Smart Pharma
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The French Pharma Market 2024 – 2029

BUSINESS REPORT

Strategic Implications for Pharma Companies

Excerpts

September 2025

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This report analyzes the current situation and the key trends on the French Pharma market by the end of 2029 to provide pharma companies with key strategic insights

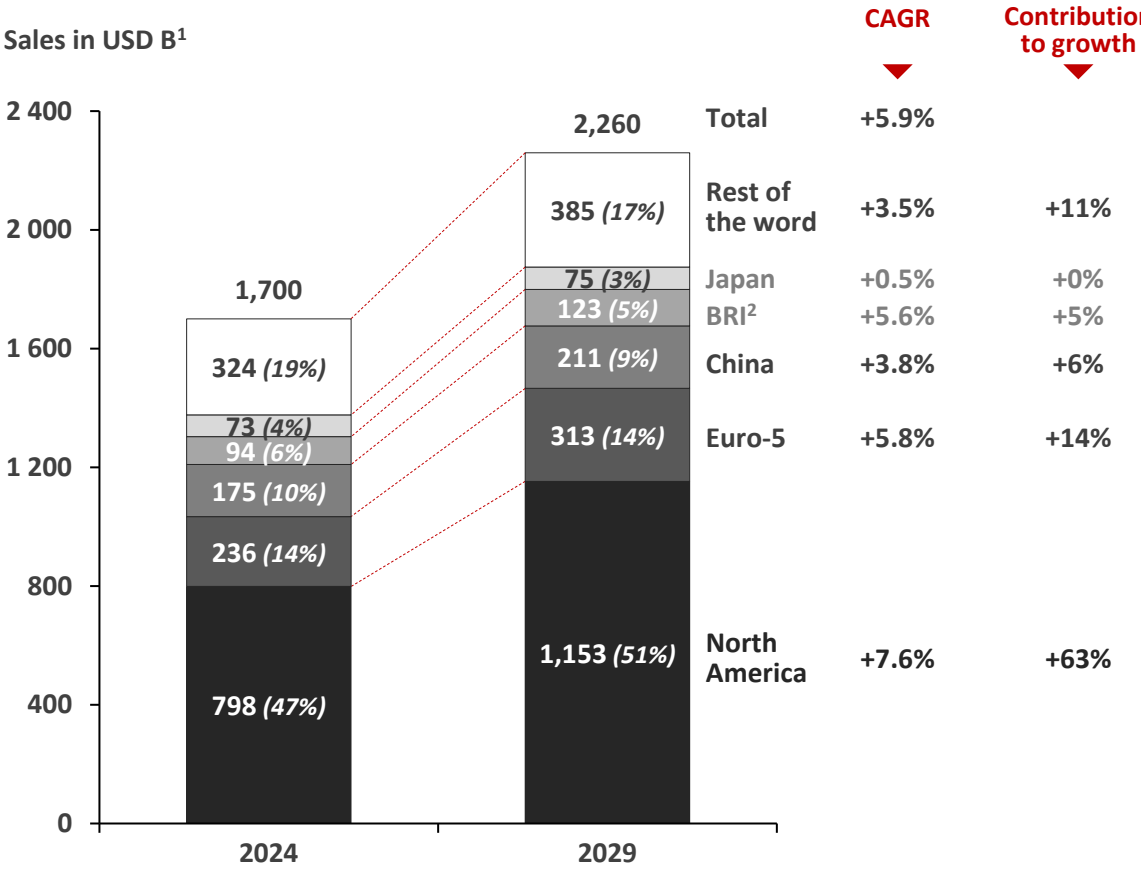
2024 – 2029 French pharma market prospects & strategic implications

- Faced with an ever-tougher environment, France should step back from the 5th to the 6th largest market worldwide by 2029
- Smart Pharma Consulting proposes to address the following key issues related to the French healthcare system and pharma market evolution by the end of 2029, to better grasp its strategic impacts for pharma companies

- How is the French healthcare system organized at national and regional levels?
- What are the key recent measures introduced by health authorities and their impact?
- What are the behavioral trends of key stakeholders and their impact by 2029?
- What are the estimated sales forecasts by strategic segment on the French pharma market by 2029?
- What could be the strategic and organizational implications for pharma companies by 2029?

Sales of Euro-5 countries should grow from 2024 to 2029 at an average 5.8% p.a., despite cost containment measures imposed by governments, due to launches of highly innovative drugs

Global pharmaceutical market size and growth by geographic area (2024 – 2029)



- The **global pharma market** is expected to grow with a at **+5.9% CAGR** between **2024** and **2029**, based on gross prices estimates
- **Euro-5 countries** accounted together in **2024** for **13.9%** of the global pharma market:
  - Germany: 4.0%
  - France: 2.9%
  - Italy: 2.6%
  - UK: 2.4%
  - Spain: 2.0%

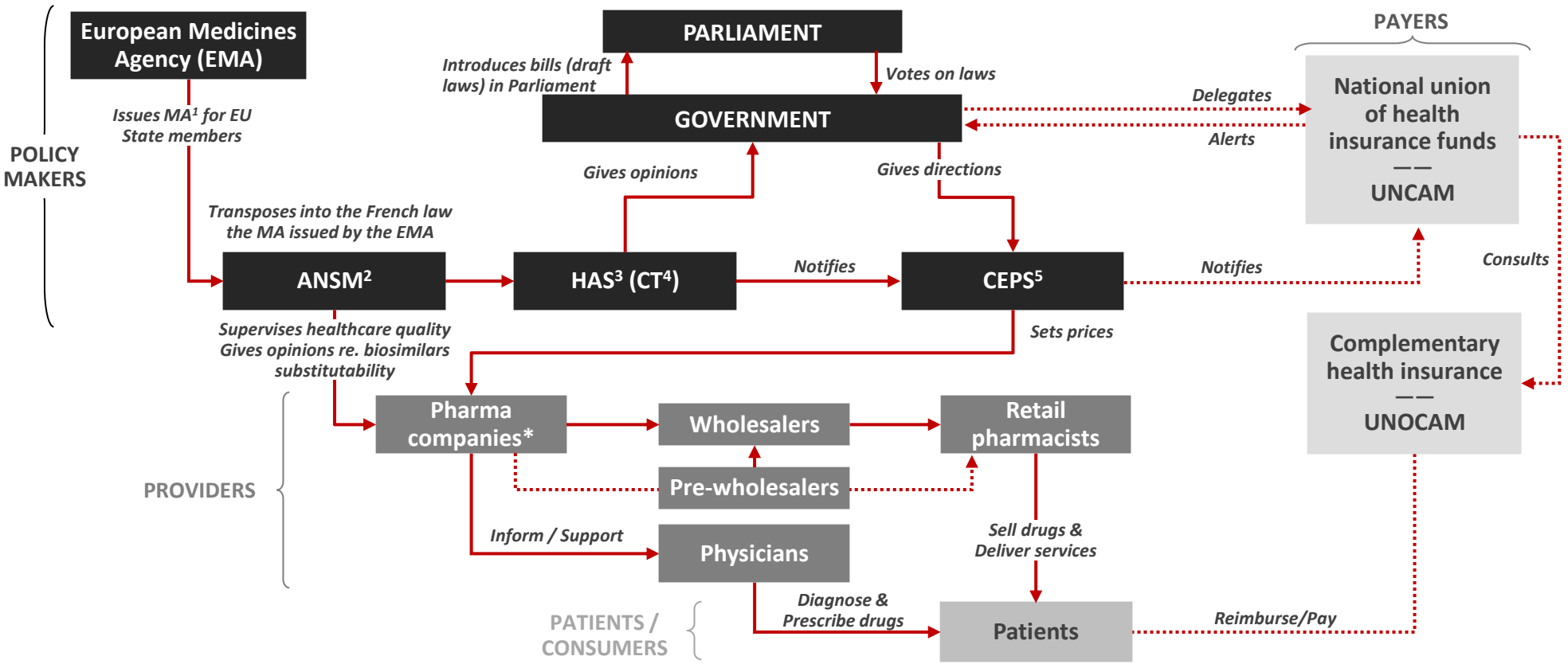
  and should see their weight remain **quite stable** by **2029** despite high price pressure
- The weight of **North America** (USA and Canada[3]) should **increase** by **4 points** and account for **51%** of the global pharma market in value, accounting for **63%** of worldwide **market growth** between **2024** and **2029**
- The **USA** generates **~80%** of the total pharma industry **profits**, compared to **~1.5%** for **France**

