

# A No-deal Brexit May Be Harmful for the Pharmaceutical Industry

## Q&A with Dr Paul Peter Tak

(Venture Partner at Flagship Pioneering, former Senior Vice President, Development Leader and Chief Immunology Officer of GlaxoSmithKline)

Brexit, and certainly a 'no-deal' Brexit will be bad for patients, academic research, the life sciences sector and the economy, according to Dr Paul Peter Tak.

He answers our top four questions about what Brexit really means for the pharmaceutical industry.

**1. Will a no-deal Brexit affect academic research and scientists in the UK?**

Academic research in the UK, which has benefited disproportionately from EU funding, will incur significant losses as the UK will no longer be eligible for European grants.

Considering that science is a collaborative effort, this is not only important in terms of money but also in light of the important consortiums and networks that are created by EU programmes, like the Innovative Medicines Initiative (IMI).

The UK will also lose influence over the European Medicines Agency (EMA), the regulator that approves medicines for use within the EU. The EMA has already moved to Amsterdam as a direct result of Brexit – and it will also no longer be able to shape the European research agenda. As a result of these events, there may be the risk of many European academic researchers and scientists in the UK moving to other countries as they will be looking for an environment where they perceive the open mentality that makes science flourish.

**2. How will it impact the industry across borders, and drug delivery in the UK?**

Because medicines benefit from free movement across Europe and the supply industry has adapted to these arrangements, any significant change to this delicately balanced system may lead to major problems for the pharmaceutical industry.

If there is a no-deal Brexit, the sector will face a challenge around the time it takes to develop drugs and other products. With the pharmaceutical industry having close ties to the EU, the development process depends heavily on the political and regulatory conditions of different countries. This means that supply chain planning often happens years in advance – for example, product development can take 10 to 15 years and manufacturing schedules are made significantly early. A no-deal Brexit would prolong disruption at borders, which could threaten supplies of drugs in the UK and in Europe. While we'll be able to increase the stock of some items such as tablets, other imported drugs like insulin often need to be refrigerated and may therefore pose bigger logistical challenges.

There is also a risk of the UK being excluded from the European Rare Diseases Network, which would raise concerns around orphan medicines and whether such medicines will even reach the UK market. If this is the case, the treatment of rare diseases will be hindered due to a lack of medication.

**3. Will a no-deal Brexit impact the NHS?**

It certainly will, as the NHS is expected to face a significant shortage of many thousands of nurses, social workers and physicians as a result of Brexit. In addition to this, the NHS's ability to recruit new doctors and medical staff from EU countries may be affected by new immigration rules. Replacing staff could also be a challenge, considering that most employees want stable, long-term contracts. Another key EU body partnership that will be lost is the European Centre for Disease Prevention and Control. This will weaken the UK's response to pandemics which could result in the spread of diseases.

In terms of treating ill patients, stockpiling will be required by the NHS to counter the effects of medication shortages.

**4. What will a no-deal Brexit mean for the greater economy?**

Life sciences firms contribute hugely to the British economy, and therefore a shift within this sector could have economic implications. A report by PricewaterhouseCoopers noted that in 2015, the industry employed 482,000 people and contributed £30.4 billion to the country's GDP.

One of the consequences of Brexit will be that the UK and the EU will need to have separate databases on pharmaceutical products in the market, which would lead to an increase in spending by the UK. Furthermore, biotech and pharmaceutical companies that want to conduct multi-country clinical trials currently register on a single EU clinical trial database, but after Brexit, UK companies will need to apply individually to each country. This will represent a huge administrative burden and of course, higher costs for the UK.

Dr Tak is not alone in his opinion that a no-deal Brexit will be bad for the industry. A recent GlobalData report shows that when pharmaceutical professionals were asked about the impact of Brexit on the healthcare sector, 59% of participants indicated a negative sentiment.



**Dr Paul Peter Tak**

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