



Association of the British
Pharmaceutical Industry

Annual Review 2011/12



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Foreword



Stephen Whitehead
Chief Executive Officer
ABPI

Welcome to the ABPI's annual review, which for the first time is brought to you in digital format as well as the usual written report. We're really keen that you're able to hear directly from us as well as reading our review and you can watch our film at www.abpi.org.uk

Changing formats and presenting ourselves differently is just one way in which we have altered in recent times. Our President Simon Jose (GSK) comes to the end of his term of office this year and we have so much to thank him for as he has led, together with the Board of Management, the ABPI's change agenda. We welcome Deepak Khanna (MSD) into the role of President and we know that the leadership of the ABPI is in safe and extremely capable hands.

Our strategic priorities have been re-focused and are now delivered to you within the framework of membership – policy – advocacy. This ensures that we stay focused on our members' needs throughout our work and produce our policies and drive our advocacy accordingly.

Over the year we have energised our member engagement through our Smaller Companies' Forum, Corporate Affairs Network, Innovation Board, and Medical and Innovation Expert Networks; and we have established a new Chief Executives' Forum and a Finance Directors' Forum, news about all of which is included in this report.

The ABPI has put a great deal of effort into engaging with the external political, scientific and health environment and we have established very positive working relationships with health providers such as the NHS Confederation, patient organisations, medical research charities, and research funders.

We believe that industry's role as a partner in health care provision can only be fulfilled if we reach out and engage, developing a new social contract for today's health environment. Our work to explain and show our integrated partnership approach is aligned with the needs of our fellow health providers and we have established a strong working relationship with the Royal Colleges and other bodies to achieve this on critical areas such as transparency. Our members are leading the way in working with the NHS regionally and locally, and we look forward to supporting more of this pioneering work.

Finally – and critically – the coming year sees the start of negotiations on the next pricing scheme and the challenge of the introduction of broader measures for valuing medicines. The ABPI has worked very hard over the last year to put the building blocks in place to lead the negotiations on behalf of the entire industry in the UK.

Foreword



Simon Jose
President
ABPI

My priority for the ABPI when I became President in 2010 was to transform it into a much more dynamic and vibrant organisation, which is better able to serve and represent the needs of its expanding membership. I firmly believe we have achieved this and the changes we have implemented over the past two years have created an organisation that is much more closely aligned to the priorities of our members and reflects the innovative nature of our business.

The past year has seen the ABPI step up to lead the industry in new areas and ensure that we are at the heart of the development of the new NHS. We were very much involved in the development of the *Innovation, Health and Wealth* report and now sit on the panel to implement the changes and deliver greater uptake of medicines into the NHS, to benefit patients and industry. ABPI members are very well represented on the task and finish groups for this project. Industry as a whole has benefited from the Government's agenda to sustain and encourage growth in our sector, which we very much support.

During 2011, we said farewell to Director General Richard Barker, and thanked him for his significant contribution and many years of leadership at the ABPI. We welcomed our new Chief Executive, Stephen Whitehead, and embedded a new senior team, which is now recognised as the face of the organisation today. We also introduced the ABPI's new branding and moved to new offices – a clear demonstration of the transformation occurring within the organisation. The feedback from our members, partners and stakeholders has been extremely positive.

In this period of rapid change in the health service and the economy, the ABPI's leadership is very well-placed to ensure that we have the collaborative and positive voice we need going forward. It can help ensure we can continue to bring to the health service new medicines and new innovations that will benefit patients now and in the years to come.

The pivotal role that the ABPI plays in providing a voice for its members cannot be underestimated, and I am very proud to have served you all. I would like to thank everyone for their support and engagement during my time as President and I truly believe that together we have made a difference.

The ABPI: who we are

The ABPI represents innovative research-based biopharmaceutical companies – large, medium-sized, and small – leading an exciting new era of biosciences in the UK.

Our industry, a major contributor to the UK economy, brings life-saving and life-enhancing medicines to patients. Our members supply 90 per cent of all medicines used by the NHS, and are researching and developing over two-thirds of the current medicines pipeline, ensuring that the UK remains at the forefront of helping patients prevent and overcome diseases.

The ABPI is recognised by Government as the industry body negotiating on behalf of the branded pharmaceutical industry, for statutory consultation requirements including the pricing scheme for medicines in the UK.

