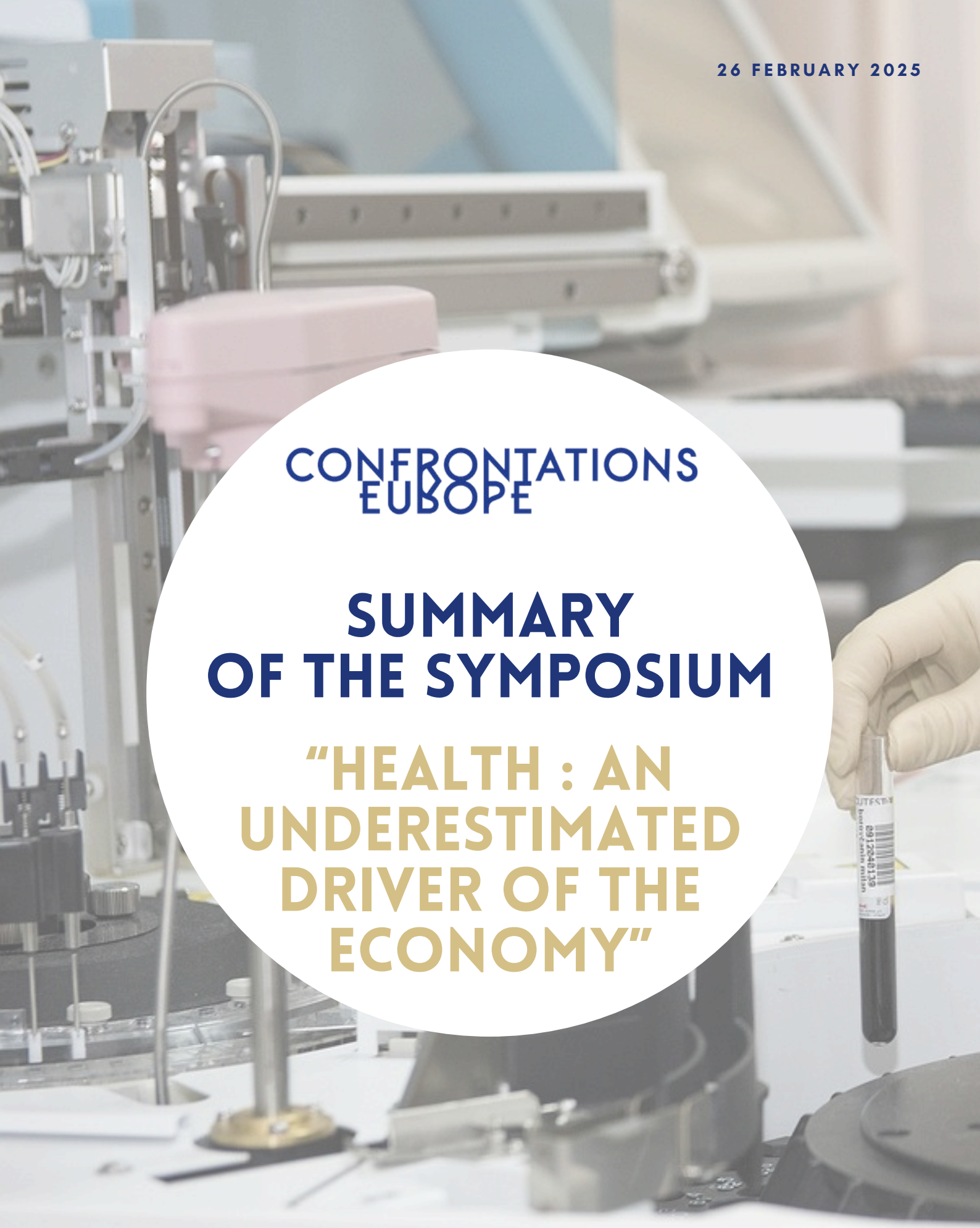


26 FEBRUARY 2025

CONFRONTATIONS EUROPE

# SUMMARY OF THE SYMPOSIUM

## "HEALTH : AN UNDERESTIMATED DRIVER OF THE ECONOMY"

*This document is taken from the symposium "Health, an underestimated driver of the economy" organised on 5 February 2025 in Brussels by Confrontations Europe, in partnership with the Permanent Representation of France to the European Union and Sanofi.*

## INTRODUCTORY REMARKS

- **Irène Georgiopoulos**, Health Advisor, Permanent Representation of France to the European Union
- **Michel Derdevet**, President of Confrontations Europe

## FIRST ROUNDTABLE : "STRENGTHENING OUR INNOVATION CAPACITY IN HEALTH TO REMAIN GLOBALLY COMPETITIVE"

- **Núria Mas**, Professor of Economics, IESE Business School - University of Navarre, Harvard University ;
- **David Elvira**, Public Policy Manager, Sanofi ;
- **Irene Norstedt**, Director for People, Health, and Society, DG RTD, European Commission ;
- **Stine Bosse**, Member of the European Parliament (Renew) and Vice-Chair of the SANT Committee of the European Parliament.

