

INVESTMENT IN DEVELOPING NEW MEDICINES



In 2007, the UK-based pharmaceutical industry invested £4.5 billion into the economy through research and development programmes. Within the manufacturing sector, the industry is consistently one of the top three performers, generating £6 billion in trade surplus in the same year.

Broadening this out to Europe, the research-based pharmaceutical industry is by far the biggest investor in health research and a major source of new, innovative pharmaceutical products.

In 2007, the industry invested €26 billion on R&D, provided employment for 636,000 jobs, including 117,500 in R&D; and generated a trade surplus of €48 billion.

It takes 10-12 years to develop a new medicine to the standards of quality, efficacy and safety laid down by law. Research and development costs of each new medicine exceed, on average, £500 million and only one in seven new licensed medicines goes on to become a commercial success.

The UK-based pharmaceutical industry spends more than £12 million a day on the research and development of new medicines. It is Britain's biggest spender on research into new and better ways of conquering disease, investing some 70 per cent of the total – the rest is made up of research carried out under the aegis of Government, universities (often under sponsorship of other financial arrangement with industry) and charities.

Indeed, pharmaceutical companies are Britain's biggest spenders on all industrial research – about a third of UK industry's entire investment in research and development. The high level of research is funded out of current sales return – nearly 38 per cent.

