



Annual Review *2013*

The Association of the British Pharmaceutical Industry



What the ABPI does for its members

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

- The ABPI brings companies together to provide a strong voice, ensuring members are heard in the corridors of power and on the airwaves
- The ABPI ensures that the pharmaceutical industry is recognised as a key sector for the UK economy and placing our issues high on the agenda
- The ABPI is a strong advocate at the heart of policy development and decision making to improve the commercial, operational and investment environment for our members
- The ABPI is the sole body recognised under statute to negotiate a voluntary pricing scheme with government on behalf of members and non-members. As part of this, we will work closely to support all companies with the requirements of the new 2014 scheme and have a strong focus on making the deal work in reality, ensuring that the money industry contributes has a direct impact on improving patients' access to innovative medicines
- The ABPI builds the industry's reputation by promoting the value of medicines and taking targeted action on issues that affect society's and healthcare professionals' perceptions of our industry
- The ABPI provides high-level networking opportunities within the industry and across government, the NHS and regulators
- The ABPI keeps members informed and up-to-date with policy briefings and updates, supporting engagement at the highest levels on all the key issues

We represent research-based companies on a wide range of issues, advocating on our members' behalf with key stakeholders and securing policy changes on issues such as:

- Animal research and the 3Rs (Replacement, Refinement and Reduction)
- Clinical research infrastructure and governance, covering all phases of clinical development, real world data studies, experimental medicine and research using electronic health records
- Education and skills
- Joint working between companies and the NHS
- Manufacturing and product quality
- Market freedoms, including the supply of medicines
- Medical affairs and patient engagement
- NHS commissioning
- Open innovation
- Patient access to innovative medicines
- Pharmacovigilance
- Prescribing guidance to healthcare professionals
- Purchasing behaviour within the NHS
- Regulatory affairs
- Stratified medicine
- Taxation
- The operation of Health Technology Assessment (HTA) throughout the UK including National Institute for Health and Care Excellence (NICE) in England, Scottish Medicines Consortium (SMC) in Scotland and All Wales Medicines Strategy Group (AWMSG) in Wales
- The operation of the Pharmaceutical Price Regulation Scheme (PPRS) 2014
- The value and pricing of innovative medicines

Strategic priorities and highlights for 2013

Pricing and value

- Agreed a five year 'revolutionary' pricing deal – the 2014 Pharmaceutical Price Regulation Scheme (PPRS)
- Evolved value based pricing to value based assessment with continued free pricing
- Ensured continuation of *Innovation, Health and Wealth*
- Influenced Government's decision to sustain investment in the science budget
- Produced the '*Delivering value to the UK*' booklet to show the value of industry to the UK

Access and uptake

- Signed NICE Implementation Collaborative (NIC) Concordat
- Continued to engage with NHS England (NHSE) over the Cancer Drugs Fund (CDF)
- Instrumental in securing Health Technology Assessment (HTA) reform
- Inputted to the Highly Specialised Treatment (HST) programme and methods review
- Successfully ensured General Medical Council (GMC) prescribing guidance on off-label and unlicensed medicines remained unchanged
- Instrumental in securing a new medicines review in Scotland, Wales and Northern Ireland
- Established an ABPI Biosimilars group to engage with this new area of medicine

Partnership and reputation

- Signed partnership agreements with NICE
- Developed a partnership agreement with NHSE and a compact agreement with Clinical Reference Groups (CRGs)
- Produced a joint working guide for working with the NHS
- Further developed our clinical trial transparency position, including developing a clinical trials disclosure toolkit for members
- Launched the 'Big data road map', a four-point plan to direct progress in the area of health data
- Increased awareness of our schools website leading to a 50% increase in visitors
- Engaged with Genomics England Ltd (GEL)
- Signed a declaration on openness on animal research
- Helped establish the Pharmaceutical Industry Sector Board (PISB)
- Agreed industry leads from member companies with NHSE for all 15 Academic Health Science Networks (AHSNs)
- Signed a compact agreement with CRGs
- Established a full strength NHS Partnership team
- Created a carbon footprint toolkit
- Achieved accreditation for the ABPI Exam for medical representatives

Foreword from ABPI CEO Stephen Whitehead

2013 has been a year of unprecedented change in the environment we operate in. We have seen major NHS reforms and the growing weight of health technology assessment in the UK, the dynamism of digital and social media and the welcome enhanced role of the public and patient organisations.