## SECOND ROUNDTABLE : "BALANCING ECONOMIC COMPETITIVENESS AND STRONG SOCIAL POLICIES?"

- **Walter Ricciardi**, President of the European Vaccination Task Force; President of the European Commission's Cancer Task Force;
- **Giulia Del Brenna**, Unit Head for Food, Retail, Health, DG GROW, European Commission;
- **Orsetta Causa**, Principal Economist, Economic Affairs Department, OECD.

The discussions were moderated by **Anne Bucher**, Broad Member of Confrontations Europe and former Director General for Health and Food Safety, European Commission.

## INTRODUCTION

On February 5, a conference titled "Health: The Underestimated Engine of the Economy" was held at the Permanent Representation of France to the European Union.

The event brought together leading experts, policymakers, and representatives from the health sector to discuss the economic, industrial, and strategic challenges related to the health sector and the pharmaceutical industry in Europe. This event took place against the backdrop of the publication of the Draghi report in September and the recent announcement of the "Competitiveness Compass" by the European Commission, emphasizing the need to strengthen Europe's position in ten strategic sectors, including the pharmaceutical industry.

The symposium was opened by Irène Georgiopoulos, Health Advisor at the Permanent Representation of France to the European Union, who emphasized the crucial importance of the topic at both national and European levels.

## ELEMENTS OF CONTEXT

The health sector and the pharmaceutical industry play a central role in the European economy. Europe accounts for approximately 25% of global pharmaceutical production, with a market valued at 300 billion euros.

The pharmaceutical sector significantly contributes to the EU economy, being the largest contributor to the European trade balance (158 billion euros surplus in 2023) and accounting for 5% of the value added to the economy from the entire manufacturing industry. Pharmaceutical products represent nearly 11% of EU exports. Beyond its economic weight, the sector is also a crucial pillar of the EU's health sovereignty and a strategic lever for ensuring the resilience of healthcare systems in the face of health crises.

The Draghi report highlights the competitive advantage that Europe derives from its healthcare systems and its universal coverage model. This asset, based on robust infrastructure and widespread access to care, is a strength that the EU must preserve and enhance to address future challenges.

The COVID-19 crisis highlighted several structural vulnerabilities in Europe's health sector. Dependence on imports of medicines and medical supplies, particularly from Asia, revealed the limits of a supply chain overly exposed to external shocks. The fragmentation of healthcare systems within the Union hindered a coordinated response to the crisis, illustrating the need for closer cooperation among Member States. Additionally, administrative burdens and regulatory complexity slow down innovation and the market introduction of new treatments, a major handicap in the face

of international competition. Furthermore, insufficient investments in prevention and medical research limit Europe's ability to anticipate and effectively manage future health crises. Finally, the lack of industrial and strategic sovereignty has led to critical supply shortages during crises, jeopardizing access to care for European citizens.

In light of these observations, several avenues for reflection emerge to strengthen the competitiveness and resilience of Europe's health sector. It is essential to facilitate the deployment of clinical trials by harmonizing procedures and reducing regulatory delays to foster innovation and rapid access to new treatments. Better transnational cooperation between Member States and European institutions would ensure a more effective response to common health challenges.

Additionally, it is necessary to better focus investments, particularly in the research and development of innovative medicines, to guarantee Europe's competitiveness against other major pharmaceutical powers. Finally, simplifying and streamlining regulations while maintaining a high level of safety and quality of health products appears to be an indispensable lever for revitalizing the sector.

These discussions are part of a broader dynamic aimed at positioning Europe as a global leader in health and pharmaceutical innovation while ensuring equitable and sustainable access to care for its entire population.

