



PRESS RELEASE

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Pharmaceutical company employment survey

A fragile recovery dependent on the appeal of France to inward investors

The results of the latest annual Leem employment survey confirm that employee numbers in the French pharmaceutical industry have stabilised. With 98,786 employees¹ recorded at the end of 2016, reflecting year-on-year growth of 0.1%, the pharmaceutical industry trend is slightly more favourable than that seen across the full spectrum of manufacturing industry (- 0.9%). It is the sector's first increase in workforce numbers for a decade. This trend seems likely to continue in 2017, with initial estimates suggesting an increase in employee numbers of around 0.4%. Nevertheless, this slight recovery in the overall employment level remains extremely modest compared with the growth rates seen prior to 2008 (the industry employed more than 108,000 people in 2008).

However, the survey reveals some disparities between types of occupations. Production jobs continued to expand, with 470 employees more than in 2015 (44,136 in 2016 compared with 43,666 in 2015), while numbers of sales and distribution staff continued to decline, and accounted for just 24.8% of all industry employees in 2016, compared with 31% a decade earlier.

An industry focused on recruiting young people

In an industry sector where the average age of employees rises by one year every three years, companies are now focusing on recruiting young people. In 2016, under-30s represented 14.5% of the industry workforce across all types of employment contract. The new generational contract collective agreement signed in November 2016 by Leem and four trade unions (CFDT, CFE-CGC, CFTC and UNSA) is beginning to deliver tangible results. Under the terms of this agreement, pharmaceutical companies agree gradually to increase the proportion of under-30s recruited to 30%, and the percentage of seniors (50 years and over) recruited to 10% over the next three years. Leem is also committed to facilitating the signature of 5,000 apprenticeship and/or vocational training contracts per year over the next five years to 2022. The first visible evidence of this commitment can be seen in the 4,100 (apprenticeship, vocational training and internship) contracts signed in 2016, compared with 3,536 in 2015. Nevertheless, high levels of commitment from manufacturers are not sufficient in themselves to counter the persistent signals of decline. As a result, increasing numbers of small companies and subcontractors are facing growing financial problems as a direct result of the

¹ **This figure is based on data gathered by Leem from a large sample of pharmaceutical companies.** Two other employee-related figures are often quoted for the industry, but are based on different scopes: 80,903 employees recorded based on the DGE (Directorate-General for Enterprise and Industry) methodology that looks at the NAF 21.10Z and NAF 21.207 national business activity codes, but does not include all pharmaceutical industry employees. Those employer companies that apply the Pharmaceutical Industry Collective Agreement (IDCC 0176) report a total of 127,500 employees for a wider perimeter that includes consulting firms, IT companies and training organisations...

concentration and optimisation of production and R&D jobs. In France, 61% of the industry's R&D staff work in just 10 companies.

Without industry appeal, there can be no long-term employment

Despite providing more than 3% of all the country's manufacturing jobs and employing a highly qualified labour force working with top-quality production and R&D logistics infrastructures, the appeal of the French pharmaceutical industry is now at a worryingly low level. The trend towards outsourcing to service providers (third-party contract manufacturers) seen over the last few years continues, not only in France, but also abroad. R&D is also no exception to the strong trend towards corporate transfers, with R&D centres relocating to countries that are more attractive, especially in terms of the efficiency with which the public and private sectors interact, and market access. France has become one of the least attractive European countries internationally. In many strategically important areas, including market access, fiscal and regulatory stability, production costs and labour costs, the French pharmaceutical industry now lags behind Germany, the UK, Italy and Ireland. In Italy, Prime Minister Matteo Renzi and his successor Paolo Gentiloni have worked with pharmaceutical companies to set ambitious targets for boosting investment in healthcare and national manufacturing capacity. The results were quick to come. With 5% annual growth, pharmaceutical manufacture in Italy is set to depose Germany from its market leading position next year. The same political will is apparent on the other side of the English Channel, where Prime Minister Theresa May has launched an industrial strategy called *Building a Britain Fit for the Future* to make the country more attractive to inward investment and reassure investors about prospects in the post-Brexit period. As a result, many leading pharmaceutical firms have already confirmed significant investment in the UK. As examples elsewhere in Europe demonstrate, the decline in France is concerning, but not irreversible. There is still time for the pharmaceutical industry here to regain its leadership in Europe and consolidate the recovery in employment levels for the long term.