Sources: "Global use of Medicines", IQVIA Institute (Jun. 2025) – Oxford Economics by Atradius (Sep. 2024) – Smart Pharma Consulting estimates

[1] Ex-factory price before rebates – [2] Brazil, Russia, India – [3] Canada accounting for 2% in 2024 and 2029

Stakeholders in the French healthcare system can be divided according to their role as decision makers, payers, providers / suppliers and consumers

Mapping of key stakeholders



** Pharma companies are represented by the professional union named Leem. Generics and certain biosimilars manufacturers have formed a special group named GEMME. NéreS is the professional union representing the manufacturers of non-prescription bound drugs and other self-care products*

Sources: Smart Pharma Consulting analyses

[1] Marketing Authorizations – [2] Agence Nationale de Sécurité du Médicament et des produits de santé – [3] Haute Autorité de Santé – [4] Commission de la Transparence – [5] Comité Economique des Produits de Santé

The Strategic Committee for Healthcare Industries (CSIS[1]), set by the French government in 2021, aimed at strengthening France's attractiveness for the healthcare sector by 2030

"Innovation Santé 2030" – Ambitions

MINISTÈRE DE LA SANTÉ ET DE LA PRÉVENTION
Liberté Égalité Fraternité

FRANCE 2030

Context & objectives

- The **Covid-19** pandemic revealed the **need** for France to have an **innovative** and **strong healthcare industry**, to support:
  - **Patients**' access to **innovation**
  - French healthcare **sovereignty**
- The President Emmanuel Macron has made **health industries** a **priority**, to restore **France's footprint** in the **EU biopharma landscape**
- In this context, the French government has set an **ambitious objective** for the **CSIS 2021**: make France a **leading nation** in terms of **healthcare industry** and **innovation**

5 key priorities

1	2	3	4	5
Excel in fundamental and interdisciplinary research	**Catalyze innovation**	**Improve patients' access to innovation**	**Support industrialization *"France 2030"***	**Develop and promote training**
▪ **€ 7 B** budget allocated to innovation ▪ **Fueling** of **innovation** with a **continuous flow** ▪ Ensure **continuity** from **basic** research to **clinical** research	▪ Improve access to **funding** ▪ Secure innovation in France in **all phases** of innovation (incl. during risky & capital-intensive phases)	▪ Allow the **earliest access** to **innovation** ▪ Strengthen the **integration** of these innovations into the **care pathway**	▪ **Relocate** production sites ▪ Have sufficient **production capacities** ▪ Allow **innovations** to be **developed** and **produced** in **France**	▪ Develop and bring out the **initial** and **lifelong training** necessary to have the **skills** to achieve the proposed objectives

Make France a leading nation in terms of healthcare industry and innovation

Sources: CSIS (Feb. 2021) – info.gouv.fr (Jan. 2025) – Smart Pharma Consulting analyses

[1] *Conseil Stratégique des Industriels de Santé*

The framework agreement signed between the CEPS and the Leem in March 2021 aimed to improve patient access to innovation, encourage investments in France and simplify access

CEPS & Leem framework agreement (2021 – 2026)

Context & objectives

- Framework agreement signed on **March 5, 2021,** by the **CEPS** and the **Leem**, in the presence of the Minister of Health and the Delegate to the Minister of Economy in charge of Industry
- This agreement, which replaces the previous one (signed in 2016), was initially concluded for a **3-year period** (until March 5, 2024)
- Since then, it has been **extended** by one year twice (until **March 5, 2026**)
- **3 main objectives** pursued:
  - Improve **patient access** to **innovation**
  - Encourage **productive investments** in France
  - Simplify **market access** processes

Patient access to innovation

Innovative drugs

- Guidance on the duration of effect of comparators, the inclusion on uncertainty, the setting of rebates and the splitting of payments

Orphan drugs

- Possibility of renegotiating the terms of conventional rebates if the target population evolves
- Commitment to come to a contractual amendment within 6 months with an adjusted budget package
- Fluidification of price negotiation

Drugs that meet public health needs

- Possibility for ASMR IV drugs meeting a non- even partially-covered medical need to access to an EU price[1]

Productive investments in France

Support for investment and export

- Creation of a specific chapter intended to support for investment and export
- Authorization for investing pharma companies to proactively meet with the CEPS President to be informed of conventional terms

Pricing counterparties

- Possibility of granting an EU price[1] to ASMR I to III drugs whose manufacturing activities[2] are mainly carried out in France
- List price stability guaranteed over 2 years (renewable once) for products manufactured in Europe (notably in France) for which more than 60% of volumes are exported

Market access processes

Fast-track

- Access guaranteed within a maximum period of 15 days[3] for:
  - ASMR I to III with dominant efficiency
  - ASMR IV with dominant efficiency & allowing savings
  - ASMR V with prices lower than comparators

Price stability and predictability

- 5-year stability of the EU price[1] for ASMR I to III drugs, covering both list and net prices

Transparency

- Statement by pharma companies of the amount of both R&D investment made, and public incentives received

Sources: Framework agreement signed between CEPS and Leem (Mar. 5, 2021), and updates (as of Mar. 2025) – Smart Pharma Consulting analyses

[1] In this case, the French price cannot be lower than the lowest price in the rest of EU4+UK – [2] Manufacturing of active components, finished goods and/or packaging – [3] From the date of receipt of the economic interest note by the CEPS

Since the introduction of the T2A reform in 2004, the allocation of resources of public and private hospitals is based on the nature and on the volume of the activities carried out by each hospital

Hospital funding system: Activity-based funding (T2A) principles

Objectives	Means	Expected results
Increase the efficiency of hospitals	▪ Converge funding systems to be able to compare public and private sectors ▪ Gradually implement the T2A to facilitate the adaptation of both structures and players ▪ Harmonize funding arrangements between public and private sectors ▪ Expand the clarity and the visibility of the role of the players, for both managers and supervisors	Greater involvement of medical players in financing
Address the inequity of resources allocation across structures		Accountability of health players
Optimize the funding of the most active structures		Development of quality management and medico-economic tools
		Fairness of treatments between public and private sectors

Major drawback

- The T2A has led to an inflationary effect; hospitals being prompted to increase their level of activities and notably of the most profitable medical procedures, for maintaining adequate funding

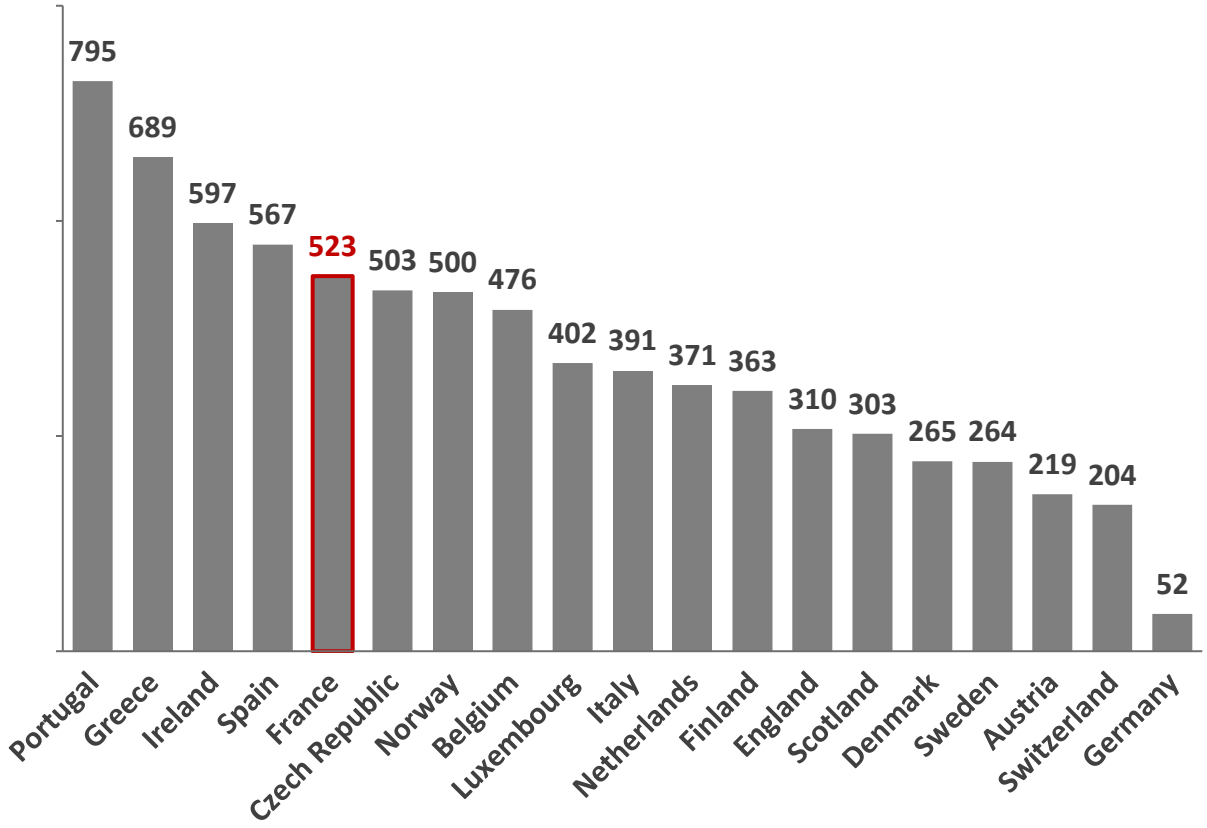
Sources: French Ministry of Health website (Mar. 2025) – Senate committee of inquiry (2021) – Smart Pharma Consulting analyses

