, attractive salaries, a high level of recruitment of senior staff and a high percentage of female employees (57%).

As a highly innovative sector, the pharmaceutical industry continues to recruit heavily, taking on nearly 8,500 people in 2014 (engaged on both permanent and fixed term contracts), with a hiring rate of around 8.6%.

The pharmaceutical industry offers jobs accessible to those with a wide range of qualifications, from vocational baccalaureates to PhDs, higher technical certificates and vocational degrees from university institutes of technology, pharmacy, medicine, and engineering degrees and university masters' degrees. .

Contributing widely to vocational training and the integration of young people into professional life, the sector continues to offer many opportunities (including in research, quality assurance, and production management; and as production and maintenance technicians, medical product managers, and others) and has expanding requirements for disciplines identified as being vital in the future: physicians, pharmacists, biotechnology researchers, etc.

KEY EMPLOYMENT FIGURES FOR PHARMACEUTICAL COMPANIES

- ➔ **98,810 employees in 2014** (compared with 99,453 employees in 2013 and 100,968 in 2012)
- ➔ **9,800 jobs lost** between 2008 and 2015 (almost 600 in 2014)
- ➔ **8,500 new recruits** a year, on average, in recent years
- ➔ **43 years old:** the average age of employees working in the pharmaceutical industry
- ➔ **57% of the sector's workforce** is female
- ➔ **59%** of the employees working for large companies had more than 10 years of service in 2014
- ➔ **1 in 2 employees** working in the pharmaceutical industry has management responsibilities (and 3 in 4, in R&D)

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Press contacts:

Stéphanie BOU - Tel.: 01 45 03 88 38 - email: sbou@leem.org

Virginie PAUTRE – Tel.: 01 45 03 88 87 – email: vpautre@leem.org

Jean Clément VERGEAU – Tel.: 01 45 03 86 82 – email: jcvergeau@leem.org