When NHS England came into force on 1 April 2013, the NHS Confederation said the reforms represented a big opportunity but should not be seen as a “silver bullet” for the challenges ahead. I agree - new structures alone won't enable us to tackle the challenges we face and, in 2013, our industry continued to develop relationships with the NHS and others to ensure that we had a seat at the table, to reinforce the important voice of industry. This does not happen without a concerted effort, and industry has played the role of 'critical friend' in 2013 to drive improvements to the environment for increased access and uptake of innovative medicines. This is not least evident by the outcomes of the 2013 pricing negotiation, which saw the agreement of a revolutionary deal unlike any other before. This is clearly not the end of the road for this work. We know that patient usage of innovative medicines in the UK has been getting progressively worse over the life of the last Pharmaceutical Price Regulation Scheme (PPRS) scheme.

The new PPRS provides a game-changing opportunity to improve the UK environment and address the long history of slow access and low usage.

The industry's reputation continued to come under great external scrutiny in 2013 and the ABPI has responded strongly, with many activities undertaken to secure our place as an authoritative voice of the industry. We have also established a firm position on data transparency and this will be a big focus of 2014 as we prepare for more work on discourse of payments to medics and clinical trial transparency. The PPRS negotiations saw us speaking and acting on behalf of the whole industry, ABPI members and non-members, and we have been asked to represent the industry at government level on a range of often sensitive and controversial topics such as animal research, UK access conditions and competitiveness and the changing research and development landscape. Our members value the contribution we make to build the strength and credibility of our industry, and it was pleasing to see that respondents to our annual membership survey consistently said that in 2013 they observed the ABPI maintaining a higher external profile with more focused objectives.

In response to what our members want from us, we will look to focus even more on championing the industry in 2014, highlighting the value it brings to patients in the UK. We will also continue to strengthen our relationships with the NHS and make the outcomes from our NHS Partnership team more visible. We will also need to be ready to respond to more change as we prepare for the paradigm shift in the medicines development landscape, moving from blockbusters to specialised targeted medicines.

Our industry is a significant contributor to the life sciences sector and the Government has, throughout 2013, recognised the role and importance of this sector and the commitment to fostering sustainable long-term growth and competitiveness. I am confident that the work we have undertaken during 2013, and the strides we have taken, stand us in good stead to continue to be a driving force in the life sciences sector in 2014 and beyond.

Stephen Whitehead
Chief Executive Officer



Foreword from ABPI President Deepak Khanna

As my tenure as ABPI President comes to a close, this is my last opportunity to contribute to the ABPI's annual report. As I look back over the last year and my Presidency, I am immensely proud of what the ABPI, our Board and the industry as a whole has achieved.

I would like to take this opportunity to give my thanks to the hard work and dedication of ABPI staff I have had the privilege to work with over the last two years, especially Stephen Whitehead and the Senior Leadership Team, as well as the Board of Management. Together they have ensured that the ABPI has been dynamic and proactive through an immensely busy and challenging period. We have listened and responded to our members, focused on keeping patients at the centre of what we do, and I am pleased to see that our members increasingly recognise the benefits that the ABPI's services and support provides.

2013 will be seen as a year of transformational change for the UK pharmaceutical and healthcare industry. The PPRS was, by far, the most complex negotiation we have ever had with Government and there were points in 2013 where it was difficult to see a light at the end of the tunnel. When this very long journey began in 2012, the PPRS was at significant risk. Despite the complexities of the new agreement, set against a backdrop of the changes in the NHS and economic pressures, the fact remains that we were able to conclude the deal in time and secure the industry's asks, including the stability of a five-year, portfolio based scheme and free pricing at launch, with no change in list prices. This is testament to the skill and determination of the negotiation team, the consistent focus on the objectives set out at the beginning of the negotiations, and the fact that we had the right external relationships in place.

The deal now allows us to move forward and focus on the key issue of ensuring NHS patients get access to the medicines they need. The deal needs to go hand-in-hand with action - by the Government and the NHS - to ensure it becomes a reality and results in patients getting access to the most innovative medicines in the UK.

The relationships we have fostered in 2013 have been both as a result of the pricing negotiations and also a general drive to improve transparency of the industry. My role as President has been to remain balanced and understand the issues and create the right environment with the right people. The ABPI has been integral in shaping the debate and being actively involved in leading the initiatives to drive improvements. 2013 has seen a strong focus on clinical trial transparency and the pharmaceutical industry is committed to greater transparency in clinical trial information. The ABPI has an active role in making changes to payment disclosure and medical education. We have set the solid foundations for these important areas of work to continue into 2014.