## I. STRENGTHENING INNOVATION CAPACITY IN HEALTH TO KEEP EUROPE GLOBALLY COMPETITIVE

### 1. The Economic Importance of the Health and Pharmaceutical Sectors

The pharmaceutical sector and the health and social sector play a key role in the European Union's economy, representing nearly 25 million direct and indirect jobs. The pharmaceutical sector alone generates around 2.3 million jobs (direct, indirect, and induced, EU 27, in 2022), while the health and social sector totals nearly 23 million. These two sectors combined significantly contribute to employment in the EU, illustrating their importance for the European economy and social cohesion.

The European pharmaceutical industry is distinguished by its innovative nature. In 2022, it invested nearly 42 billion euros in research and development (R&D), an essential investment to support innovation, improve existing treatments, and develop new therapeutic solutions. This innovation capacity positions the European pharmaceutical industry among the global leaders in health.

Europe remains the second-largest market for medicines, after the United States, accounting for approximately 23% of global sales in 2023. This leading position demonstrates the strong demand and competitiveness of European pharmaceutical products on the global market, further emphasizing the strategic importance of this sector for the EU.

## 2. European Investments in the Health and Pharmaceutical Industry Sectors

Beyond this very significant contribution to the continent's balance of payments, the European health sector has undeniable advantages that demonstrate its ability to assume a leadership position.

Firstly, the European education system is a key strength, characterized by the excellence of European universities in training future researchers and healthcare professionals. European universities represent nearly half of the world's top universities in pharmacy and pharmacology. They also stand out for the quality of their academic research, associated with robust ecosystems of companies and funders within biotechnology clusters such as SCCI in Stockholm, LBSP in Leiden, or Medicen in the Paris region.

This quality of European research is extended by the continent's leadership in vaccine research and production. Europe hosts nearly 22% of clinical trials dedicated to vaccines and maintains significant production potential. Nearly 40% of global COVID-19 vaccine exports between 2020 and 2022 came from Europe, as did nearly half of the patents filed in the fight against the pandemic.

Moreover, Europe finds a considerable advantage in its particularly effective healthcare system, marked by a model of universal protection. Identified as a key asset by the Draghi report for strengthening the European pharmaceutical sector, this highly integrated and digitized healthcare system offers the possibility of accessing considerable datasets and using them within the European Health Data Space to improve healthcare services and research.

## 3. European Investments in the Health and Pharmaceutical Industry Sectors

### A. Le programme EU4Health

The EU4Health program (2021-2027) is a key European Union program for health, with a budget of 4.4 billion euros, reduced from the initially planned 5.3 billion euros. Its primary objective is to strengthen the resilience of European healthcare systems and improve preparedness for health crises by implementing concrete actions and targeted investments.

The program is structured around four main areas of intervention. The **first area** focuses on prevention and health promotion, with priorities such as the fight against cancer, and health promotion, with priorities such as the fight against cancer, promotion, and the reduction of antibiotic-resistant infections. These initiatives aim to improve public health preventively, contributing to long-term cost reduction for healthcare systems.

The second area addresses preparedness for health crises, an area that has become particularly crucial since the COVID-19 pandemic. This includes managing transboundary health threats, establishing a strategic stockpile of essential medicines, and creating a medical personnel reserve to respond to potential health emergencies.

The **third area** aims to ensure access to treatments and medical technologies. This includes measures to ensure the availability and accessibility of medicines, medical devices, and other products necessary for healthcare, a significant challenge for guaranteeing universal and equitable health coverage across the EU.

Finally, the **fourth area** involves strengthening healthcare systems, particularly through the digitization of health services, improving access to care for all, and supporting cooperation between Member States. This also includes developing evidence-based health policies to ensure informed decision-making for optimal resource management.

EU4Health also contributes to building the European Health Union by supporting major initiatives such as the Europe's Beating Cancer Plan, the Pharmaceutical Strategy for Europe, and the European Reference Networks for rare diseases. These projects aim to strengthen cooperation among Member States and improve the management of certain diseases through joint actions.

### B. Other Funding Programs

In addition to the EU4Health program, several other funding mechanisms support the health sector in Europe. Horizon Europe, the EU's flagship program for research and innovation, allocates a budget of 7.7 billion euros specifically for funding health research.

This funding aims to promote innovative projects in various areas, ranging from treatments to medical technologies, and advances in prevention and healthcare.

The European Investment Bank (EIB) also plays a key role in supporting biotechnology and medical innovation projects. Since 2020, the EIB has invested over 6 billion euros in these sectors, thereby strengthening the EU's innovation and competitiveness in health.