In France, pharma companies and patients must wait ~17 months after marketing authorization to get a new drug reimbursed and launched

Average time to market access – European comparisons

Time (days)

Average time[1] in the EU countries: **518 days**



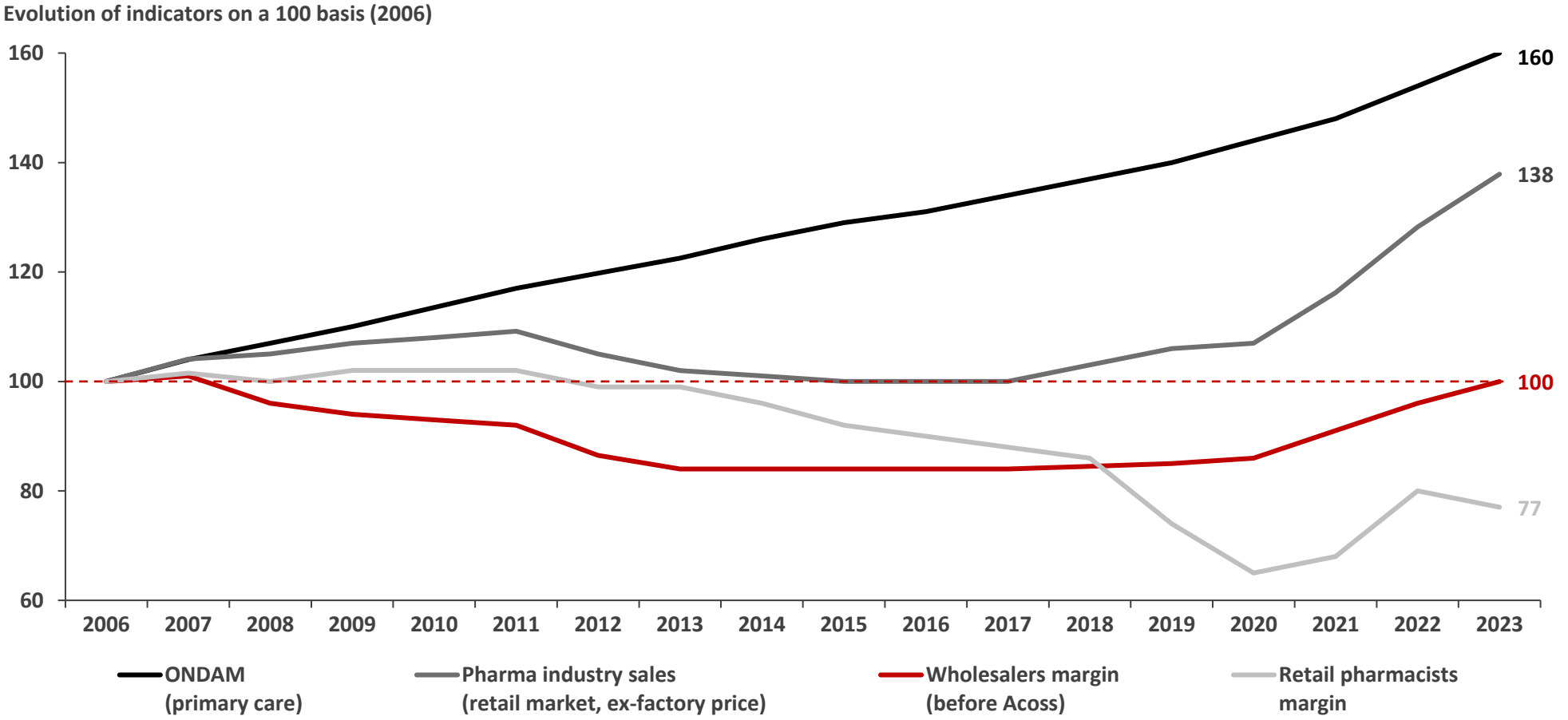
- Time to availability is the number of days between marketing authorization and availability to patients
- In Europe, the delay between marketing authorization of a drug and its availability on the market may vary widely, due to the time required to obtain its inclusion on the reimbursement list and a price agreement
- In countries such as Spain, France or Italy, this delay exceeds the 180 days recommended by the European Commission
- An important delay may be harmful both for patients who do not have full access to innovative therapies and for companies which face a loss of revenues
- Germany has smaller delays since the price and reimbursement negotiations occur once the product has reached the market

Sources: EFPIA Patient WAIT Indicator Survey, IQVIA (May 2025) – Smart Pharma Consulting analyses

[1] Based on 173 medicines approved between 2020 and 2023

Wholesalers' margin reached similar level in 2023 as 17 years before in 2006, while the ONDAM increased by +60% for its primary care setting

Wholesalers margin evolution (2006 – 2023)



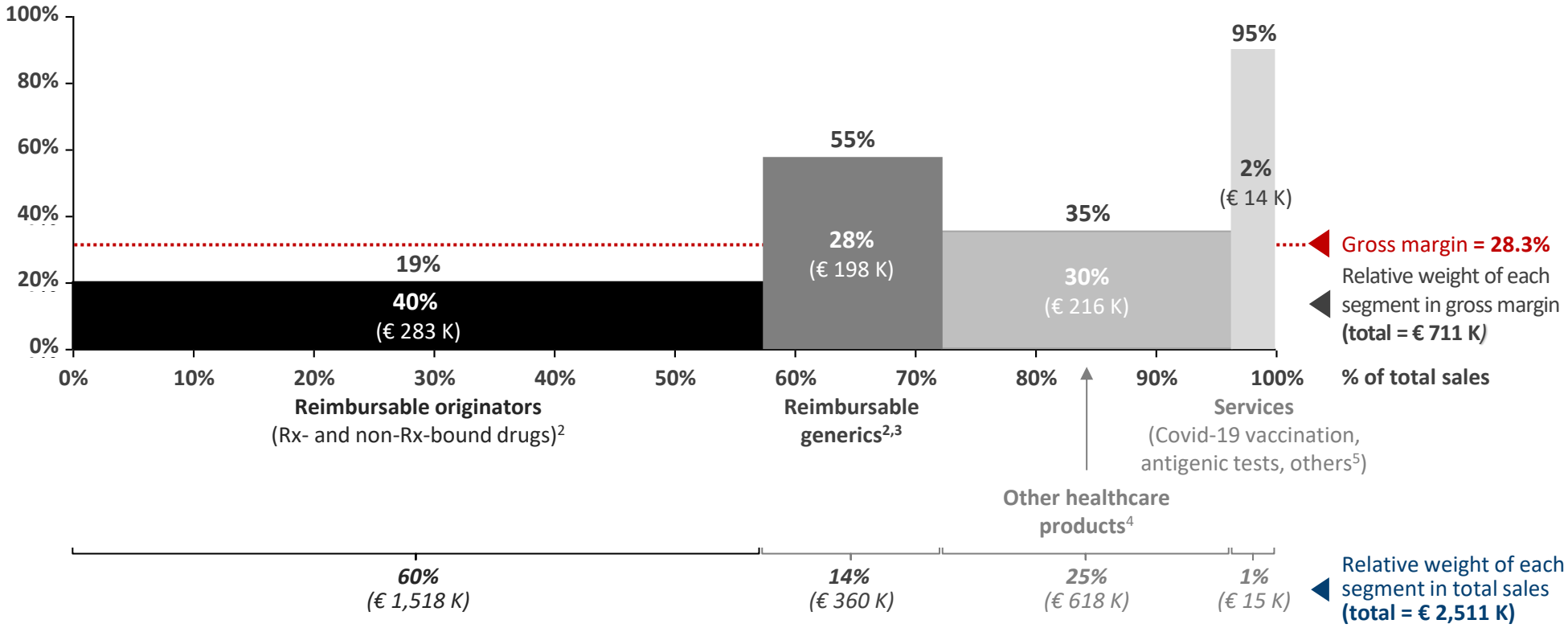
Sources: CSRP website (Feb. 2025) – Smart Pharma Consulting analyses

