Overview: The UK Pharmaceutical and Biotechnology Industry

The UK is the European leader in biotechnology, with more than 450 companies having a significant R&D and/or manufacturing presence. In 2003 (the most recent year for which figures are available), 224 new drugs were developed in UK clinical trials, accounting for at least 40 per cent of the European total. And with investment in the sector of US$6.3 billion (also 2003), the UK ranks with the USA and Japan as one of the world’s top three centres for pharmaceutical research.

Industry/Government/Academia partnerships supporting innovation in the Pharmaceutical and Biotechnology Industries

There are well-established relations in the UK between government, biopharma firms, and the UK’s world-leading universities and research institutes. The headquarters of the European Agency for the Evaluation of Medicinal Products (EMEA) and the UK patent branch office are located in London, providing a favorable environment for patent applications and enabling pharmaceutical and biotechnology companies to access a range of medical information. In addition to annual expenditure on bioscience research of approximately US$960 million, the UK government is committed to minimizing the regulatory burden on industry while ensuring that human health and safety are protected. As a result of the supportive environment, the UK saw 10 per cent pharmaceutical sales growth in 2004, despite a slowing in growth in the global market.

The main characteristics of the UK Pharmaceutical and Biotechnology Industry

- All of the top 12 global pharmaceutical companies have major manufacturing and/or R&D facilities in the UK.
- Nearly 50 per cent of Europe’s public biotechnology companies have bases in the UK.
- UK companies account for 40 per cent of new drugs in clinical trials in Europe
- A quarter of the world’s top selling 100 medicines were discovered and developed in the UK
- The industry employs around 73,000 people directly — over a third of them in R&D and 22,400 in biotechnology.

Overview of direct investment to the UK

The UK government has worked hard to create a business environment that is attractive to investors. The government is committed to a flexible regulatory environment, a low tax burden on business, encouragement of R&D, and close collaboration between government, industry and academia. The result can be seen in the new record of 1,066 new investments (a rise of 30 per cent year-on-year) in 2004/2005, generating 39,592 new jobs. Japanese investment in the UK accounts for more than 100,000 jobs.


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