Our mission

The ABPI's key priority is to meet the needs of our members in small, medium-sized and large companies, across all membership communities in the UK and involved in all aspects of innovation, from early discovery, trials and regulation, to licensing, pricing, reimbursement, access and uptake. All our members share the common goal of striving to bring innovative medicines to patients, to meet their medical needs best.

It is our role to develop policy and positions that address the needs of our members and advocate on their behalf across the UK. This in turn requires leadership from the ABPI in identifying and developing new priority areas in which to work.

The two key areas that we will lead on in the coming year are the forthcoming pricing negotiations, and engagement with the new shape of the health service across the four nations of the UK in order to improve access to new medicines and increase uptake of medicines within the NHS. We are committed to bring the right medicines to the right patients at the right time.

The ABPI is the body recognised by the Government to negotiate the price of branded medicines on behalf of the entire industry. Work has already begun in 2011 to consult with industry on key questions for the next pricing scheme, and we continue to build our in-house capacity to lead the negotiations that are due to start in 2012.

Recognising and understanding the changing NHS landscape will be key to improving the access to and uptake of our medicines. An excellent example of our support for members in new areas is the development of our regional NHS Partnership Team.

Within the ABPI we work collaboratively and seamlessly, and align investment with our strategy. We have recruited highly experienced and skilled staff to lead our work. Since our 2010/11 report we have substantially re-shaped our teams to deliver a higher quality, better service for members.

The changing environment – our changing focus

Today's health environment is built on partnerships that provide care for patients throughout their journey through the health service. This is a long way from the transactional relationship that our industry shared with the NHS in the past.

The ABPI's work to tackle some of the myths about how industry works is now bearing fruit. Co-chaired by the ABPI and the Royal College of Physicians, the Ethical Standards in Health & Life Sciences group has rapidly expanded over the past year based on the principles of shared ownership of the issues and solutions delivered in partnership. Building on the work begun in 2009, the group now includes new organisations such as the British Medical Association, the medical Royal Colleges, the Association of British Healthcare Industries (ABHI), the British In-Vitro Diagnostics Association, and National Voices.

Following the decision in 2010 to end the practice of giving promotional aids with branded medicines, the work has now developed into some ambitious new areas including projects on increasing the transparency of payments from industries to health care professionals, ensuring best practice in industry-supported medical education, and tackling the issues of transparency of clinical trial data. Guidance on collaboration between health professionals and the pharmaceutical industry has very recently been launched to help increase mutual respect and establish a platform for better collaborative working between industry and the NHS. We believe that a commitment to engaging with our critics will overcome the remaining misconceptions about industry and how we work.

This is critical work because in the new NHS, our members will have to develop stronger relationships with our health care colleagues in order to work more closely to deliver excellent patient care. We will need to work as closely as possible with our partners in health in order to do this, and out-dated thinking about the pharmaceutical industry needs to be dispelled as quickly as possible.

As the NHS landscape changes we need to support our members in finding their way around. The ABPI has been working hard to develop services for members to help them do this. In Northern Ireland, Scotland and Wales we have a track record of engaging at local level, and we have recruited a new NHS Partnership team of experts in supply, access and uptake of medicines who are based regionally in England and bring their local expertise and networks. They are working with members to develop local relationships, work through the complex gatekeeping systems, and ensure that ABPI members can benefit from the newly emerging NHS structures.

A very significant project for the ABPI in 2011 has been the flagship Innovation Pipeline, with our partners the NHS Confederation and the ABHI. Using a proof-of-concept model, ABPI members have been able to showcase already successful partnership working directly to NHS commissioners and chief executives. This work is set to expand in 2012. In this age of NHS austerity, where savings and cost cutting is paramount, projects that demonstrate value for money and better outcomes for patients are already attracting attention from far-sighted NHS leaders. Today's health care environment requires above all that we demonstrate and prove the value of our medicines. We want to take this as far as possible by demonstrating their value to the entire patient pathway and the efficiencies that could be delivered system-wide with the adoption of a broader and more patient-focused perspective.

The ABPI was very pleased to be involved in the Innovation Review and members provided the support for a post to be seconded to the Review to support all the life sciences. The resulting report, *Innovation, Health and Wealth*, made a very important commitment to improving the uptake of new medicines into patient pathways. This is an important gain for Life Sciences as a whole, because it

recognises that one of the key barriers to our medicines and devices being available to patients is the difficulty of introducing change into existing NHS ways of working. The ABPI is committed to supporting the implementation of the Review, and the Chief Executive and a member company sit on the Implementation Board, while many of our members are now supporting the Board's task and finish groups.