The preferred generics supplier, contributing to ~25%[1] of retail pharmacies gross margin, is well positioned to develop cross-selling with substitutable biosimilars and/or non-Rx-bound products

Economic structure of retail pharmacies in France (2024)*

Average annual turnover of a retail pharmacy in 2024: **€ 2,511 K**
(public price excluding VAT)

Gross margin by segment



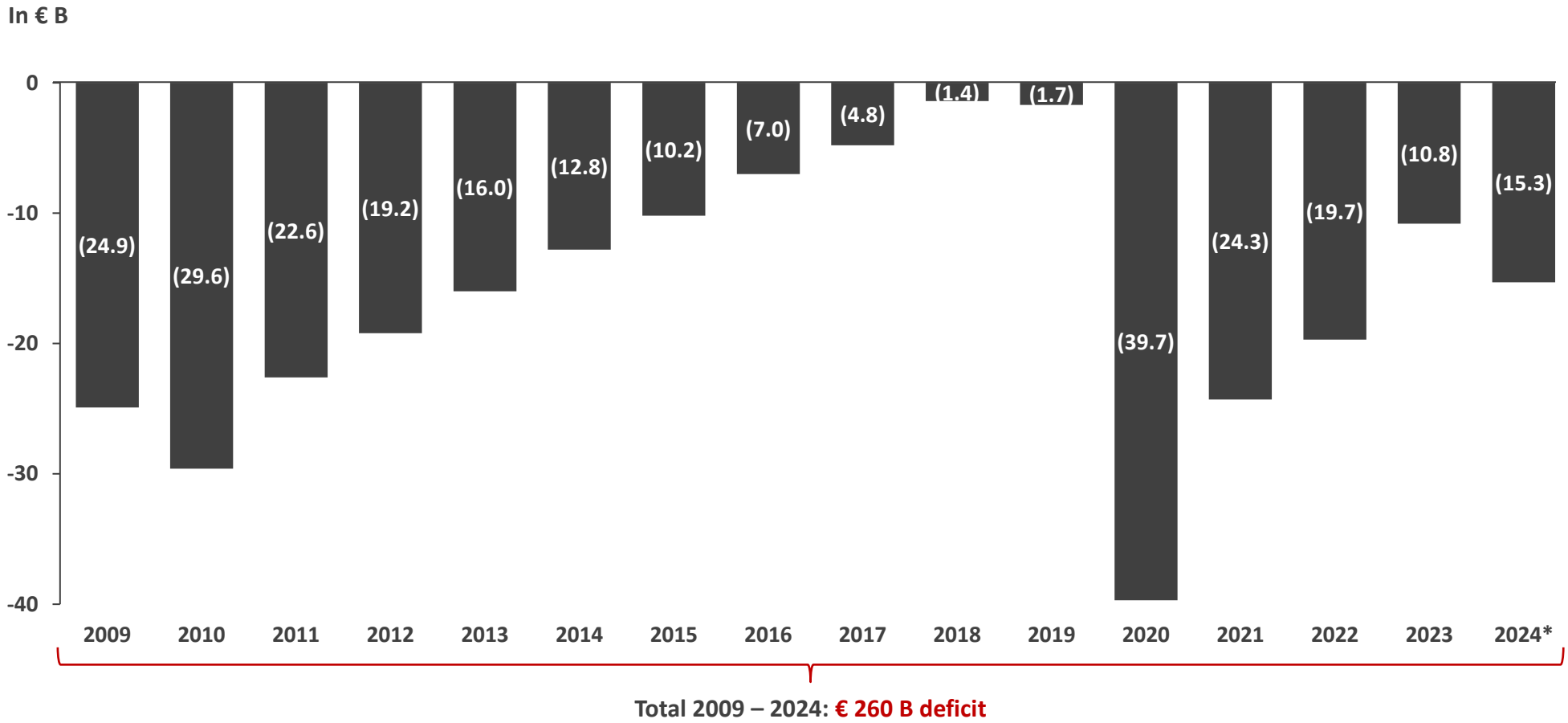
** Data estimated based on a sample of 1,853 retail pharmacies*

Sources : CGP Experts Comptables (2025) – Interviews with accounting experts (Jul. 2023) – Smart Pharma Consulting estimates

[1] Estimating that it accounts for ~90% of the 28% of the generics' contribution to gross margin – [2] Including dispensing fee – [3] Including commercial cooperation with generic companies. The preferred generics supplier ensures ~90% of total segment, making him the 1st contributor to the retail pharmacies' profits – [4] Including OTC and "lifestyle" Rx products, medical devices, food supplements, para-pharmacy products, etc. – [5] Remuneration for services corresponding to public health objectives (ROSP), new missions, etc.

The National Health Insurance Fund cumulated a € 260 B deficit since 2009, of which ~€ 40 B in 2020 resulting from the Covid-19 crisis

National Health Insurance Fund deficit – General regime[1] evolution (2009 – 2024)



Total 2009 – 2024: € 260 B deficit

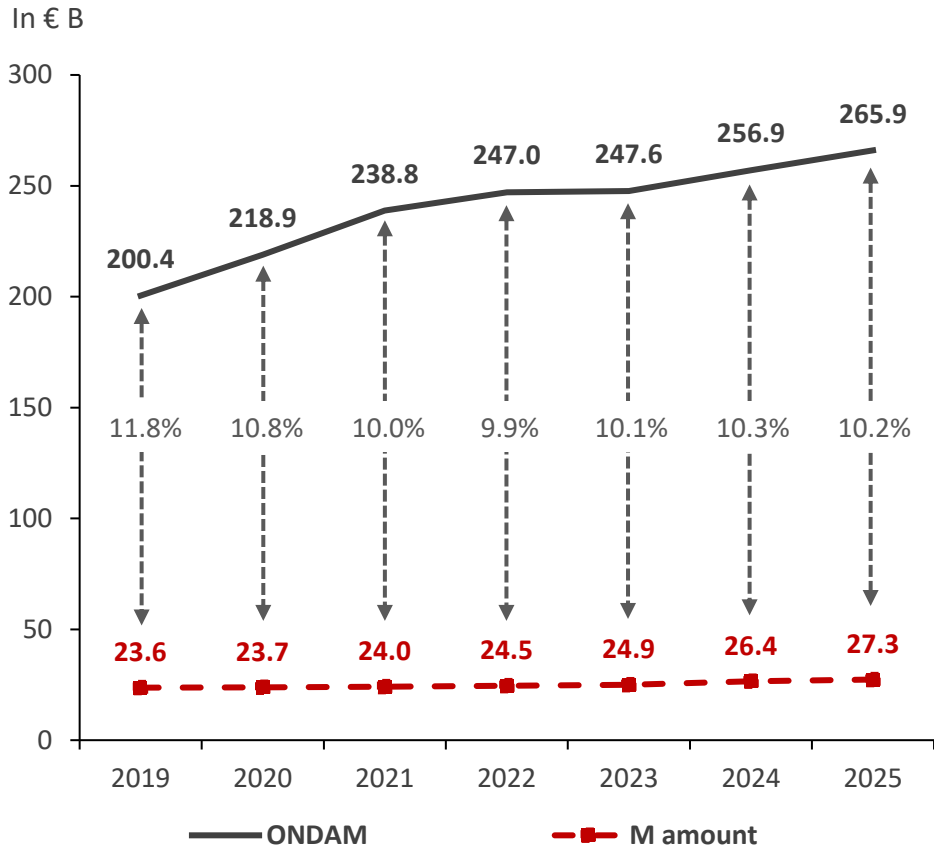
** Based on the accounts published by the National Insurance Fund on March 2025 (currently being audited)*

