

The UK pharma industry in a post-Brexit world

Pharmaceutical companies are concerned about the post-Brexit impact on the UK healthcare industry, particularly regarding regulations, research funding, manufacturing and disruption to drug supply to the European Union (EU).



[123rf.com](https://www.123rf.com)

The UK pharmaceutical industry is one of the most dynamic areas of the economy worth £18.6bn (\$26.9bn) in 2017, an increase from £17.7bn (\$25.7bn) in 2015. In 2017, UK-headquartered pharmaceutical companies generated \$87.5bn in global sales and are expected to grow to \$130bn by 2023, at a compound annual growth rate of 6.5%.

Respondents to the <https://www.globaldata.com/store/report/gdhc1763ei--brexit-and-the-healthcare-industry-implications-for-pharma-q1-2018/> *Brexit and the Healthcare Industry – Implications for Pharma, Q1 2018*] survey were asked if the UK was going to be an attractive destination for healthcare research and manufacturing post-Brexit, the split was almost evenly divided among respondents from the US and the UK. However, a substantial majority of EU respondents did not see the UK as an attractive destination for healthcare research and manufacturing following Brexit.

“One explanation for the difference between the EU and the UK is that negative Brexit sentiment is more far-reaching in the EU,” says Alexandra Annis, senior pharma analyst at [GlobalData](https://www.globaldata.com).

Pros and cons

The survey provides an assessment of how the pharmaceutical industry expects Brexit to affect the healthcare sector, both within and outside of Britain. Based on the findings, the company recommends that healthcare companies invest resources into managing the potential regulatory implications for the healthcare industry following Brexit.

Arguments can be made for both sides as to why the UK will or will not be an attractive destination for healthcare research and manufacturing.

On the pro side, the UK is a life sciences leader with regards to both academic research and pharmaceutical development and is home to four of the top six research universities, namely Cambridge, Imperial College, Oxford, and University College London.

“However, substantial uncertainty exists around the UK’s position in the healthcare industry after Brexit. Will the UK remain a member of the EEA (European Economic Area)? Will the European Medicines Agency (EMA) accept clinical trials conducted in the UK? Will the UK have access to EU funding? Will separate patents have to be filed for the UK? All of these questions leave the UK a high-risk market for healthcare companies to invest in research and manufacturing, as indicated by almost 60% of respondents,” Annis says.

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