We were very pleased that the Government continues to support the growth of industry in the UK through the Prime Minister's 2011 budget announcements and the Autumn Life Sciences Strategy. Globally our industry is adapting to a changing economic, research and manufacturing environment, and it is critical that we do all we can to attract as much as possible of the available investment into the UK.

More broadly, we are working to enhance the view that our high-end Research and Development (R&D) and manufacturing capabilities are second to none and of fundamental value to the UK economy.

Our direction of travel in R&D is into stratified and personalised medicines, as we seek to find new ways to treat individual patients rather than a general condition. The ABPI in 2011 launched two new documents on Real World data: *Demonstrating Value with Real World Data: a Practical Guide*, launched as a guide for our members; and *The Vision for Real World Data - Harnessing the Opportunities in the UK*, which examines the potential future importance of using Real World Data to demonstrate value, the opportunities we have in the UK, and the significant role this plays in ensuring patients' access to new innovative medicines.

Both publications champion the use of patient data and experience to develop further our understanding of the impact of our medicines in treating conditions and improving health care delivery. Beyond Real World Data and extending to R&D and personalised medicine, we were therefore very pleased to see the announcement by the Prime Minister in December 2011 on harnessing e-health capabilities and data linkage for approved research, with the appropriate anonymisation and privacy safeguards.

In 2011 the ABPI Pharmacovigilance Expert Network published best practice documents on managing safety information from patient support programmes and from internet sources. Much of the content of these documents was captured in the implementing guidance for the new European pharmacovigilance legislation (published in February 2012).

Working with our members

The ABPI exists to meet the need of our members, and our membership is diverse in many ways – so there are packages of membership services to suit everyone’s requirements. We represent the research-based pharmaceutical industry and in today’s world that means we have to anticipate and respond to the needs of very small companies, medium-sized enterprises, and very large organisations that work with giant global structures. We are able to do this because we listen very carefully to what our members need and we understand the world in which they are operating. Key members of ABPI staff have worked in our industry for many years and know the pressures that our member companies work under. Over the past year we have brought new tailored services to our members so that they are better equipped to thrive in today’s economic circumstances.

Our Chief Executives’ Forum has brought industry leaders closer to the new NHS through events and briefings that provide them with an in-depth understanding of the changes already happening, and provide them with opportunities to engage at the highest level with key NHS leaders.

Our Smaller Companies’ Forum has undergone substantial changes, with new formats, speakers, and engagement in key ABPI work areas. Our new government affairs monitoring service provides these members with a world-class daily and special response service that is second to none.

We have initiated a new Finance Directors’ Forum to bring together the finance heads from companies and work with them to increase their understanding of key issues such as Value Based Pricing.

Our members working in corporate affairs have seen a radical transformation of the way in which we support our government affairs, media, and communications experts. We have moved from a narrow committee-based structure to a broad network able to share ideas and views across our specialisms. This has increased participation and brought valuable insights to issues such as a digital communications and crisis management as well as proving a useful networking forum for these members. Future issues will include working with the new NHS structures.

Our capacity to support our members has been transformed by the recruitment of a new events manager and extra support for the membership team. We have embarked on an ambitious programme of events and are reaching out to work in partnership with sister organisations such as the BioIndustry Association (BIA).

We have initiated a new member communications function, and developed our briefings and policy papers for members. Our regular Monday update *Newsflash* has carried features on key areas of work, such as the workstream to enhance our reputation, and our Board members have gained greater visibility in the membership in a series of short profiles. Specialist groups in the ABPI now have dedicated publications, such as the *HTA Bulletin*, which keeps our experts up to speed with new developments and changes in Health Technology Assessment (HTA).

We have developed our support to members in the key area of media, where we keep everyone updated and briefed about key issues anticipated in the media together with possible policy lines and a 24/7 support service.

This strengthened media function has enabled us to support many member companies in ensuring fair and balanced reporting. We have been able to shift some common misconceptions in key areas such as medicines shortages and clinical trials. We have also matched our media relations to key policy areas, for example, working closely with the *Health Service Journal* to reach out to managers and payers in the NHS.