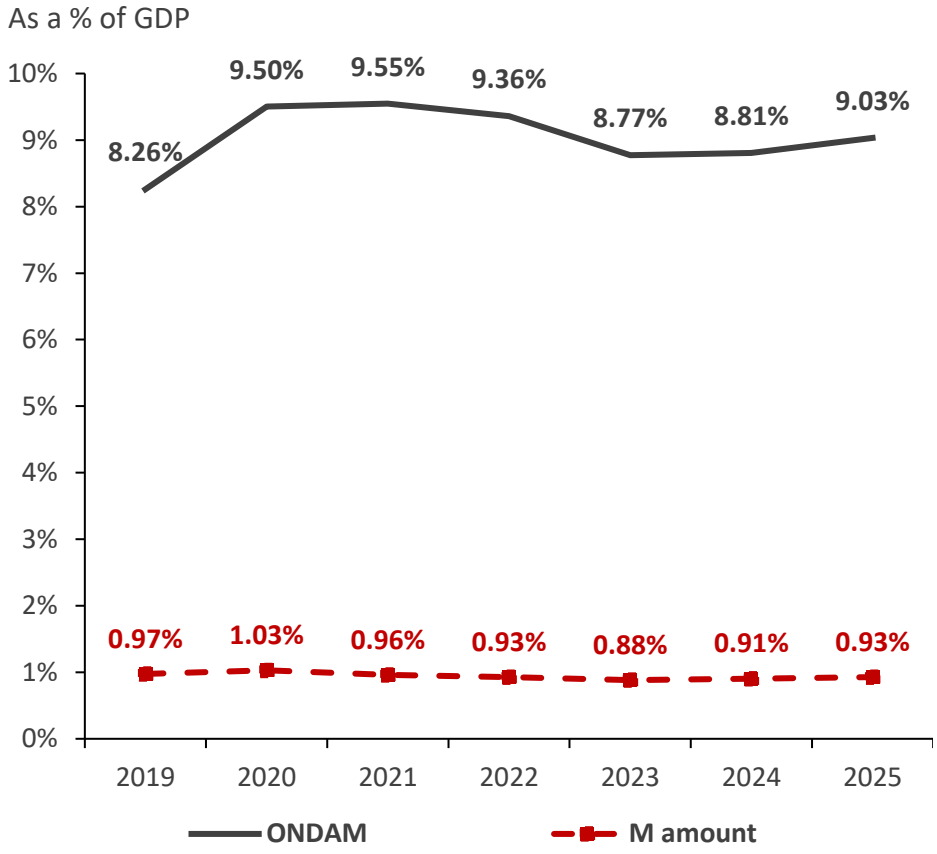
Sources: LFSS 2025 – National Health Insurance Fund press release (Mar. 2025) – Smart Pharma Consulting analyses

[1] Including old-age solidarity fund (FSV: "Fonds de Solidarité Vieillesse")

For 2025, the ONDAM[1] has been set at € 267 B (i.e., ~9.0% of the GDP), and the M amount[2] at ~€ 27.3 B (~10.2% of the ONDAM)

2 M Amount – Evolution (2019 – 2025)





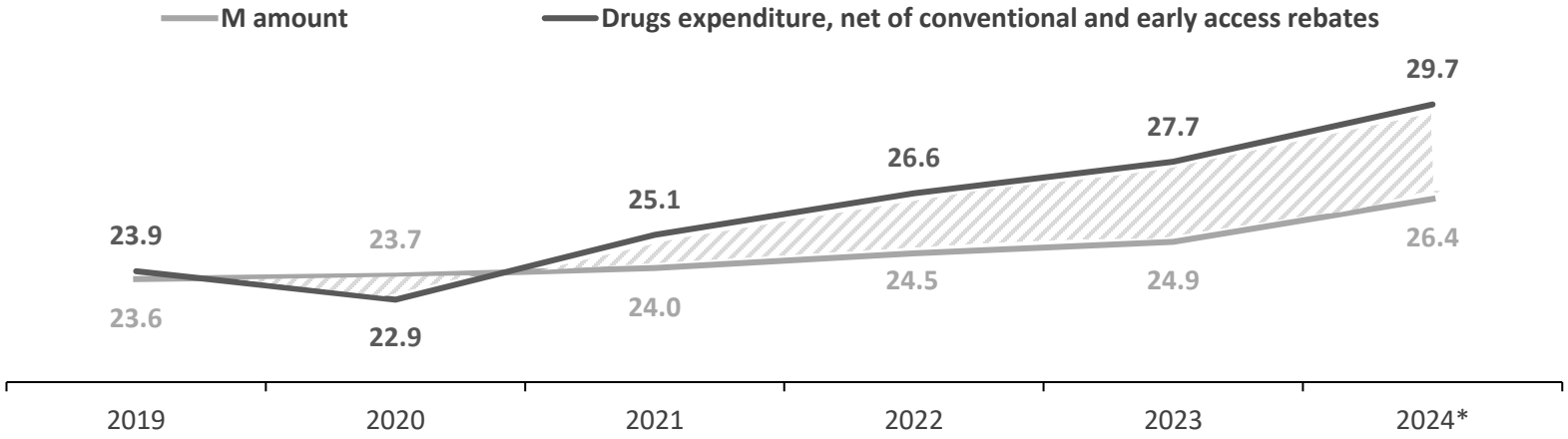
Sources: LFSS 2019 to 2025 – Smart Pharma Consulting analyses

[1] National objective for National Health Insurance Fund expenditure – [2] Trigger threshold of the clawback

Drugs expenditure, net of conventional and early access rebates, systematically exceeded the "M amount" between 2019 and 2024 (except in 2020)