However, a notable gap has emerged compared to the United States. The U.S. invests twice as much as the EU in pharmaceutical research, exacerbating a competitiveness imbalance in the global pharmaceutical industry, with an R&D investment differential that has grown from 2 to 25 billion euros between 2010 and 2022. This situation underscores the importance for Europe to maintain and increase its investments to avoid losing ground to its international competitors.

Parallel to this, the European pharmaceutical sector faces several major challenges. Among these is the need to improve the productivity of research and innovation to maintain a leadership position, as evidenced by Europe's relegation to third place in 2023 in the discovery of New Molecular Entities (NMEs). Furthermore, it is essential to overcome dependence on external supply chains and strengthen the EU's industrial sovereignty in medicines and medical devices, including innovative production technologies. These challenges require a coordinated response at the European level to ensure the competitiveness and resilience of the European pharmaceutical industry.

### 4. Dependence on Imports and Health Sovereignty

Europe faces a strong dependence on imports in the pharmaceutical sector, with 65% of active ingredients used in medicines coming from Asia, particularly India and China. This situation has highlighted the vulnerabilities of the system in times of crisis, as demonstrated by the COVID-19 pandemic, which led to medicine shortages in 30% of Member States in 2022.

International investments in the pharmaceutical industry are also a key factor. For example, China has announced an ambitious investment plan of 132 billion euros to develop its pharmaceutical industry by 2030. Meanwhile, the United States has allocated over 100 billion dollars to the biotechnology and health sectors over the past five years, further strengthening its position as a leader in pharmaceutical innovation.

In the face of these challenges and global competition, the European Union must strengthen its industrial policy to avoid falling behind. It is imperative for the EU to reduce its dependence on imports and strengthen its internal production capacities, including those based on innovative production technologies, to ensure greater health sovereignty and sustainable competitiveness in the global pharmaceutical industry.

### 5. Challenges for the Pharamaceutical Sector

The European pharmaceutical sector faces several structural challenges that hinder its development and competitiveness. One of the main difficulties is market fragmentation, with different regulations and approval procedures from one Member State to another, significantly slowing down access to innovations and the market introduction of new medicines. This administrative complexity also complicates coordination between countries and makes European healthcare systems less responsive to technological and scientific advancements.

Another major obstacle is the lack of incentives for innovation due to the complexity of European funding and the difficulty of attracting investments in research and development. In comparison, the United States and China benefit from clearer and more incentivizing funding mechanisms, reinforcing their positions as global leaders in biotechnology and the pharmaceutical industry.

Furthermore, pharmaceutical production in Europe suffers from high costs, leading some companies to gradually relocate their manufacturing to countries with lower production costs. This results in a loss of strategic sovereignty for the EU, which is increasingly dependent on other regions for the production of essential medicines.

Transnational clinical trials also face significant difficulties due to regulatory divergences between Member States. This slows down the harmonization and acceleration of tests needed to evaluate the effectiveness of new treatments.

Finally, the issue of intellectual property and patents remains crucial. Europe must find a balance

between protecting innovations to ensure the competitiveness of companies and providing patient with access to medicines at affordable prices, a particularly important issue for essential medicines and costly treatments.

### 6. Clinical Trials and Innovation in Health

Europe has lost its global leadership position in clinical trials, a strategic area for the development of new treatments. In 2005, the European Union accounted for 25% of global clinical trials, but this figure dropped to just 19% in 2022. This trend is particularly concerning in a sector where the speed of innovation and the efficiency of trials are essential for meeting public health needs.

Currently, the United States dominates the clinical trial market with 40% of global trials, and China is experiencing strong growth, now accounting for 23% of trials. This evolution is largely due to much faster approval times in these countries. In Europe, the approval of a clinical trial takes an average of 180 days, compared to 30 to 60 days in the United States. This difference in pace hinders Europe's competitiveness, making it difficult to attract investments and maintain its leadership in pharmaceutical innovation.

The delays in approval are primarily due to complex and fragmented regulations, with long and sometimes divergent procedures between Member States, despite regulatory efforts undertaken over the past two decades at the European level, notably through Regulation (EU) No. 536/2014 on clinical trials of medicinal products for human use. This makes harmonization at the European level challenging and slows the development of new therapies. In light of this situation, it is urgent to simplify regulations and create faster and more transparent approval mechanisms to restore Europe's competitiveness in this strategic sector.

Accelerating clinical trials in Europe is essential not only to maintain the continent's position in global pharmaceutical research but also to ensure rapid access to innovative treatments for European patients while supporting the growth of the local pharmaceutical industry. It is therefore crucial that European authorities take concrete measures to simplify and harmonize processes, drawing on global best practices.