Policy and advocacy

We capture our members' views and needs and refine our policies and positions using a matrix of member-led working groups and expert networks that put us constantly in touch with latest thinking and innovative ideas. This ensures that our policies and thinking are truly member-led.

Over 2011 we have built and strengthened our corporate affairs team and increased collaborative working by combining it with our policy function. We now have a first-class, in-house team supported by Luther Pendragon, who were appointed following a rigorous tender exercise to find a new government affairs agency team.

Our detailed thinking on pricing has been led by members in working groups looking at areas such as methodology, thresholds and weightings.

We continue to harness the expertise of our members in technical areas such as nonclinical and biological discovery, regulation, pharmacovigilance, experimental medicine and clinical research, manufacturing, informatics (eHealth), sector skills, and education, through our Expert Networks – developing and influencing policy, advocating and representing our position at both the national and European level.

Over the year our advocacy work has reached out into the health and political community. The Life Sciences UK partnership stand at the EXPO event in March 2011 was run by members and staff together and attracted a wide range of visitors. In May we attended and spoke at the National Institute for Health and Clinical Excellence (NICE) conference, supporting members and providing policy briefings from our stand in the exhibition. The ABPI attended party conferences across the UK to meet politicians and stakeholders and engage in debates and discussions, and to speak at fringe meetings. Throughout the year we have held regular meeting with Ministers, politicians and officials at all levels in all four countries.

The ABPI sits on key ministerial working groups. In Westminster these include the Ministerial Industry Strategy Group, the Medicines Access Group, Metrics Oversight Group, and the UK Clinical Research Collaboration.

In October 2011 we attended the *Health Service Journal* summit, a key event in the calendar for leaders in health policy and delivery of services, and started a dialogue that continues to benefit our members by positioning industry as partners in health.

Our work to engage with groups that represent patients and the research charities has been kick-started with roundtables and briefings on key issues such as Value Based Pricing and the ABPI's Code of Practice. Patient groups have been placed much more at the centre of our debates and discussions, with invitations that bring the patient voice into our keynote events.

ABPI Northern Ireland (NI) policy and advocacy

The year has seen a consolidation and expansion of ABPI NI membership engagement with a range of relevant stakeholders. Alongside individual meetings with key politicians, ABPI NI has also held informal meetings with the Health and Social Care Committee and continued its formal meetings with senior officials from the Department of Health, Social Services and Patient Safety. We occupy two seats on the Medicines Management Forum and, after a strong response to the consultation on the establishment of a Regional Formulary, a seat on the recently-established Formulary Implementation Group.

ABPI Scotland policy and advocacy

ABPI Scotland has delivered a number of key policy changes and new partnerships for members during 2011. We worked with a multi-stakeholder group to refresh *A Common Understanding*: a framework to support joint working between industry and the NHS in Scotland. The new version of *A Common Understanding*, endorsed by the Cabinet Secretary for Health, Wellbeing and Cities Strategy, will be published in 2012. Working through the National Research Scotland Industry Partnership, the approval times for clinical trials in Scotland have been reduced and the group is now focused on improving patient recruitment.

ABPI Scotland continues to represent industry as a partner in the Scottish Medicines Consortium (SMC) and the Patient Access Scheme Advisory Group (PASAG), as well as developing a new collaboration with ISD Scotland to co-develop a Pharmacoepidemiology Analytical Service on the use of new medicines in Scotland.

The ABPI represented industry on a short-life working group, convened by the Cabinet Secretary at ABPI's request to tackle key issues. This has led to revised guidance on the introduction and use of new medicines in Scotland, which limits the time taken between SMC recommendation and local formulary decisions to 90 days. Health Boards will be required to publish publicly both the decision and the rationale within 14 days of the decision being made.

ABPI Wales policy and advocacy

Continuing our excellent working relationships across stakeholder groups, the ABPI has been integral in a number of policy developments in what was a busy year for Wales – with a referendum on the devolution of further powers and elections to the National Assembly. This has led to new opportunities to work with the newly-formed Health and Social Services Committee, with access to medicines moving up the agenda, through both written and oral briefing sessions. The ABPI Cymru Wales Industry Group Medicines Knowledge Base has been re-established for the new Assembly, with educational meetings well attended by politicians, researchers and Assembly staff.