"Following the sledgehammer blow inflicted by the LFSS Social Security Finance Act for 2018, it is important that we quickly and collectively get down to the task of rebuilding our appeal to inward investors in our industry. The logic is simple: without that appeal, we attract no investment; without investment, there is neither research nor production; and without research and production, there is no employment... There can be no creation of jobs without future opportunities and competitiveness", says **Leem Chairman Patrick Errard**.

"The stabilisation of the pharmaceutical industry workforce is a good thing, but it remains highly relative", adds **Michel Ginestet, Chairman of the Leem Committee on Social Affairs**. *"In 2016, the number of people employed by the French pharmaceutical industry returned to the same level as in 2000 (98,700). But prudence remains essential, because this apparently stable situation is fragile. To consolidate employment, we must apply the rule of three: Skills, Confidence and Growth. Skills? The skills we have. Confidence? Well, the government has begun to restore confidence by relaunching the work of the Strategic Council for the Healthcare Industries (CSIS) as the exclusive body for dialogue between central government and the healthcare industries. What we currently lack is economic growth in the sector to support our innovative and job-creating industries"*

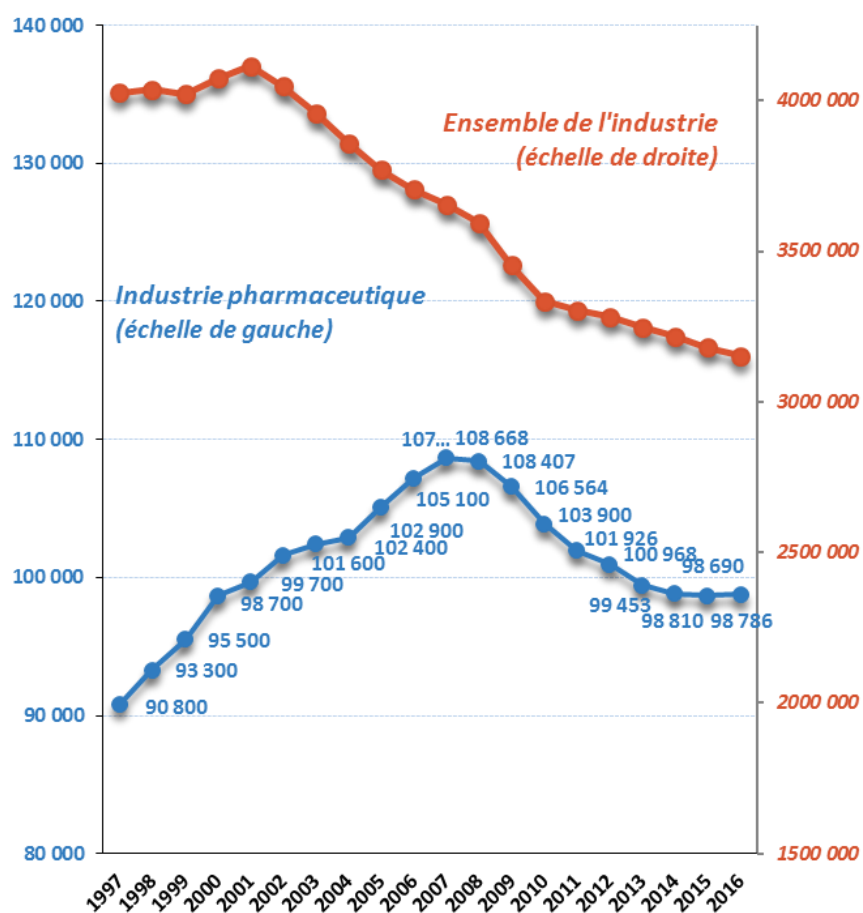
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Trend in pharmaceutical industry employees

