EUROPEAN COMMISSION
Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Resources Based, Manufacturing and Consumer Goods Industries
**Food and Healthcare Industries, Biotechnology**

Brussels, 27 April 2015

**NOTE TO THE FILE**

**SUMMARY MINUTES**

**Subject:** **Meeting with David Ricks, Senior Vice-President, Lilly Bio-Medicines on 22 April 2015 - The importance of an industrial policy for the pharmaceutical sector and incentives for innovation, including the protection of IPR in the framework of TTIP.**

*Participants:*

*Guests:* *David A. Ricks, Senior Vice-President and President Lilly Bio-Medicines*
*David A. Talbot, Senior Director International Government Affairs*
[redacted]

*Commission:* *A. Peltomäki*
[redacted]

**Topics addressed:**

- Importance of pharmaceuticals for the economy (US and EU), including Lilly's contribution to the economy in Europe in particular
- Long-term sustainability of healthcare systems facing increasingly costly medicinal products and progress in biosciences
- Access to medicines in light of budgetary constraints
- Need to find a comprehensive approach/strategy given the different issues at stake which fall under different responsibilities (at MS and COM level)
- Differences in business environment between the US and EU
- FTAs, in particular TTIP

**Lilly's Messages:**

- Voiced concerns with regard to the non-existence of a long-term healthcare strategy at MS and EU level as well as possible divergent decisions form national courts based on the same European patent (predictability) and welcomed the discussions which have taken place at the European level to improve the

environment, notably EMA, IMI and the new European patent with unitary effect/ the Unified Patent Court

- Acknowledged COM's work in different activities while pointing out that more needs to be done...
- Considered what has been done only a good starting point for being more comprehensive in the next steps in a sector-specific industrial policy initiative on life sciences/pharma
- Urged the COM services to assume an active role in future activities in the field of pharmaceuticals
- Underlined the urgency of a comprehensive discussion on pharma-related topics in light of the:
  1. the uncoordinated responses given by MS and the subsequent market distortions (including the enforcement of the Transparency Directive)
  2. the US approach which allegedly is more innovation-friendly.
- Elaborated on the importance of TTIP and in particular the wish to have a sector-specific annex stating provisions on the transparency of pricing/reimbursement decisions taken by MS (in line with the FTA with Korea) and a higher degree of regulatory consistency (e.g. through joint scientific advice by EMA and FDA) during the development of a medicinal product.
- Mentioned the less developed degree of cooperation between industry and academia in Europe, particularly in the southern MS and the limited access to capital as a consequence of this cultural silo mentality. Consequently Europa is not able to capitalize on its strengths to the full extent.

**COM's Key Messages:**

- Informed the guests about the general political priorities for the new Commission, its structure, and the prominent role DG GROW plays.
- Pointed out increasing investments is a priority and President Juncker's explicit reference to the importance of the internal market with a strong industrial base.
- Highlighted that the importance of the pharmaceutical industry has been acknowledged in the Staff Working Document on the pharmaceutical industry and by Commissioner Bieńkowska herself and is reflected in the formalised intensified working relationship between DG GROW and SANTE on pharma files.
- Signalled that the COM is still at the beginning of its mandate and is exploring the next concrete steps, e.g. stock-taking exercises on individual industries over the whole value chain in order to identify strengths and weaknesses
- Explained the rationale behind pharma annexes in FTAs, i.e. that provisions covering pricing/reimbursement require the existence of the concept of public universal healthcare systems in both parties (or in case of a lower level of economic development rudimentary systems reflecting the spirit of the European model) and pointed out that the COM did not have the intention to include provisions on the transparency of pricing/reimbursement in TTIP given the fundamental philosophical and practical differences in organising healthcare

between EU MS and the US. Furthermore it was clearly stated that the US-Korea agreement could not serve as a blueprint since it explicitly exempts even the limited systems like Medicaid and Medicare from being subjected to the provisions.

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