

Innovation flourishes in the right environment



The enabling conditions for innovation

Innovation cannot happen without a number of enabling conditions; access to world-class researchers, political and financial stability, and a strong manufacturing capacity and capability.¹



Manufacturing is an important part of our story in the UK

Manufacturing has a critical part to play in the success of the pharmaceutical industry in the UK and is an important part of our contribution to the economy and society.

We are recognised as a world-class centre for medicines manufacturing and are in partnership with Government to create an active and thriving environment for medicines manufacturing.



The UK pharmaceutical industry goes beyond science to manufacturing and the full supply chain



Life Sciences Service and Supply Chain in 2015¹

The Life Sciences service and supply chain includes companies producing specialist products and services to support the industry R&D, clinical and manufacturing activities in the UK and globally.



Largest supply chain segments by both employment and revenue.



Clinical Research Organisations



Equipment and Consumables Suppliers



Contract and Manufacturing

Supply chain split

Biopharmaceuticals



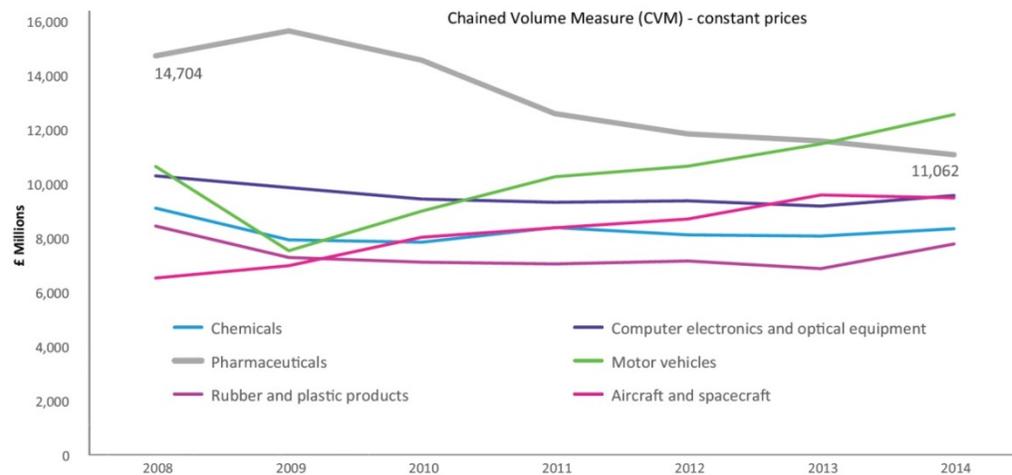
Medical Technology



The Medicines Manufacturing Industry Partnership (MMIP)



- MMIP was established by Government and industry in 2014 to ensure the UK is recognised as a world-class centre for medicines manufacturing.
- Although the pharma sector has been leading other sectors in GVA, the total contribution is falling, calling for a co-ordinated effort to support the UKs manufacturing base.
- MMIP's 3 year mission is to:
 - increase the relative global proportion of medicines manufacturing investment in the UK
 - act as a strong coordinated voice for the medicines manufacturing sector
 - Identify measures to improve the global competitiveness of UK medicines manufacturing
 - promote the benefits of the UK as a location of choice for medicines manufacturing