Through active Membership engagement via the Wales Industry Group and Wales Value Group, a pilot for Patient Access Schemes in Wales and an HTA-limited submission process have been introduced by the All Wales Medicines Strategy Group (AWMSG), and an All Wales framework for Individual Patient Funding Requests has been established. The TDA Partnership Group has been actively involved in the development of these processes, giving our members a voice in the development of the managed entry of medicines in Wales. We have established our role within the Betsi Cadwaladr University Health Board Drugs and Therapeutics Group – the first time in the UK that the industry has been given a voice at such forums.

In Wales and Northern Ireland, the ABPI puts industry at the centre of political debate and discussion, with keynote lectures from Lord Robert Winston and Michael Rawlins.

Five themes for 2012

As the entire pharmaceutical industry in the UK moves towards negotiations on the new pricing scheme, the ABPI, as the recognised negotiation partner with the Department of Health (DH), has been looking at the strategic themes that influence the environment for the discussions. We have chosen five themes that are key to how industry is perceived in the UK, and are working to increase awareness and challenge misconceptions.

The pharmaceutical industry in the UK is of huge value to the economy and the NHS

- Our industry generates a trade surplus of £7 billion, greater than any other industrial sector in the UK¹.
- The pharmaceutical industry employs around 67,000 people directly (25,000 of those in research and development)².
- The proportion of the NHS budget spent on medicines has fallen since 1999 – down from 13% to a little under 10% today³.

Medicines innovation is often a gradual, incremental process and our next pricing scheme must reward and recognise this

- It takes 12-15 years to develop a new medicine⁴ to the standards of quality, efficacy and safety laid down by law.
- Research and development costs of each new medicine are on average £1.15 billion⁵.
- Only one in five new licensed medicines goes on to recoup its cost.
- Incremental advances in medicine development, including antibiotics, anti-epileptics, cancer, and HIV treatments, have led to considerable progress in treatments.
- Innovation comes in many different forms and the next pricing scheme must ensure all of these aspects are fully and appropriately valued.
- Innovation is valued differently by patients, healthcare professionals and the NHS

The cost of medicines in the UK is fair and reasonable

- There is poor understanding of the complex issues around the cost of medicines in the UK.
- In the last published Pharmaceutical Price Regulation Scheme (PPRS) report to Parliament, the UK was shown to have amongst the lowest priced medicines in Europe⁶.
- The UK spends only 0.9% of GDP on medicines – less than the European average of 1.2%⁷.
- The UK is very efficient when it comes to paying for medicines, as around two-thirds of all prescriptions dispensed in the UK are for cheaper generic medicines⁸.
- New medicines⁹ only account for 10% of the NHS's total spending on medicines¹⁰.
- Between 2009 and 2015, the NHS will save more than £3bn¹¹ because of older medicines coming off patent. These savings must be reinvested into new innovative treatments.
- The population is ageing and is developing more challenging long term conditions – this means the amount the UK spends on medicines will rise.

¹ HM Revenue and Customs, UK Trade Info 2009, released February 2010.

² Business Enterprise Research and Development (2008, 2009, 2010), 2010 released November 2011. Office for National Statistics (ONS).

³ At manufacturers prices – Office of Health Economics (2011).

⁴ CMRI

⁵ Latest estimate is US \$1,778m, at 2010 prices (£1 = US\$1.546; Source: Bank of England - 1.778/1.546). Paul SM, Mytelka DS, Dunwiddie CT, Persinger CC, Munos BH, Lindborg SR, Schacht AL 'How to improve R&D productivity: the pharmaceutical industry's grand challenge.' Nature Reviews Drug Discovery. 2010 Mar;9(3):203-14. Epub 2010 Feb 19.

⁶ PPRS, 11th Report to Parliament, February 2012.

⁷ EU 15 countries – ABPI Calculation, IMS, OECD (2010 figures)

⁸ NHS Information Centre (2009)

⁹ Branded medicines introduced within the past 5 years.

¹⁰ IMS (2010)

¹¹ ABPI Forecast (2010)

- Medicines optimisation is an important part of reducing the NHS medicines bill – reducing waste and improving adherence are key to delivering better value throughout the system.
- The pharmaceutical industry is working collaboratively with clinicians, pharmacists, GPs and patients to ensure the best possible management and usage of medicines – and it is important that all parties play a role in delivering the best value to the NHS.
- It is equally important that the financial risks taken by pharmaceutical companies in developing new and innovative medicines are rewarded fairly.

