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**NOTE**

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From: Greek Delegation  
To: Council

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Subject: Enhancing the resilience of the EU health sector and the pharmaceutical sector  
*- Information from the Greek delegation*

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Delegations will find attached an Information from the Greek delegation on “Enhancing the resilience of the EU health sector and the pharmaceutical sector” with a view to the meeting of the Competitiveness Council on 25 November 2021.

INFORMATION FROM THE GREEK DELEGATION

“ENHANCING THE RESILIENCE OF THE EU HEALTH SECTOR AND THE  
PHARMACEUTICAL SECTOR”

If the European Union wants to more effectively safe-guard its citizens from the effects of future health crises, it needs to enhance the resilience of its health sector and ensure that, while maintaining an open economy, it develops the necessary industrial strategic autonomy, by maintaining its leadership in the pharmaceutical sector and securing its medicines supply for the future. We therefore face an urgent need to adjust EU State Aid rules, in order to support comprehensive investment plans that can significantly impact the development of R&D and the manufacturing footprint of the pharmaceutical industry in the European Union, providing equal access, regardless of region or Member State.

During the Covid-19 pandemic, the European Union focused its support to Member States via the Recovery and Resilience Facility and the Temporary State Aid Framework. However, the rules in place are failing to tackle the core of the problem for our pharmaceutical footprint: pharmaceutical manufacturing needs a long developing time, hard initial investments and security of supply of machineries and raw materials. This implies a longer time-frame to complete a proper reshoring project, making the Temporary State Aid Framework an inefficient financial instrument to maintain and grow the European pharmaceutical footprint.

The European Commission declared the pharmaceutical industry a strategic asset for the resilience of our health system, thus Member States need a different set of tools to boost manufacturing capabilities on a public-private partnership base on state aid. In order to ensure that state aid frameworks produce the expected results, it is of fundamental importance that these frameworks be aligned and coherent with structural funds rules. Only by making adjustments to the system in this direction would the RRF be able to lead to concrete reshoring of the pharmaceutical industry in the Member States.

The dependency on third countries for certain goods and products potentially threatens the EU's resilience and its ability to play a global leadership role in future crises. However, the EU's manufacturing base is not adapted to scale in order to be globally competitive. We need to advocate for open markets and counter the rising protectionism from third countries that threaten our manufacturing base, while at the same time taking the appropriate steps to secure our strategic autonomy in this regard.

It is time to invite the European Commission to align the European state aid frameworks, and in particular plans for the Resilience and Recovery Fund, with structural funds rules in compliance with competition rules in order to avoid barriers to progress and enhance competitiveness of the European pharmaceutical industry.

To this end we propose to engage in a productive dialogue to adapt European State Aid rules and make them more flexible to meet the actual, long-term needs of the industry and provide equal access, regardless of region or Member State.

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