

IFAH-Europe perspective on the Lisbon Agenda

- Enhance innovation for the benefit of animals, people and the environment -

The animal medicines industry plays a critical role in the protection of animal health and welfare, public health and the environment despite its small size. It contributes to the socio-economic benefit of society by providing over 50,000 full-time jobs in Europe, most of them highly skilled. However, this figure has fallen and sales have remained flat while costs have risen.

2005 marks the mid-term review of the Lisbon Agenda strategy to reform European markets in such a way as to transform the region by 2010 into 'the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs, greater social cohesion and respect for the environment'.

In order to continue to deliver animal health products that improve the quality of life of animals and people, the animal health industry needs to remain competitive and innovative. Within this perspective, IFAH-Europe supports fully the establishment of a regulatory framework in Europe capable of safeguarding animal health and welfare, public health and the environment. It is vital that regulations are proportionate and efficient to ensure availability of veterinary medicines. Long lead times for research and development of new products require a predictable and sustainable legal environment. Only then innovation will be fostered.

IFAH-Europe fully supports the objectives of the Lisbon Agenda increasing:

- **Competitive economy**
- **Dynamic knowledge based economy**
- **Sustainable growth & more quality jobs**
- **Respect for the environment**

The animal health industry's makes a vital contribution to society

Specifically, animal health products make a vital contribution to:

- **Human Health:** protecting humans from zoonotic diseases;
- **Animal Welfare and Health:** preventing and treating diseases, thereby reducing suffering and pain for pets and livestock, meeting the emotional needs of pet owners;
- **Food Safety:** protecting the health of consumers (safe food depends upon healthy animals);
- **Food Cost and Quality:** ensuring accessibility of affordable nutrition of high quality for all citizens;
- **Sustainable Agriculture:** reducing the environmental impact of farming by increasing efficiency; reducing waste; minimising excretion of micro-organisms by sick animals; and increasing the necessary management tools for veterinarians and farmers; *and*
- **Global Trade and Economy:** controlling diseases, enhancing productivity and facilitating movement of livestock.

IFAH-Europe warns for critical issues and calls upon appropriate measures to increase competitiveness

Issues

- Despite its small size, the animal health industry and its products deliver vital socio-economic benefits for all Europeans;
- Increasingly, animal health companies cannot deliver these benefits;
- The principal cause of the problems facing the animal health industry is well-intentioned EU-level legislation that has, unintentionally, reduced incentives to innovate and retain existing, proven products.

The need for a predictable, stable, harmonised, science-based and coordinated regulatory framework in order to achieve the Lisbon objectives

From 1995 onwards, major steps have been taken by the European Union to improve the regulatory framework within which the animal health industry operates. Particular attention has been paid to reforming the regulatory authorisation systems for new and existing products. Regulation is designed to protect citizens, animals and the environment. It aims to providing a 'guarantee' for the safety of new products entering the market.

Companies recognise the benefits of these efforts, including shorter approval times, harmonisation of national technical requirements, and the creation of a standard EU dossier.

However, if the European Authorities wish to stimulate an improvement in the competitiveness and innovation of Europe's animal health industries, they need to take action to reduce the costs of development (or retention) and to enhance potential returns from investment.

Specifically, they need to focus on:

- Predictable outcome in order to enhance competition & innovation by providing
 - Regulatory stability
 - Science based evaluations
 - Clear practical guidelines involving stakeholders' early input
- Predictable costs in order to develop innovation by providing
 - Clarity of Regulatory funding
 - Co-ordination of cumulative regulatory impact.

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