

**Care to change, change to care: Belgium's Pact for the Future for the patient,
with the pharmaceutical industry**

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Ladies and gentlemen

First of all I would like to thank you for this opportunity you have given me today to tell you some more about the Belgian way to boost innovation in health. And the Belgian way is simple: we try to be unique and we do this together with our partners.

This “being unique together” actually helps explaining Belgium's greatest successes. As a matter of fact: Belgium is born with the idea of working together as our coat of arms is “l'Union fait la force” or “Unity makes strength”.

In 1863 the brothers Alfred and Ernest Solvay laid the foundation for what was later to become a giant industrial concern, the Solvay Group. Determined to contribute to the development of new insights in physics and chemistry, Ernest Solvay took the initiative to organise the three-yearly ‘Solvay Conferences’.

The first of these conferences in 1911 was held at the Metropole hotel in Brussels and was attended by no fewer than 9 future Nobel Prize winners. Figures such as Albert Einstein, Marie Curie, and Max Planck were already there. The entrance to that hotel now has a commemorative stone to remind visitors of the first conference, so when Stephen Hawking was a guest in Brussels and Louvain a few years ago, of course he stayed at Hotel Metropole.

The Solvay conferences soon acquired renown, and, together with the performances of our universities, they have confirmed the reputation of Belgium as a hospitable and progressive pharmaceutical country.

But it was particularly after World War II that the pharmaceutical industry really took off. This was not only due to the enterprising spirit of brilliant and progressive Belgian scientists, but also to the fact that our country managed to attract major foreign investors helped by that other great example of a successful partnership that led to innovation and growth: the American Marshall Fund. Together we are stronger indeed.

Under the impulse of three Belgian scientists, the foundations were laid for two companies of worldwide renown: Janssen Pharmaceutica, now J&J, and R.I.S.T., now GSK.

In the margin of those big companies, there are some magnificent pharmaceutical stories too. Just think of the pioneering work of Dr. Nand Peeters in the 1960s. In the deepest secrecy, he worked on the first practicable contraceptive pill.

Yes, Belgium contributed greatly to the sexual and social liberation of women all over the world!

A couple of years after that, five scientists started breeding genetically manipulated rabbits so that they could use the milk of the female animals to obtain a therapeutic enzyme for the production of an orphan medication to combat Pompe's disease. Almost three decades and a total of 600 million euros worth of investments later, Genzyme in Geel is an ultramodern biotechnological production complex. Yet the locals still refer to it as the 'rabbit factory'.

I guess my point is: Belgium has been at the very top of pharmaceutical innovation for over 150 years. It has more than 300 life sciences companies for 11 million Belgians on 30 000 square kilometres that account for 20% of the whole European biotech market cap!

It has developed 5 of the global top-100 drugs, the world's highest per capita, thanks to its clusters where 8 universities, 19 research parks and 23 incubators closely work together with the private industry to leverage fundamental science. Not surprisingly, Belgium hosts best-of class research institutes like imec and the Flanders Institute for Biotechnology. According to Nature, the prestigious scientific review, Belgium is, and I quote, "in the top 10 of the most innovative pharma valleys worldwide".

Each year more than 170,000 Belgian patients receive early access to innovative medicines by participating in clinical trials. In this regard, we are the absolute leaders within Europe and rank second in the world. In many cases, participation in clinical trials is the last hope for patients to extend their life expectancy, improve their quality of life or even have a chance of recovery.

We thus have an obligation not only towards our forefathers, but primarily to our children and grandchildren to make sure that we preserve this heritage. We cannot remain complacent. Doing nothing would lead to nothing. And nothing guarantees that we will be able to maintain this privileged position.

Technological progress is spectacular. Recent breakthroughs in ATMP and cell therapy, and the potential of nanotechnology and biotechnology,

are opening the door to diagnostic and therapeutic options that would have been unimaginable only a few years ago. The potential for treatment of very rare diseases has risen considerably.

That is why, only a couple of weeks into my mandate as Belgium's health Minister, I started to negotiate with the pharmaceutical industry to close a deal to the benefit of patients in Belgium and beyond. 8 months later, we were proud to present our "Pact for the Future" which has the ambition to build an even brighter future based on the strong foundations of the past.