4 Clawback – Savings for the National Health Insurance Fund (2019 – 2024)

In € B



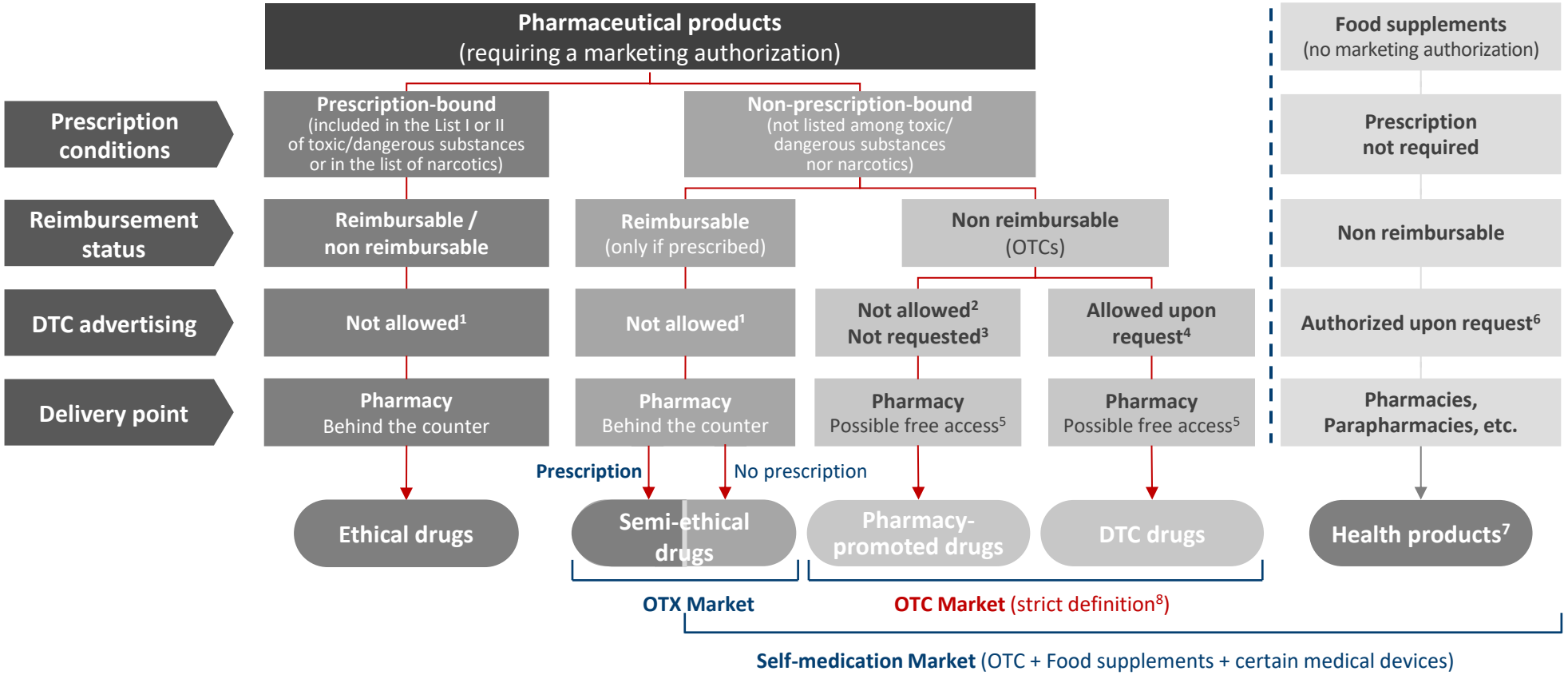
	2019	2020	2021	2022	2023	2024*
Overrun amount	**€ 0.3 B**	**N/A**	**€ 1.2 B**	**€ 2.1 B**	**€ 2.8 B**	**€ 3.3 B**
Overrun < 0.5 pt (50% clawback)	*€ 0.1 B*	-	*€ 0.1 B*	*€ 0.1 B*	*€ 0.1 B*	*€ 0.1 B*
From 0.5 to 1 pt (60% clawback)	*€ 0.1 B*	-	*€ 0.1 B*	*€ 0.1 B*	*€ 0.1 B*	*€ 0.1 B*
Overrun > 1 pt (70% clawback)	*< € 0.1 B*	-	*€ 0.6 B*	*€ 1.2 B*	*€ 1.7 B*	*€ 2.1 B*
Clawback before rebates	**€ 0.2 B**	**-**	**€ 0.8 B**	**€ 1.4 B**	**€ 1.9 B**	**€ 2.3 B**
Tax-exempt rebates (deductions)	*-20.0%*	-	*-13.0%*	*-15.1%*	*-15.0%*	*-15.0%*
Clawback after rebates	**€ 0.1 B**	**-**	**€ 0.7 B**	**€ 1.2 B**	**€ 1.6 B**	**€ 1.9 B**

** Estimates (based on GERS data and interviews)*

Sources: Economic report of the Leem (Mar. 2025) – CEPS annual reports (2019 to 2024) – LFSS (2019 to 2024) – Smart Pharma Consulting analyses and estimates

Pharmaceutical products can be split into prescription-bound and non-prescription-bound drugs, knowing that some of the prescribed drugs are not reimbursed

Classification of pharmaceutical products in France



Note: OTC = Over-the-counter, OTX = combination of prescription (RX) and over-the-counter (OTC), DTC = Direct to consumer

Sources: ANSM – DGCCRF – Smart Pharma Consulting analyses

[1] Rare exceptions (e.g., vaccines) – [2] Psychotropic or narcotic drugs – [3] When the pharma company does not wish to communicate to the general public – [4] Whatever the claims – [5] Possibility of "free access" within the retail pharmacy for certain OTC products – [6] Only for claims relating to healing, alleviating or preventing diseases – [7] Other than drugs and pharmaceutical products – [8] Defined as the non-listed, non-reimbursed and non-prescribed drugs bought by consumers at retail pharmacies

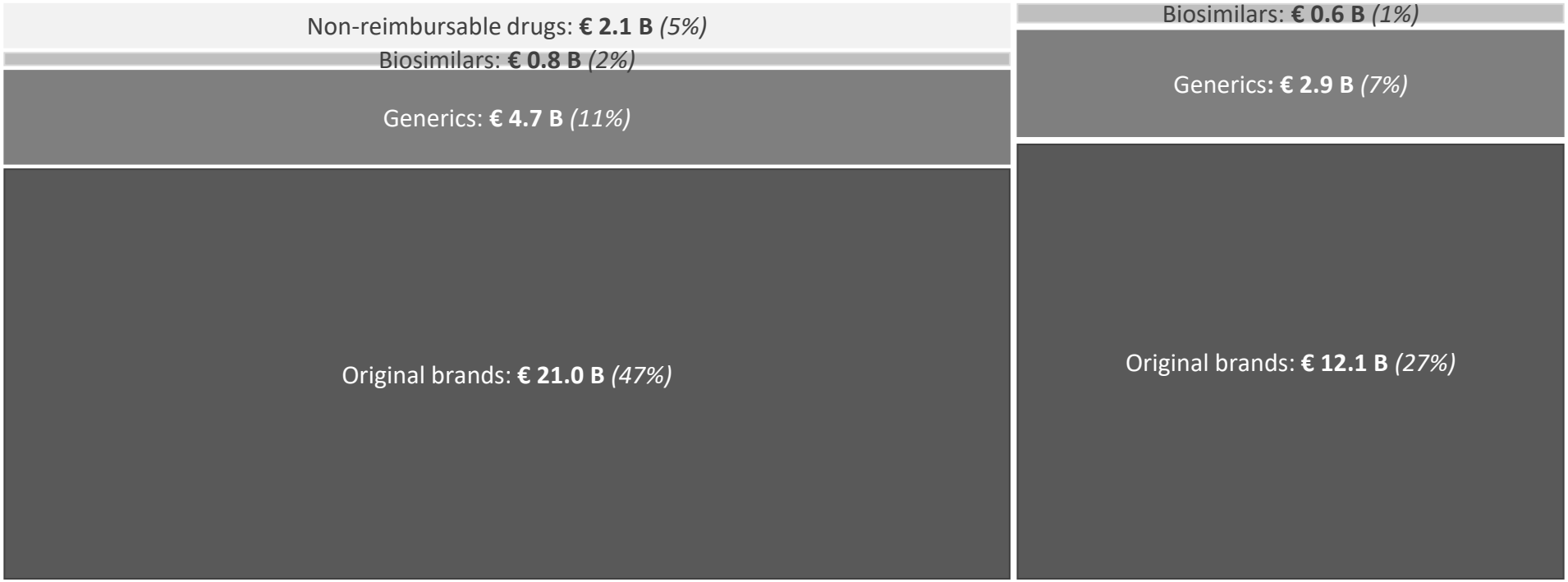
The retail market accounts for 65% of the total pharma market and is mainly driven by original brands (74% of the total market) and generics (18%)

Structure of the French drug market (2024)