The uptake of new medicines in the UK is slow and low

- The uptake of new medicines is significantly slower in the UK than the European average¹².
- In the UK the use of new cancer medicines is 33% lower than the European average¹³.
- Delays in either reimbursement decisions or cost-effectiveness appraisals slow the use of new medicines.
- Improving access to medicines for NHS patients must be a key objective of the next medicines pricing scheme.
- We expect the implementation of the *Innovation, Health and Wealth* report to make a significant difference to the uptake of medicines innovation from 2012 onwards.

The pricing environment has an impact on the research and development sector

- There was more Research and Development (R&D) performed in the pharmaceutical sector than any other sector in 2009, representing 28.4% of all UK in-house R&D spending¹⁴.
- The Government needs to ensure that UK remains an attractive place for investment.
- All other things being equal, the commercial environment is a key factor for companies in choosing where to invest in future R&D, the R&D investment for 2010 was £4.6 billion¹⁵.

Future focus across the UK

- Leading the pricing negotiations and the development of a broader definition of value acceptable to industry and beneficial to patients.
- Managing the existing PPRS scheme.
- Increasing the uptake of medicines into the NHS and supporting the Implementation Board to achieve the objectives of *Innovation, Health and Wealth*.
- Improving access to medicines via NICE, SMC and AWMSG.
- Optimising the current HTA across the four nations.
- Developing the new ABPI NHS Partnership team.
- Developing policies for the supply shortages issue and working in partnership with other stakeholders to achieve a long-term solution.
- Improving transparency on clinical trials, medical education funding, and payments to health care professionals.
- Optimising conditions for open and collaborative innovation in research and development.
- Creating a favourable policy environment for the development and use of stratified and personalised medicine.

¹² EU 15 countries, cancer therapy area – up to 5 years after the medicines launch (2009) – ABPI Analysis.

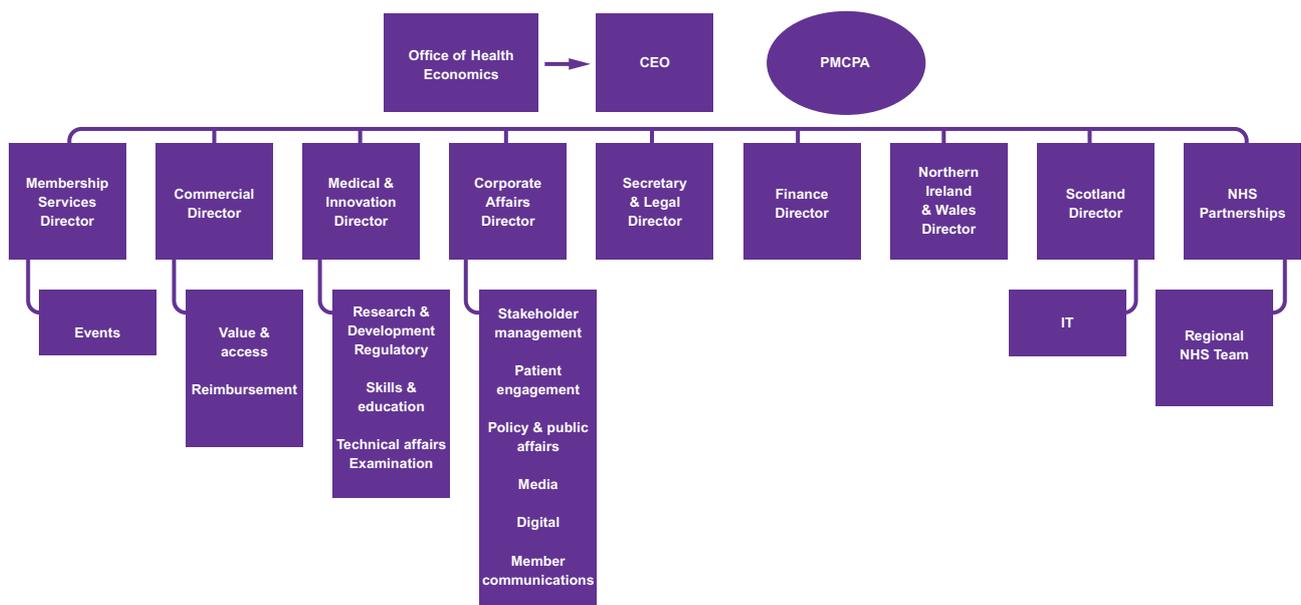
¹³ EU 15 countries, cancer therapy area – up to 5 years after the medicines launch (2009) – ABPI Analysis.