Ladies and gentlemen,

This Pact of the Future with the biotech and pharmaceutical industry is all about the patient. Medicines are literally a vital link in the therapeutic process. I want to ensure that patients continue to have access to the most innovative therapies, the best medical care and that drugs meet the highest quality standards.

How? First by reinvesting 1.4 billion dollars the coming 4 years into innovative products by enhancing the efficiency of the system through more competition on the post-patent market.

We are shortening the reimbursement procedure by more than 50 days and are introducing a paediatric fast track: as soon as 2017, paediatric indications will automatically be reimbursed at the same level of adult indication as soon as they are registered at the European Medicines Agency. For our kids, that means a 6 times faster access to the latest therapies!

We also want to reinforce Belgium's position as Europe's leader in clinical trials. The new procedure which is being finalised as we speak will

1. improve quality of assessment;
2. enhance expertise in study performance and guarantee patient safety;
3. shorten timelines, despite already having one of the world's fastest approval times (less than 2 weeks for Phase I);
- and 4. facilitate patient recruitment.

I will tell more about this tomorrow at noon at Fogo de Chao where Brussels invest & export organizes an event dedicated to clinical research in Belgium.

And there's more we're doing to bring innovation to our patients. A new procedure for joint reimbursement of biomarker and its therapeutic drug is on its way, a unique initiative in Europe.

There's the much talked about collaboration on orphan drugs with The Netherlands, Luxemburg and soon a 4th country on horizon scanning & early dialogue, Health Technology Assessment and joint negotiations that will slash red-tape and give pharmaceutical companies faster access to bigger markets.

Finally, together with my excellent colleague Alexander De Croo we've elaborated a visionary digital health strategy that focusses on seed capital for start-ups, a revolutionary system for the peer-to-peer economy, a visionary open and big data strategy and a personal health record for every Belgian as of 2018. More info on www.digitalbelgium.be

You know, the OECD is never shy of giving recommendations, and Belgium receives many!, but when it comes to pharma and biotech policy, Belgium *is* the recommendation.

Ladies and gentlemen,

Governments must not only bring cures to patients. We must also think about how to create the ideal conditions and environment so that technology and innovation can thrive for patients to benefit. To me, that means lowering transaction costs and to tuning the right incentives. Fortunately, Belgium is a fertile terrain for pharmaceutical innovation as I've tried to show you. We have reaped the rewards of an excellent collaboration between our knowledge centres, the high quality of our medical care, our culture of permanent dialogue between industry and the government, etc.

Our tax policy too privileges innovators and investors. There's the patent income deduction, the 80 percent payroll withholding tax exemption for scientific researchers and the refundable R&D tax credit system to spearhead investments in research and development. There's the notional interest deduction and the revenue tax decrease of 13 percent as of 2017 to give investors the necessary breath of financial air. As a consequence, our effective corporate tax rate is lower than that of the Netherlands, Germany or France.

Our fiscal and budgetary policy is one that focusses on stability. One of the capstones of this Pact for the Future is a multi-year budgetary framework and accompanying growth path my technicians developed with IMS. This is a unique approach which offers the industry perspective and predictability.

I've said it before. All these reforms are to the benefit of our patients who will have faster access to better therapies that are safer, enrol in more clinical trials and benefit from the Unmet Medical Needs procedure. Out-of-pocket expenses for pharmaceuticals are expected to decrease by 60 million yearly thanks to our reforms like the patent cliff.

Transparency will empower patients. Not only the personal health record will do so, but also the increased transparency on clinical trials, possible conflicts of interest and donations to providers and patient associations alike.

Allow me to conclude on another positive note: this pact works.

In 2015, the year of the Pact for the future, the pharmaceutical industry invested a whopping 3 billion dollars in our country. This is an increase with 5,5% compared to 2014.

As a direct result of the favourable economic climate we have recently welcomed two major pharmaceutical investments in Belgium: JLINX by J&J and a Genzyme R&D facility by Sanofi.

Ladies and gentlemen,

You may have noticed I'm proud of this Pact for the future. Its secret?

Working together. Collaboration. With patients, with the industry and with our European peers. In sum, putting our Belgian coat of arms "l'Union fait la force" or "Unity makes strength" into practice.

We cared to change because we believe we can – no, we must – strive to do better. And we changed in order to be able to care better for our patients. I know you share the same concern.

I thank you