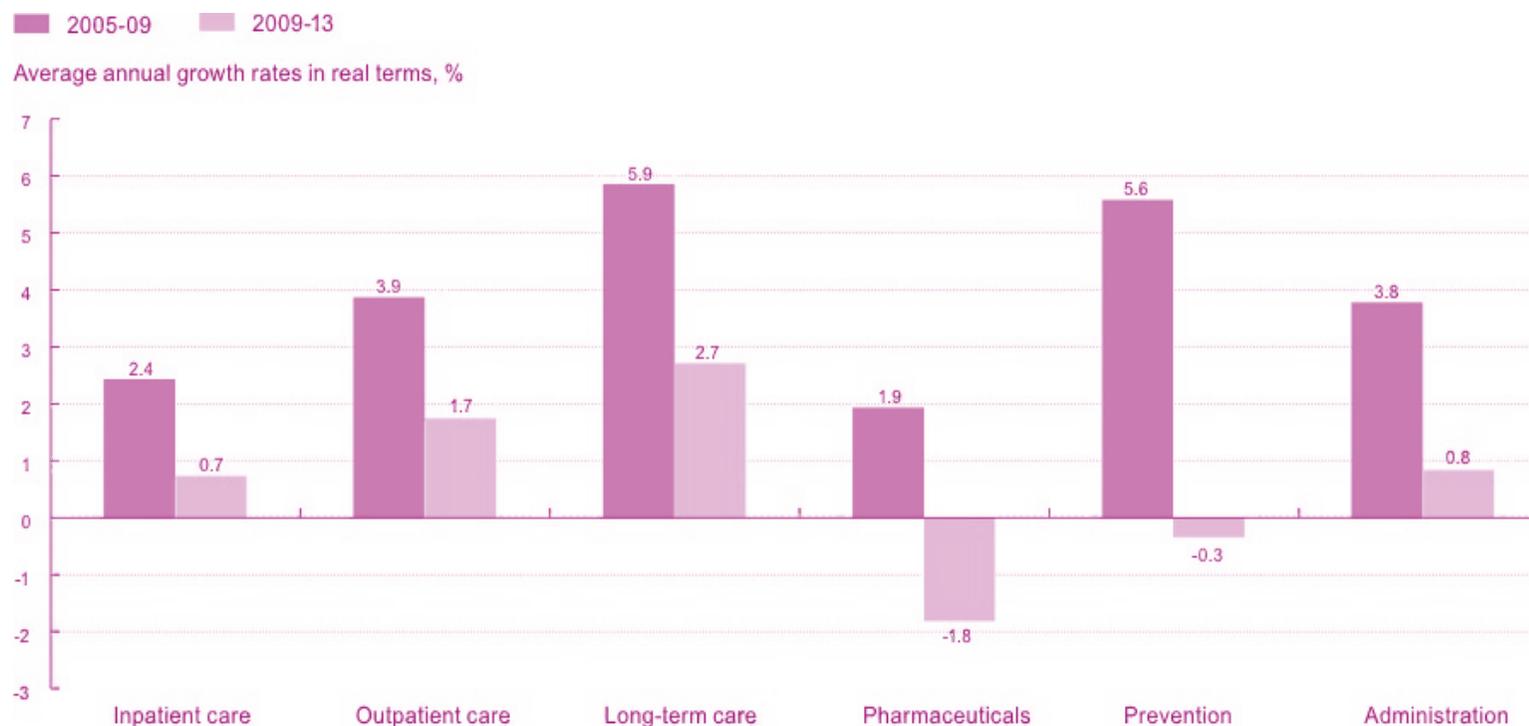
MMIP: Creating an attractive and thriving environment for medicines manufacturing

- Since its formation the MMIP has:
 - Set up a ministerial taskforce to anchor the manufacturing of Advanced Therapy Medicinal Products in the UK.
 - The Knowledge Transfer Network has developed a portal that maps the UK's medicines manufacturing capabilities. mmlandscape.ktn-uk.org
 - In collaboration with MMIP, MHRA Innovation Office has published case studies highlighting how it supports manufacturers to navigate regulatory requirements. www.gov.uk/government/groups/mhra-innovation-office
 - Secured funding for the Advanced Digital Design of Pharmaceutical Therapeutics programme, which allows for the digital design of manufacturing processes.
 - Supporting the generation of the SIP report, working in co-ordination with the ABPI skills team and providing industry's objectives on skills development
 - Continuing to work on the GVA assessment and developed a [fiscal guide](#) explaining the UK's investment and financial offerings



Total OECD healthcare expenditure has seen constant growth while spending on medicines has decreased by 1.8% per annum in recent years

Growth rates of health spending for selected functions per capita, OECD average, 2005-2013



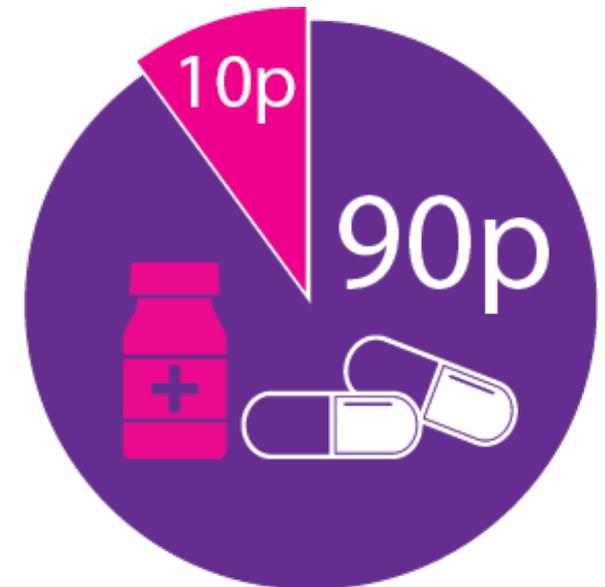
Putting medicines spend into perspective

The NHS in England is estimated to spend just under

10p in every **£1**

on branded medicines, which represents just under

10% of the overall NHS budget



These figures are estimated

Industry's contribution to the funding of UK medicines: the Pharmaceutical Price Regulation Scheme (PPRS)



Unique deal underwrites branded medicines growth,
through direct industry payments to DH