¹⁴ <http://www.abpi.org.uk/industry-info/knowledge-hub/randd/Pages/default.aspx>

¹⁵ ONS Business Enterprise R&D 2010.

New challenges – new structure

The ABPI for 2012 is ready to meet the challenges ahead of us. A new NHS Partnership team, a strong Corporate Affairs team, and an expanded Member Services team are in place and working on key policy areas. Our Commercial team, supported by AT Kearney, is ready to meet the challenges of the pricing negotiations as well as the labyrinthine developments of the existing UK HTA systems. Our Medical and Innovation team has produced excellent work on behalf of members throughout the year and we will shortly be launching our new publication, *The Many Faces of Innovation*.



OHE material for ABPI Annual Review 2011/12

The Office of Health Economics (OHE) has had a busy year conducting policy-related economic research, and advising the ABPI and consultancy clients.

A major research highlight has been the OHE Commission on Competition in the NHS, which published its report in January 2012. The Commission brought together economists and senior figures from the NHS and Department of Health to answer the question: for which NHS services is competition between providers likely to bring benefits, and for which is it not? We undertook rigorous reviews of the evidence from both health care and social care, and held workshops with NHS managers and commissioning GPs at which they could challenge and add to the findings. The OHE Commission report advocates a cautious expansion of competition and provides a tool to enable NHS commissioning bodies to prioritise where they do that first.

OHE's research is designed to shape and inform debate about policy relevant to health care and the life sciences industry. OHE's research outputs encompass a large number of peer-reviewed and other publications, and public presentations at conferences, seminars and workshops. One major strand of current research concerns improvements to ways of measuring health gain. Another is updating the evidence on the research and development costs of producing new medicines. OHE organised and hosted several seminars – on international approaches to Value Based Pricing, and on the productivity of European versus US pharmaceutical R&D, for example – and at the OHE Annual Lecture Professor Milton Weinstein of Harvard University contrasted the love/hate relationship of British and US policy makers respectively to 'cost per QALY'.

The OHE has supported the ABPI with advice, both proactive and reactive, on the major economics-related policy issues in health care and the pharmaceutical industry throughout the year. Understanding and evaluating options for future Value Based Pricing of newly-launched medicines, as consulted on by the DH, has been perhaps the single largest focus of that work. Other significant achievements have been: developing a way to project the likely future growth of medicines expenditure in the NHS; and combining case studies of real medical innovations with the conclusions drawn by the economic literature in a single publication, to improve policymakers' understanding of the nature of innovation.

ABPI Board of Management (as at 1 January 2012)

Simon Jose

GlaxoSmithKline UK Limited – President

Lisa Anson

AstraZeneca UK Limited

Robin Bhattacharjee

Actelion Pharmaceuticals UK Limited

Nick Burgin

Eisai Limited

Martin Dawkins

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GlaxoSmithKline UK Limited

John Stageman

AstraZeneca Global R&D

Steve Turley

Lundbeck Limited

ABPI Senior Leadership Team

Stephen Whitehead

Chief Executive Officer
(from June 2011)

Geoff Bailey

Director of Finance
(from August 2011)

Amanda Callaghan

Director of Corporate Affairs

Alison Clough

Director of Commercial

Dr Rick Greville

Director of ABPI Cymru Wales
and Northern Ireland

Dr Esteban Herrero-Martinez

Medical and Innovation
(from February 2012)

Dr Louise Leong

Medical and Innovation
(from February 2012)

Samantha Ogden

Director Member Services
(from September 2011)

Andy Powrie-Smith

Director of ABPI Scotland

Carol Wilson

Legal Director and Secretary of the Association

Professor Adrian Towse

Director of the Office of Health Economics

Heather Simmons

Director of the Prescription Medicines
Code of Practice Authority

Dr Richard Barker

Director General
(until May 2011)

Paul Evans

Director of Finance
(until July 2011)

Dr Allison Jeynes-Ellis

Director of Medical and Innovation
(until February 2012)

ABPI members (as at 1 January 2012)