Total pharmaceutical market[1] ~€ 44.2 B

Retail: € 28.6 B *(65%)*

Hospital: € 15.6 B *(35%)*

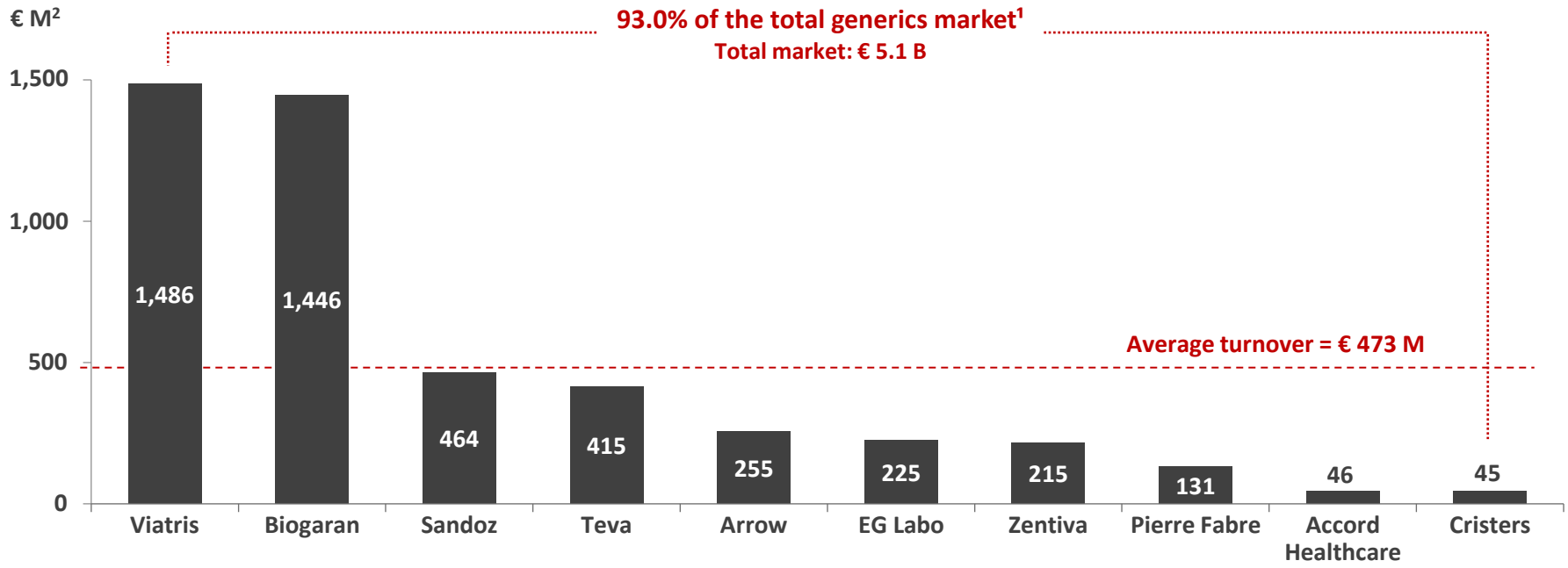


Sources: GERS – Smart Pharma Consulting analyses

[1] *Ex factory-price, before rebates and taxes*

In 2024, Viatris and Biogaran generated more than € 2.9 B sales and represented together ~58% of the French retail generic market in value

Retail generics market: Top 10 companies – In value (2024)



	Viatris	Biogaran	Sandoz	Teva	Arrow	EG Labo	Zentiva	Pierre Fabre	Accord Healthcare	Cristers
Market share	29.2%	28.4%	9.1%	8.2%	5.0%	4.4%	4.2%	2.6%	0.9%	0.9%
Generics weight in the retail portfolio	79.6%	94.5%	67.7%	70.8%	87.2%	86.8%	90.8%	32.0%	62.6%	98.5%
2023-2024 evolution	+14.3%	+7.9%	+2.6%	+4.6%	-1.6%	+1.1%	-2.9%	+3.7%	+32.1%	+6.4%

Sources: GERS – Smart Pharma Consulting analyses

[1] Reimbursable (€ 4.7 B) and non-reimbursable (€ 0.4 B), listed in the ANSM generics Director –
[2] Ex-factory price, before taxes and rebates

15 of the biosimilars players have a weak competitive position at retail pharmacies while Sandoz, EG Labo, Teva and Biogaran have a well-balanced position

Mapping of pharma companies marketing retail biosimilars

Number of proposed biosimilars[1]	Weak	Medium	Strong
8		Sandoz	
7			
6			
5		EG Labo	
4	Biogen Accord Pfizer	Teva	Biogaran
3	Fresenius Kabi Biocon		
2	Amgen Celltrion Theramex	Arrow	Viatris
1	Sanofi Lilly Rovi Gedeon Richter Mundipharma Samsung Orion	Zentiva	

Competitive position at retail pharmacy level

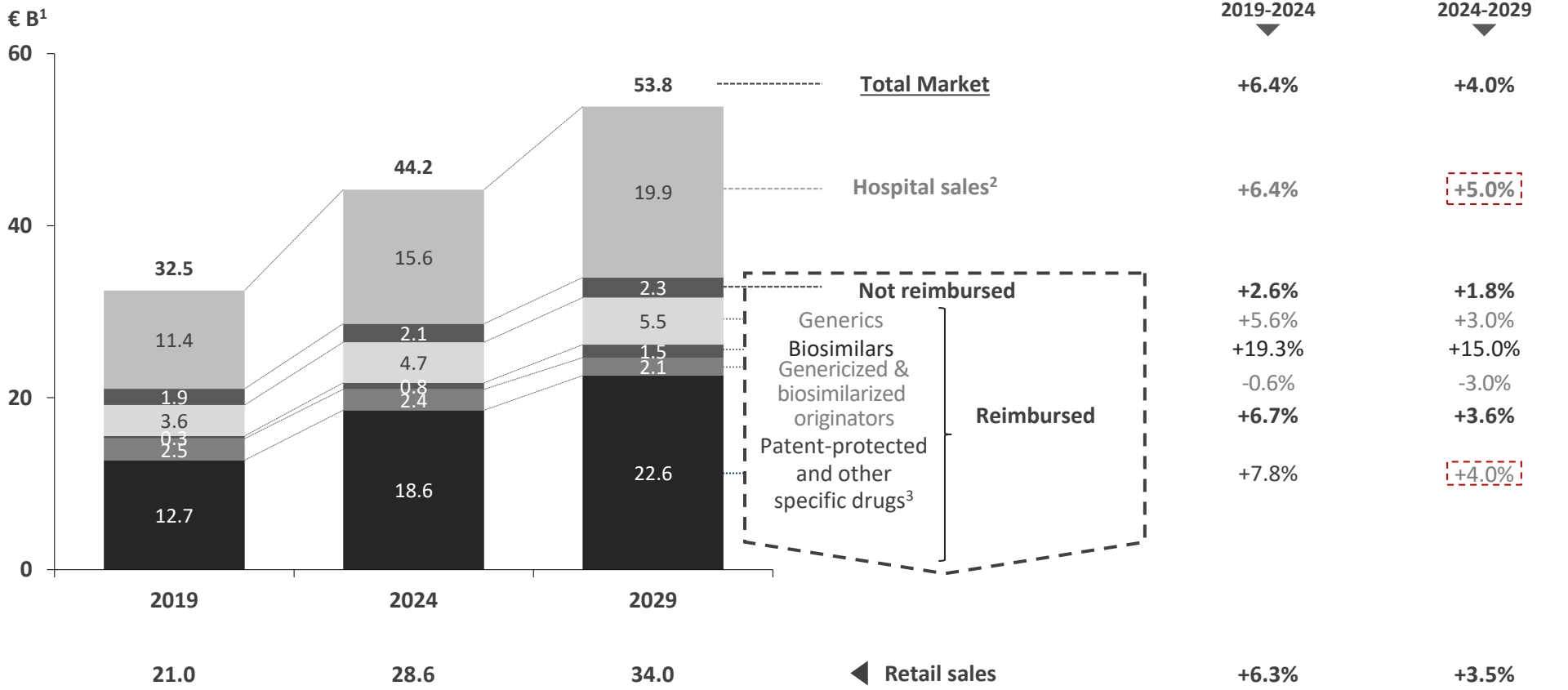
R&D-based companies – Generics and/or biosimilars companies – Mature brand companies

Sources: Smart Pharma Consulting analyses

[1] *As of January 2025*

By 2029, the French pharmaceutical market should be mainly driven by patent-protected drugs delivered in retail pharmacies and hospital drugs

Drugs sales forecast by segment (2019 – 2024 – 2029)