## II. SEEKING A BALANCE ECONOMIC COMPETITIVENESS AND AMBITIOUS SOCIAL POLITICS

### 1. Regulation and Industrial Policy of the Health Sector

The European regulations currently being developed or revised aim to address the sector's current challenges by accelerating access to medicines while strengthening the competitiveness of the European industry. One of the priorities of these regulations is to reduce the approval times for new medicines. In the face of increasing competition from the United States and China, it is crucial to improve approval speed to avoid penalizing European patients waiting for innovative treatments.

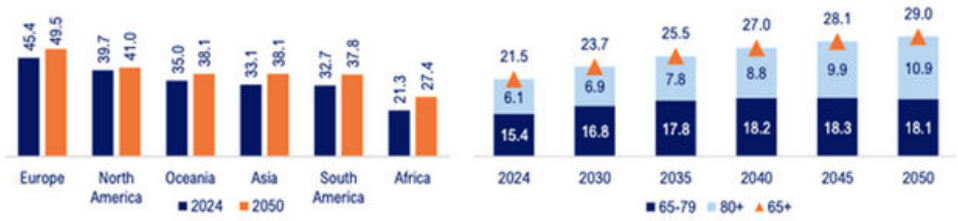
The regulatory framework also addresses the local production of essential medicines. The goal is to strengthen the EU's ability to produce strategic medicines on its own soil and thus limit its dependence on imports, particularly from Asia.This strengthening of local production is seen as a priority for ensuring supply security and Europe's health sovereignty.

Additionally, the EU is introducing tax measures to stimulate pharmaceutical research, encouraging companies to invest more in the development of new treatments. These incentives aim to make Europe more attractive to investors while supporting innovation and the competitiveness of the sector.

However, despite these reforms, several challenges persist. Access to medicines remains a major issue. Currently, 40% of new treatments are available more quickly in the United States than in Europe, reflecting a delay in the provision of new therapies for European patients. Moreover, the high prices of innovative medicines hinder their rapid adoption, particularly in countries where healthcare systems face budgetary constraints. This situation raises the question of balancing innovation incentives, price regulation, and treatment accessibility to ensure equitable access to care for all European citizens.

## 2. Structural Challenges of the Health Sector

The aging of Europe's population poses a major challenge for healthcare systems. By 2050, nearly 30% of Europeans will be over 65, increasing pressure on healthcare and necessitating adaptations in service organization and the management of chronic diseases. This demographic dynamic intensifies the need for long-term care, and healthcare systems will need to be strengthened to address these new challenges.




**Graph 1 :**
Left : average age of the population by continent (in years), 2024-2050.
Right : EU population by age group (% of total population), 2024-2050.
(Source : *TEHA by Eurostat Data, 2024*)

Simultaneously, the health sector in Europe faces medicine shortages. In 2023, approximately 60% of European hospitals reported difficulties in obtaining certain critical treatments, a problem exacerbated by global health crises and supply chain disruptions. This situation underscores the need to diversify production sources and strengthen the resilience of health infrastructure to ensure

continuous access to vital treatments.

Artificial intelligence (AI) and digitization represent an important lever for the future of health in Europe. AI could potentially accelerate the development of new medicines by 50%, offering promising prospects for pharmaceutical research and the personalization of treatments. However, Europe is currently lagging behind the United States and China in the application of AI in health. To remain competitive, the EU must invest more in emerging technologies and encourage collaboration between the public and private sectors to fully exploit AI's potential.