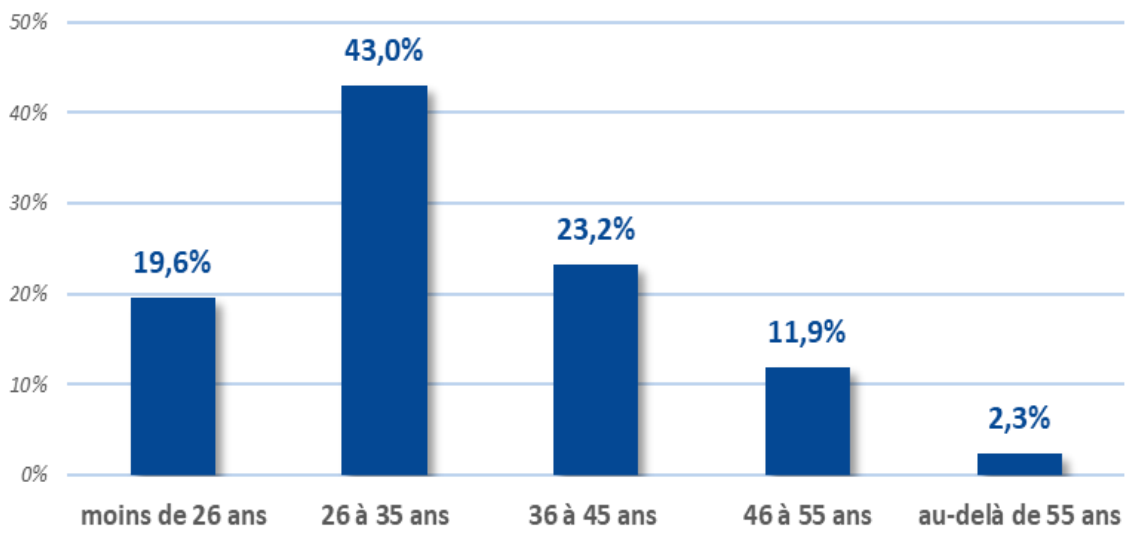


Les effectifs selon les familles de métiers et les domaines d'activité

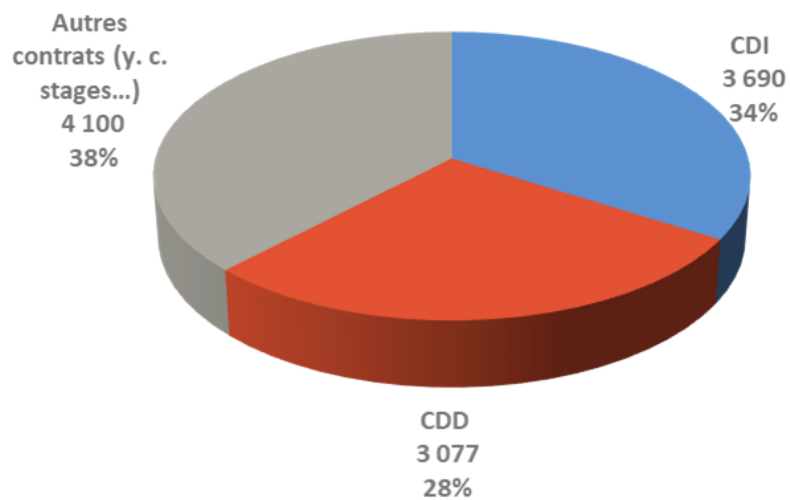
Famille de métiers	Domaine	2016	Tendance
Recherche et développement	Recherche & Développement préclinique, développement galénique, développement industriel	6 809	↗
	Recherche & Développement clinique	2 296	
	Support R&D (pharmacovigilance, affaires réglementaires...)	2 468	↗
	Autres domaines de la R&D	1 835	↘
Production	Fabrication, conditionnement	19 059	
	Maintenance industrielle	3 402	
	Qualité	7 291	↗
	Support à la production (logistique, organisation, méthodes...)	8 276	↗
	Autres domaines de la production	6 108	
Commercialisation - diffusion	Information, promotion, vente	16 630	↘↘
	Marketing	3 930	↗
	Relation clients, SAV, assistance technique	1 782	
	Autres domaines de commercialisation-diffusion	2 206	↗
Administratif - fonctions support	RH, formation, paie, administration du personnel	2 580	
	Finance, comptabilité	2 518	
	Informatique, systèmes d'information	1 560	
	Secrétariat-assistanat	3 352	↘
	Autres fonctions (juridique, communication, affaires publiques...)	2 506	
	Autres métiers des fonctions supports	4 180	↗

Source : Leem 2016, ensemble des salariés

Permanent and fixed-term contract recruitment by age



Recruitment in 2016 by contract type



Reminder: Comparison of recruitment in 2015 by contract type

**Recrutements réalisés en 2015
selon le type de contrat**