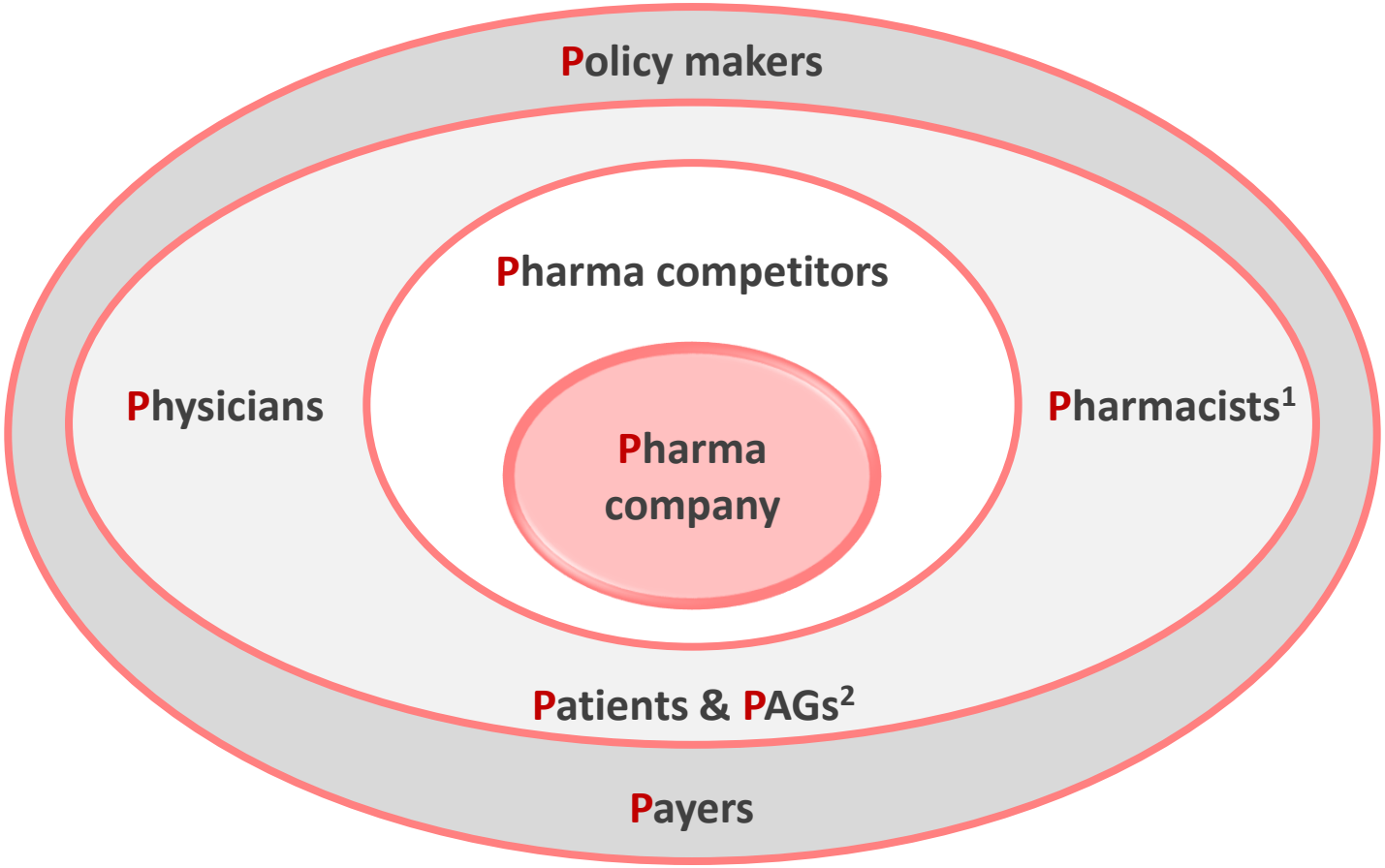


Sources: GERS dashboards – Smart Pharma Consulting estimates

[1] Constant ex-factory prices, before rebates and taxes – [2] Including hospital sales of biosimilars, products invoiced on top of "T2A" and retroceded medicines
[3] Sales of drugs not competing with generics or biosimilars and of other specific products (calcium, sodium, potassium, paracetamol, etc.) – [4] Compound annual growth rate

Pharmaceutical companies' strategic priorities by 2029 will be linked with the behavior of the "7 Ps" stakeholders

The 7 Ps



Sources: Smart Pharma Consulting analyses

[1] Pharmacists also play the role of purchasers, and their importance will keep on increasing in the upcoming years, either on the open care or the hospital segments – [2] Patient Advocacy Groups

Policy makers & payers might introduce new containment measures to secure the sustainability of the healthcare system over time

Stakeholder behavioral trends: Policy makers & Payers (1/3)

2024 – 2029 Trends

Stricter control of reimbursed drugs expenditure

Measures to boost generics, hybrids & biosimilars

- Strong willingness to better control the National Health Insurance Fund deficit, over the long-term:
  - 2024 deficit estimated at € 15.3 B (vs. € 10.8 B in 2023)
  - 2025 ONDAM set at € 265.9 B (+3.5% vs. 2024)
  - 2025 safeguard clause triggered for a:
    - M amount of € 27.25 B (+3.2% vs. 2024)
    - Z[1] amount of € 2.26 B (-2.2% vs. 2024)
- More “aggressive” price regulation of marketed drugs
- Possible amendment of the T2A system
- Better cost management of on-top of T2A products

General implications

- Tighter reimbursement restrictions:
  - Number of indications
  - Volume per indication
  - Number of targeted patients
- Drug cost containment measures:
  - Managed care agreements for certain innovative drugs
  - Stronger pressure on established brands:
    - Accelerated price cuts over time for reimbursed drugs
    - New measures to boost generics, hybrids and biosimilars (e.g., incentives for hospital and office-based physicians to prescribe more biosimilars, and for retail pharmacists to substitute them)
    - Will to reduce / collect high-level rebates received by retail pharmacists from generics companies
  - Faster decrease of the ceiling price set by the CEPS for on-top of T2A hospital drugs

Sources: Smart Pharma Consulting analyses

[1] *Financial regulation mechanism introduced by the LFSS 2020 concerning on-top of T2A medical devices*

Pharma companies must position their products, services and themselves to be perceived by policy makers and payers as offering superior value than competition to the healthcare system

Strategic priorities induced by Policy makers & Payers behavioral trends

Behavioral trends	Strategic priorities for pharma companies
1 Stricter control of reimbursed drugs expenditure 2 Measures to boost generics, hybrids & biosimilars	Enhance the global value proposition (incl. corporate identity, products and service offering) through: – Dedicated corporate reputation programs targeted at policy makers and government – Generation of data vs. standards of care, real world data and … – … high quality medico-economic studies (whenever relevant)
3 Earlier and broader access to innovation	Leverage the opportunity offered by fast-track process and public health national plans (e.g., cancer, rare diseases)
4 Healthcare system reorganization	Participate to working groups with health authorities and other stakeholders to: – Facilitate the change management – Ensure it will benefit or be neutral on pharma company performance
5 Promotion of investments in France	Increase or maintain R&D activities to be in a more favorable position to negotiate drugs' price, and weigh – very carefully – the pros and cons before deciding to produce in France

Sources: Smart Pharma Consulting analyses

Smart Pharma
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Consulting firm dedicated to the pharmaceutical sector operating
in the complementary domains of strategy, management and organization

The Smart Pharma Business Reports

- Our business reports have in common to:
  - Be well-documented with recent facts and figures
  - Highlight the key points to better understand situations
  - Propose in-depth analyses
  - Determine the business implications for stakeholders

The French Pharma Market Perspectives 2024 – 2029

- This report has been conceived as a working tool to:
  - Strengthen and align the level of knowledge and understanding of the French pharma market and its key trends by the executives of French affiliates
  - Facilitate the communication, with correspondents of affiliates at the European and/or Global headquarters, regarding the specificities and major trends in France
  - Support the strategic decisions over the next 5 years
- The purchase of this report includes:
  - A two-hour working session to address one or more specific points covered in this report
  - A free access for all collaborators of the pharma group

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- Besides our consulting activities which take 85% of our time, we are engaged in sharing our knowledge and thoughts through our:
  - Teaching and training activities
  - Publication of articles, booklets, books and business reports
- Since 2012, we have published **21 business reports** covering the following topics:
  - French healthcare system and pharma market (2025, 2023, 2021, 2019, 2017, 2015, 2014, 2013, 2012)
  - Market access and drug valuation (2016)
  - French generics market (2017, 2016, 2014, 2012)
  - Global biosimilars drugs market (2015, 2012)
  - Best pharma performers (2015)
  - French pharma distribution (2015, 2012)
  - Digital marketing (2012)
  - French OTC market (2012)
- We expect that this new publication will be helpful

Best regards,

Jean-Michel Peny

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