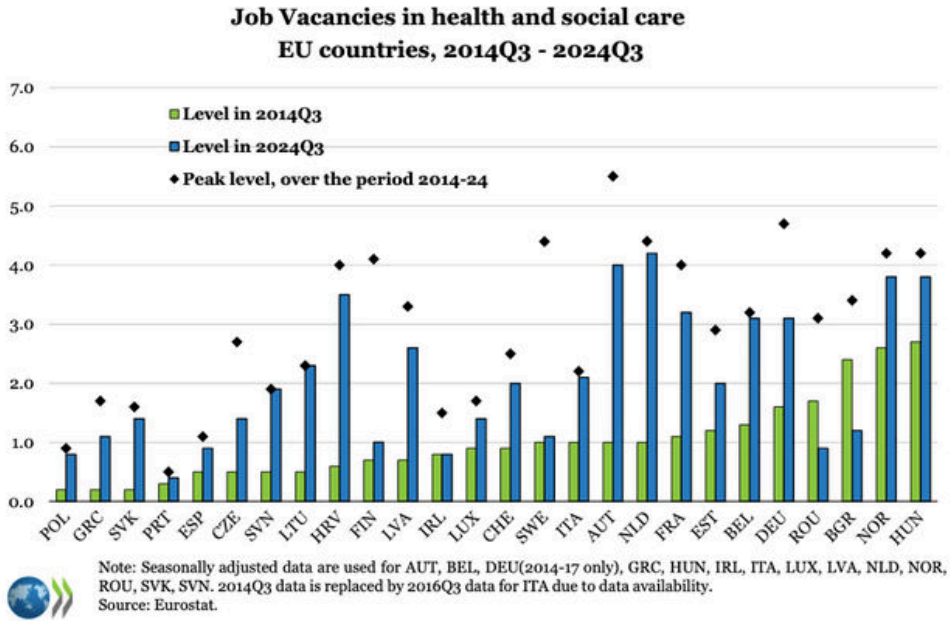
Budgetary constraints represent another significant obstacle to optimizing European healthcare systems. National budgets are often limited, making it difficult to allocate sufficient resources to meet the growing demand for quality healthcare. In this context, European governments must find innovative solutions to finance health while respecting economic imperatives.

Finally, there is an urgent need to invest more in prevention. Such investment is essential for ensuring the long-term sustainability of healthcare systems while supporting the EU's economic growth. By promoting more effective prevention strategies, such as combating chronic diseases, infections, and risky behaviors, the EU could not only reduce long-term healthcare costs but also improve the quality of life of its citizens and increase their productivity.

### 3. Aging Population and Labor Shortages

The aging of Europe's population is increasing the demand for healthcare services, placing additional pressure on already strained healthcare systems. This demographic shift necessitates adaptations in healthcare structures to ensure access to services while maintaining their quality, particularly for aging populations.

Simultaneously, many healthcare professionals are also aging, exacerbating labor shortages in the sector. This trend is particularly concerning in key professions such as doctors and nurses, where retirements are not being adequately replaced by new professionals. As a result, the shortage of healthcare workers has become a major challenge at the European level, directly impacting the quality of care and the efficiency of healthcare systems.




**Graph 2 :**
Labor shortages in the health an,d social care sectors are increasing, a trend predating the COVID-10 pandemic.
(Source : *Eurostat*)

The attractiveness of healthcare professions, particularly among younger generations, has also declined in recent years. Despite the growing demand for healthcare services, fewer young people are choosing these careers, compromising the ability of European healthcare systems to meet future needs. Healthcare professions suffer from a lack of attractiveness, linked to difficult working conditions and perceived insufficient compensation relative to the workload and responsibilities.

The quality of employment in the sector is a concerning issue. Many healthcare workers face modest salaries, often challenging working conditions, and an increased risk of mental health problems due to stress, difficult working hours, and the pressure of patient care. These factors contribute to reduced attractiveness of careers and lower retention of qualified personnel, exacerbating labor shortages and increasing pressure on remaining professionals.

## 4. The Economic Benefits of Health Prevention

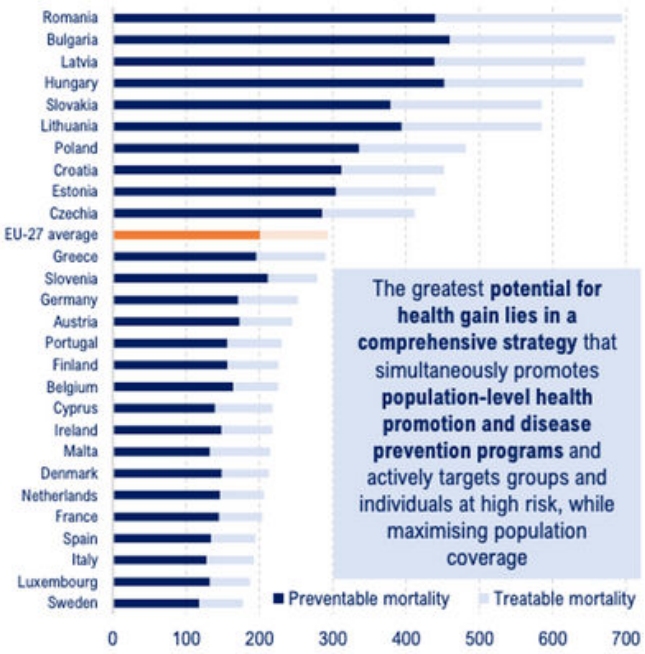
### A. A Necessary Paradigm Shift in Health

To address current challenges, it is essential to shift from a reactive, curative care model to a proactive, prevention-focused model. This paradigm shift would not only reduce pressure on healthcare systems but also improve quality of life and limit long-term costs associated with preventable diseases.
nion has introduced the New Economic Governance Framework (NEGF), which allows investments in prevention to be considered "social security investments." This governance evolution would enable Member States to better integrate prevention spending into their national budgets without compromising compliance with European budgetary rules.

