

Press release of the French National Academy of Medicine, May 30, 2024

Can France afford to lose its leading generic drug manufacturer?

The recent announcement of the sale of the main French manufacturer of generic drugs and the possibility of seeing it purchased by foreign companies beyond any control of the State, give rise to a new alert message of our Academy and this warning to the public authorities against the resulting worsening of drug shortages. The current situation is largely due to the abandonment of national production in favor of lower-cost manufacturing in countries where it is possible, socially, economically and without strict environmental constraints. It is however limited by the contribution of national industries which have the undeniable advantage to be durable, compliant with European operating standards and of easily verifiable quality and control: quantitatively significant, they only cover around 35% of national needs, but they, however, remain a major element of our independence.

The Academy would like to point out that there is in France a drug industrial production that must be preserved and developed. The national industry includes notably 160 small and medium enterprises (SMEs¹) whose 38% are still family-owned, 77% being involved in the production of medicines. These SMEs account for around 35% of total sales of drugs of major therapeutic interest (MITM). This network is also made up of 24² pharmaceutical subcontractors (80 industrial sites), whose core business is manufacturing and packaging for third parties, on an industrial scale, of medicines marketed by established laboratories holding marketing authorizations. These subcontractors manufacture, especially essential generic medicines marketed, until now, by French pharmaceutical companies.

¹All data concerning SMEs comes from AMLIS, the association representing SMEs.

These medium-sized companies are faced with low economic profitability, unequal competition from international competitors who can produce at lower cost, and the imposition of new production quality standards, which are certainly justified but more restrictive and more costly.

The National Academy of Medicine alerts and warns of the danger of abandoning control of this industrial production and consequently the share of health sovereignty that remains to us.

This is not a new position of the Academy, which has stated so at several occasions, in particular in a recent report:

Drug shortages, safety stocks, national independence and European legislation (2023).

It calls on public authorities to be extremely vigilant in the face of the risks of losing control over the supply of generic medicines manufactured in France, and to implement all the necessary regulatory and administrative measures to:

- Maintain the current production of generic medicines in France due to their strategic nature.
- Provide France with a genuine medicines policy that takes into account the current and long-term health, social and economic situation, under the direct responsibility of the Prime Minister.

Health Economics and Health Insurance Committee

The authors of this press release have no conflict of interest in this work.

**PRESS CONTACT: Virginie Gustin +33 (0)6 62 52 43 42 virginie.gustin@academie-medecine.fr
ACADÉMIE NATIONALE DE MÉDECINE, 16 rue Bonaparte - 75272 Paris cedex 06
Site : www.academie-medecine.fr / Twitter : [@Acadmed](https://twitter.com/Acadmed)**