Full members

A.Menarini U.K.S.R.L.	GlaxoSmithKline Plc
Abbott Laboratories Limited	Grunenthal Limited
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Alexion Pharma UK Limited	Janssen
Alliance Pharmaceuticals Limited	Leo Pharma
Almirall Limited	Lundbeck Limited
Amgen Limited	Merck Serono Limited
Astellas Pharma Limited	Merck Sharp & Dohme Limited
AstraZeneca Plc	Merz Pharma UK Limited
Basilea Pharmaceuticals Limited	Napp Pharmaceuticals Limited
Bausch & Lomb UK Limited	Novartis Pharmaceuticals UK Limited
Baxter Healthcare Limited	Nycomed: a Takeda Company
Bayer Plc	Orion Pharma (UK) Limited
Biogen Idec Limited	Otsuka Pharmaceutical Europe Limited
Boehringer Ingelheim Limited	Pfizer Limited
Bristol-Myers Squibb Pharmaceuticals Limited	Pierre Fabre Limited
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Chugai Pharma Europe Limited	Sanofi Limited
Daiichi Sankyo UK Limited	Servier Laboratories Limited
Dainippon Sumitomo Pharma Europe Limited	Takeda UK Limited
Daval International Limited	UCB Pharma Limited
Eisai Limited	Vifor Pharma UK Limited
Eli Lilly & Company Limited	Warner Chilcott Pharmaceuticals UK Limited

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Centre for Medicines Research International Limited	Pharmacogenomic Innovative Solutions Limited
Charles River Laboratories	Pharmanet Limited
Covance Laboratories Limited	Quintiles Limited
ICON Plc	Quotient Clinical Limited
Life Sciences Research Limited	Richmond Pharmacology Limited
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ORION Clinical Services Limited	Takeda Global Research and Development Centre (Europe) Limited

General affiliates

IHQ Limited
A MacCulloch Associates Limited (AMA Events)
Accenture Plc
American Express Europe Limited
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Arnold & Porter (UK) LLP
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Banks Sadler Limited
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BTG Plc (British Technology Group)
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Ceuta Healthcare Limited
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PH Associates Limited
Pharma Mix Limited
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Policy Matters LLP
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Simmons & Simmons LLP
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Spectrum Regulatory Solutions Limited
Star Medical Limited
Takeda Pharmaceuticals Europe Limited
Taylor Wessing LLP
TFI Group Limited
Thomas Eggar LLP
Trinity Event Solutions Limited
Virgo Health PR Limited
Wragge & Co LLP
Zibrant Limited

The pharmaceutical industry
generates a trade surplus of

£7 billion

greater than any other
industrial sector in the UK

The pharmaceutical
industry employs around

67,000

people in the UK

Time to flourish

Inside innovation: the medicine development process

Re-investing profits from medicines enables companies to develop new medicines for patients

The pharmaceutical industry develops 90% of medicines¹

Average number of years taken to develop successful medicine²

Average cost to research and develop successful medicine³

Number of medicinal candidates tested to achieve one approved medicine⁴

Pre discovery
Based on their disease focus, companies' scientists work to understand the disease

Drug discovery
Researchers select a 'target', such as a gene or protein, then search for a molecule, or compound, that may act on the 'target' to alter the disease

Pre-clinical testing
Early safety and efficacy tests are undertaken in computational models, cells and in animals

Phase 1 clinical trial
The candidate medicine is tested in people for the first time. Studies are conducted with about 20 to 100 healthy volunteers

Phase 2 clinical trial
Researchers evaluate the candidate medicine's efficacy in about 100 to 500 patients with the disease

Phase 3 clinical trial
Researchers study the candidate medicine in about 1,000 to 5,000 patients to generate data about safety, efficacy and the overall benefit-risk relationship of the medicine

Medicine available for patients
The medicine is now licensed for use and patients may benefit from it, subject to value and cost-effectiveness assessments and local health budget availability

¹JEPMA analysis of the WHO Model Essential Medicines List (2006)

²Paul S et al How to improve R&D productivity: the pharmaceutical industry's grand challenge. Nature Reviews Drug Discovery, Volume 9 March 2010 (in 2010 prices based on Bank of England exchange rate)

³Paul S et al How to improve R&D productivity: the pharmaceutical industry's grand challenge. Nature Reviews Drug Discovery, Volume 9 March 2010

⁴PhRMA analysis, updated for data per Tufts Center for the Study of Drug Development (CSDD) database (1995)