Mr. Dombrovskis  
Trade Commissioner 
European Commission  
Rue de la Loi 200  
1049 Bruxelles

Brussels, 9 October 2020

Ref: NM/KB-67869

Dear Commissioner Dombrovskis,

On behalf of EFPIA, the voice of the research-based pharmaceutical industry in Europe, I would like to extend my sincere congratulations on your appointment as Commissioner for Trade.

EFPIA welcomes the European Commission’s focus on creating a new trade strategy and its focus on addressing distorting trade barriers for European companies in third countries via a global bilateral free trade agreement (FTA) strategy, support for the WTO, and a new focus on implementation and enforcement of the EU’s FTAs. The moment for the EU to take a strong global leadership role in trade could not be more timely in the context of the COVID-19 pandemic that is still ongoing, a surge in trade protectionism, a challenging relationship with the US, and the EU-UK negotiations having reached a crucial final stage.

Our member companies operate all across the globe to develop innovative treatments and vaccines for COVID-19 (over 2500 clinical trials are currently ongoing or have been concluded) and to help patients globally with other unmet needs. The industry, both large companies and SMEs, is the largest industrial sector contributor to the EU’s trade surplus (Euro 110 billion, 2019), and 63.8% of global medicines exports originate from Europe (Eurostat, 2019). With 80% of all imports of final medicines (and 71% of all API and chemical raw material imports) coming from Europe, the EU is also highly resilient (ECIFE, 2020). The innovative industry invested Euro 36.5 billion in R&D in Europe (2019) and directly employs over 765,000 people in Europe, supporting 2.7 million jobs indirectly (PwC, 2019). These are high quality jobs with a value added of Euro 156,000 per job. And the female employment share in our industry is comparably high at 46% (PWC, 2009). Our industry is also the most R&D intensive industry in the EU (EU RTD, JRC, 2019). Especially 61% of EU companies with orphan designations in development are SMEs (Lincker et al. 2014).

We believe that following the COVID-19 pandemic, a focus on strategic resilience rather than strategic autonomy is vital for EU global position and for its industries: open trade, a focus
on R&D and innovation as a driver for competitiveness and a strong export performance, and high-level standards and regulations are the key elements. This also calls for a holistic vision from the side of the European Commission that links together the Trade Strategy with the Industrial Strategy and the Pharmaceutical Strategy. The latter the Commission intends to release by Q4 this year.

The EU should continue to stand for the global rules-based trading system and continue to tackle the growing threats of forced localization of manufacturing and discriminatory procurement practices. Because we are the most IP-intensive industry in Europe, strong FTA provisions, especially on intellectual property, that are duly enforced, are crucial. An open trade strategy will not only support fair and transparent market access for EU business, but also ensures timely access of innovative medicines for patients, both in Europe and beyond. Finally, we are keen to support the EU in creating a positive agenda with the US and reaching a mutually beneficial trade relationship with the UK in the EU-UK negotiations. The latter lack of progress and nearing end of the Transition Period are a big area of concern as supply of medicines could be negatively impacted, despite the industry being as ready as is possible for any outcome of the talks.

Over the past years, we have been actively engaging with the European Commission, including with negotiating teams, on key trade files such as the EU’s FTA strategy, the EU-US and EU-UK relationships and the EU’s role to support EU business in third countries such as Russia, Turkey, China and Japan. We would like to take this opportunity to express our gratitude for the constructive discussions with DG Trade to date.

We very much look forward to work with you in your new capacity. With this letter I would like to ask you for a meeting with our Board in the near future to further elaborate on the above-mentioned points.

I look forward to hearing from you and remain at your disposal for any additional information you might require.

Thank you in advance for your time and kind consideration.

Yours sincerely,