By integrating prevention investments within the NEGF, the EU could offer greater budgetary flexibility to Member States, allowing them to allocate more resources to key areas for public health, such as combating chronic diseases, promoting healthy lifestyles, or preventing infections. This proactive model, based on long-term investments, would contribute to strengthening the resilience of healthcare systems and reducing dependence on curative care, which often generates high and difficult-to-maintain costs over time.

Preventive health measures create a virtuous circle, improving the quality of life for both patients and healthcare professionals, and generating economic and health benefits for the entire healthcare system.

Prevention, which includes promoting healthy lifestyles, screening, and vaccination, plays a crucial role not only in improving life expectancy but also in enhancing quality of life. By acting upstream of diseases, these measures help reduce the risk of serious illnesses and promote healthy aging.




**Graph 3 :**
Standardized mortality rate for avoidable diseases, under 75 years old (per 100,000 inhabitants), 2021
(Source : *TEHA, based on Global Burden of Disease, 2024*)

The economic benefits of prevention are manifold. On one hand, it leads to a significant reduction in short- and long-term healthcare costs by preventing the development of expensive-to-treat diseases and reducing hospitalizations. On the other hand, it increases worker productivity by limiting absenteeism due to health issues and facilitating a quicker return to work. Finally, prevention strengthens the economic and social resilience of communities by reducing pressure on healthcare systems and improving overall quality of life, particularly for healthcare professionals.

The figures clearly show the economic benefits of prevention. According to estimates, every euro invested in prevention returns 14 euros to the health and social economy. More specifically, adult vaccination generates a return of 19 times the initial investment, while pneumococcal vaccination can return up to 33 times the investment.

However, despite these undeniable benefits, prevention spending is still perceived as a cost rather than an investment. As a result, investments in prevention remain insufficient. On average, only 0.5% of national health budgets is allocated to prevention, with even more limited funds dedicated to vaccination, a measure that is nonetheless essential for public health. This situation raises a major challenge for European healthcare systems, which must imperatively reorient priorities toward prevention strategies to ensure better long-term effectiveness.

### 5. Perspectives and Recommendations

To ensure genuine health sovereignty, the European Union must develop an industrial strategy for medicines. This strategy should cover the entire value chain, from production to distribution, including research, while promoting breakthrough technologies such as gene therapies or artificial intelligence. The objective would be to strengthen Europe's autonomy in the face of global health crises while consolidating its role as a leader in public health and innovation, from R&D to production.

To guarantee greater independence and competitiveness of the European pharmaceutical sector, it is imperative to strengthen the EU's capacity to produce medicines locally. Currently, a substantial portion of medicines used in Europe comes from abroad, primarily from countries like India and China. This interdependence underscores the need to strengthen the resilience of supply chains in Europe, as demonstrated by the COVID-19 crisis with medicine shortages in several Member States. To address this, Europe must massively invest in local production, not only to secure supply but also to create jobs and stimulate innovation.

Furthermore, it is essential to invest in Europe's independence in developing and producing the medicines of the future by increasing public and private investments in research and development. Europe lags significantly behind the United States and China in pharmaceutical R&D. Investment in innovation must become a strategic priority to avoid losing further ground to global competitors. This includes modernizing research infrastructure, supporting the emergence of biotechnology startups, and promoting collaboration between the private sector and public institutions.

A thorough revision of the European regulatory framework is also necessary to make the approval process for new medicines and clinical trials faster and more efficient. Currently, approval times in Europe are much longer than in the United States, slowing access to innovations. Harmonizing regulatory processes at the European level, with simplified procedures and better coordination between competent authorities, is essential to enhance Europe's attractiveness as a location for clinical trials and the development of new treatments.