Agreed growth rates



It is estimated that industry will have paid back

£1.296bn*

up to the end of 2015, since the Scheme's inception

£3bn estimated total over 5 years



* As at June 2016

The current PPRS provides a one-off opportunity

- For patients and clinicians, the PPRS provides an opportunity to find the right level of usage of branded medicines, based on clinical factors rather than cost
- For the NHS, medicines bill growth has been underwritten, so commissioners can remove barriers to clinicians choosing which medicines to use
- The PPRS is a single, holistic UK agreement covering the relevant issues which underpin the pricing of NHS branded medicines
- The scheme is designed to support the NHS by ensuring that the branded medicines bill in the UK stays within agreed limits. The 5 year deal gives stability and predictability for industry, Government and the NHS
- Through the PPRS, the ABPI has worked with the Department of Health and NHS England to focus on access to innovative medicines for patients, including via the NHS RightCare programme. It is a programme committed to improving people's health and outcomes. It makes sure that the right person has the right care, in the right place, at the right time, making the best use of available resources.¹
- The deal also aims to encourage innovation and the development of high value treatments, by promoting a strong and profitable pharmaceutical industry capable of and willing to invest in research and development to encourage the future availability of new and improved medicines for the benefit of patients



Ensuring a regulatory framework that protects and rewards innovation



- We are working with Government and other organisations across Life Sciences to determine how to create a world-leading life sciences environment in the UK outside of the EU. This will include:
 - Identifying optimal position for the life sciences sector against potential exit scenarios and generating ideas for agile approaches to overcome barriers and mitigate risks
 - Identifying opportunities to make the UK domestic landscape as strong and attractive as possible for the life sciences industry
 - Providing options for how the UK can negotiate with the EU and relevant EU life sciences bodies to obtain the optimal outcome for UK and European industry, health systems and patients
 - Ensuring a framework for a continued dialogue between the life science industry and the government on these issues
- **Key issues for the pharmaceutical industry in EU negotiations**
 - Securing predictable funding and collaboration for scientific research
 - Securing the ability to trade and move goods and capital across borders
 - Securing regulatory co-operation
 - Securing access to the best talent

The image shows the cover of a document titled 'Manifesto for a strong UK economy outside the EU'. It features the abpi logo at the top right and a purple border. The text is in a serif font, with the title in a larger, bold font. The document discusses the importance of the pharmaceutical industry in the UK and outlines key issues for EU negotiations.


Bringing medicines to life

Manifesto for a strong UK economy outside the EU

The pharmaceutical industry in the UK is key to the success of the UK economy. The global pharmaceutical market is growing, with the UK a world leading manufacturer and exporter. The industry is also the UK's biggest investor in research and development.

Through the life-saving medicines it provides for patients, it supports the NHS to profoundly change the lives of millions of people.

Leaving the EU will present significant challenges to the stability of the industry in the UK. At this critical time, it is vital that we send a strong message that the UK is open for business. The ABPI is calling on the UK's political leaders to ensure that the roadmap for the UK leaving the EU secures the future of our country's pharmaceutical industry.

- **Minimise business uncertainty:** for a sector that plans a decade ahead, it is critical to maintain long-term frameworks and policies and to ensure there is thorough discussion with the pharmaceutical industry on measures affecting it, including in the negotiations with the EU on the terms of the UK's exit.
- **Open the UK to the world:** set up a government-industry taskforce to align the UK regulatory regime for medicines with established international regimes; and maintain the ability of companies to retain and recruit highly-skilled employees from the UK, the EU and the rest of the world.
- **Promote innovation for a strong, competitive UK:** mitigate some of the challenges of leaving the EU by putting innovation at the heart of a new approach to industrial strategy, investing in science and innovation and making the NHS a powerhouse for the economy by enabling it to give fast and fair access to new medicines for all patients.

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Sources

Slide Title	Source
The enabling conditions for innovation, slide 61	ABPI. 2016. EU Life Sciences Transition Programme Report, for the UK EU Life Sciences Steering Committee
Manufacturing is an important part of our story in the UK, slide 62	ABPI. Medicines Manufacturing Industry Partnership.
The UK pharmaceutical industry goes beyond science to manufacturing and the full supply chain, slide 63	UK Life Sciences Strength & Opportunity 2015.
The Medicines Manufacturing Industry Partnership (MMIP), slide 64	ABPI R&D Sourcebook 2015, Page 18.
Total OECD healthcare expenditure has seen constant growth while spending on medicines has decreased by 1.8% per annum in recent years, slide 66	OECD Health at a Glance (2015)
Putting medicines spend into perspective, slide 67	Office of Health Economics
Industry's contribution to the funding of UK medicines: the Pharmaceutical Price Regulation Scheme (PPRS), slide 68	ABPI News Release – Industry contribution to NHS medicines bill almost £1.3bn, but overall spend remains flat
The current PPRS provides a one-off opportunity, slide 69	NHS England RightCare