Enhanced cooperation between Member States is also necessary to better coordinate health funding and support innovation. Currently, national health initiatives are not always aligned, leading to duplication and inefficient use of resources. A dedicated European funding framework for research and innovation in the pharmaceutical sector could improve the sector's competitiveness and better address global challenges.

The European single market remains a key lever for innovation and competitiveness. For the European pharmaceutical industry to thrive, it is essential to finalize the single market by removing national barriers and facilitating the free movement of pharmaceutical products and researchers.

Harmonizing quality standards and approval criteria for medicines across the EU will enable greater fluidity and responsiveness in the market.

The development of clinical trials in Europe must also be encouraged. Infrastructure must be modernized, and the approval processes of ethics committees must be harmonized to make clinical trials faster and more attractive to investors. Additionally, a more transparent and targeted funding system is necessary to avoid wasting European funds allocated to research.

Finally, it is crucial to recognize investments in prevention as essential for the growth and budgetary sustainability of European healthcare systems. Ensuring dialogue between Ministries of Health and Ministries of Finance is essential to guarantee the budgetary viability of long-term investments in prevention.

As analyzed in the report "The Value of Prevention for Economic Growth and the Sustainability of Healthcare, Social Care, and Welfare Systems," prevention reduces long-term costs by decreasing the prevalence of chronic diseases and reducing pressure on hospitals. To encourage this investment, it would be relevant to recognize it as a priority and strategic, on par with defense or digitization spending. Excluding prevention and vaccination spending from the calculation of deficit and public debt within European fiscal rules would provide Member States with greater budgetary flexibility to address future health challenges. These measures, if implemented, could significantly strengthen Europe's resilience to health and economic challenges.

## CONCLUSION

To ensure genuine health sovereignty and strengthen the competitiveness of the European pharmaceutical sector, the European Union must take ambitious and coordinated measures. Strengthening local medicine production, accelerating investments in R&D and innovative production technologies, and simplifying the European regulatory framework are essential levers for reducing dependence on imports and aligning with global standards, particularly in the face of increasing competition from the United States and China. Europe must also enhance cooperation among its Member States to maximize the efficiency of funding and encourage innovation while capitalizing on its single market to create a more fluid and attractive environment.

The European pharmaceutical sector, particularly in clinical trials, has lost competitiveness, but by revising approval processes and creating a clear industrial strategy, it is possible to revitalize this dynamic. Additionally, prevention spending should be considered strategic investments rather than costs and are currently largely underfunded. Recognizing them as a strategic priority is essential for ensuring the sustainability of healthcare systems. By excluding prevention and vaccination spending from the calculation of deficit and public debt, the EU could offer Member States greater budgetary flexibility to address future health challenges.

In a global context where health issues are increasingly interdependent and urgent, Europe has a unique opportunity to position itself as a leader in public health, research, and innovation. By acting collectively, immediately, and proactively, it can not only secure its supplies and reduce its vulnerabilities but also assert itself as a leader in pharmaceutical innovation, ensuring rapid access to cutting-edge treatments for its citizens while supporting a more resilient and sustainable healthcare system.

## ABSTRACT

*The symposium "Health: The Underestimated Engine of the Economy," held on February 5, 2025, at the Permanent Representation of France to the European Union, brought together experts to discuss the economic and strategic challenges of the health sector and the pharmaceutical industry in Europe. The event highlighted the need to strengthen Europe's innovation capacity in this area to maintain its global competitiveness.*

*The European pharmaceutical sector, which accounts for approximately 25% of global production, is essential to the EU economy, significantly contributing to employment and the trade balance. However, structural vulnerabilities, such as dependence on imports of medicines and medical supplies, primarily from Asia, have been exacerbated by the COVID-19 crisis. The fragmentation of healthcare systems and administrative burdens hinder innovation and slow the market introduction of new treatments.*

*To strengthen competitiveness and resilience, several avenues were proposed, including facilitating clinical trials, enhancing transnational cooperation, and targeting investments in research and development. Europe must also simplify the regulatory framework while maintaining a high level of safety and quality of health products.*
*Balancing economic competitiveness and social policies highlights the importance of prevention and health promotion in reducing long-term costs and improving quality of life. Investments in prevention, often perceived as costs, should be considered strategic investments to ensure the sustainability of healthcare systems.*

*Therefore, Europe must adopt a clear industrial strategy, strengthen local medicine production, and revise its legislation to reduce dependence on imports and stimulate innovation. Enhanced cooperation among Member States and recognition of prevention investments as priorities are essential for ensuring health sovereignty and the competitiveness of the European pharmaceutical sector.*