I was very privileged to be asked to lead the ABPI as President over the last two years. The opportunity to return to the UK where I was born, serve the industry and work closely with the NHS and other important stakeholders to improve the access and usage of medicines for patients has been an honour and a privilege. I hand over my presidency with great optimism and excitement for the future, confident that industry will continue to flourish and with a very strong industry association in place.

Deepak Khanna
President



2013 Review of the year

January

Scottish Government launches orphan medicines fund

The Scottish Government launches a fund to cover the cost of medicines for individual patients with rare conditions, which are not available for routine prescription. The ABPI Scotland team had submitted a paper suggesting an interim fund be set up in the short term while the new processes are being implemented.

Ethical Standards in Health and Life Sciences Group (ESHLSG) launches a consultation on establishing a public register of payments made to healthcare professionals by commercial organisations.

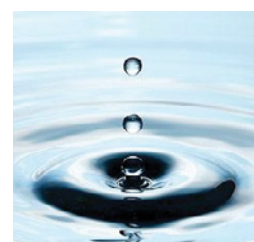
February

Pharma Times event 'Pharma is not getting its act together'

Stephen Whitehead and Dr Ben Goldacre debate issues surrounding the pharmaceutical industry.

Science and Technology Committee inquiry into water quality

The ABPI gives oral evidence to the Science and Technology Committee inquiry into water quality.



March

Budget 2013

The Chancellor announces that the headline rate of the above the line R&D tax credit will be raised to 10%, an increase from the 9.1% proposed in the 2012 budget. He also announces that corporation tax will reduce to 20% from April 2015 – a cut of 1%. The health budget remains protected in both 2014 and 2015.

April

NHS England comes into force

A massive reorganisation of the NHS takes place. NHS England (NHSE) oversees the budget, planning, delivery and day-to-day operation of the NHS in England as set out in the Health and Social Care Act 2012.

Patent Box

The Patent Box and tax credit for R&D, announced in the 2012 budget, takes effect. The tax credit applies a reduced rate of

corporation tax to profits from patents and certain other forms of qualifying intellectual property.

Science and Technology Select Committee inquiry into clinical trials

Following the written evidence in February, the ABPI gives oral evidence to the inquiry, referring to provisional results of research on rates of disclosure of results for industry sponsored clinical trials.

May

Scottish Government New Medicines Review published

The Scottish Government's independent review into the Scottish Medicines Consortium (SMC) processes and access to new medicines is published, which the ABPI submitted to.

May

New Academic Health Science Networks (AHSNs) announced

The ABPI welcomes NHSE's announcement of 15 new AHSNs and supports their authorisation process.

Publication of Medicines Optimisation principles

This guidance provides four principles for medicines optimisation that will help all healthcare professionals to support patients to get the best outcomes from their medicines use.

June

The Department of Health publishes consultation into statutory pricing scheme

The Department of Health (DH) issues a public consultation on the future statutory scheme for pricing of branded medicines and issues additional terms of reference for NICE.

July

Health Secretary announces new genome project organisation

Jeremy Hunt announces the creation of Genomics England. The ABPI, led by the Stratified Medicine Working Group, had facilitated meetings earlier in the year between the DH, Genomics England Limited and ABPI working groups.

July

UK Government Spending Round 2013 for April 2015/2016

The UK Government announces details of the Spending Round for the financial year 2015/16. The Chancellor maintains the ring fence protecting the health budget but spending on the NHS will see a 0.1% rise in real terms to £110bn by 2015-16.

House of Lords 'Regenerative medicine' report published

The report outlines the role regenerative medicine can play to both the health and economy of the UK if the Government can deliver clear action on making the UK as

attractive as possible for inward investment. The ABPI submitted a response to the inquiry in 2012.

Scottish Health and Sport Committee published its report on access to new medicines

The Scottish Health and Sport Committee publishes its report on access to new medicines. The ABPI Scotland team played a major part in the inquiry, submitting seven separate written submissions and appearing at the Committee to give oral evidence on three separate occasions.

August

NHS announces patient record sharing system

NHSE announces a new information service, care.data, which aims to provide timely, accurate information from patients' medical records and is aimed at improving the way that healthcare is delivered.

September

UK Government Antimicrobial Resistance Strategy launched

The DH publishes its five year Antimicrobial Resistance Strategy for 2013 to 2018. The House of Commons Science and Technology Committee announce an inquiry into antimicrobial resistance and the ABPI submits written evidence.

Political party conferences

ABPI holds fringe events at the three main political party conferences in partnership with the New Statesman.

Renewal of the Cancer Drugs Fund (CDF)

The ABPI welcomes the Government's decision to renew the CDF and the extra £400 million investment.

October

Simon Stevens appointed as new NHS England Chief Executive

Simon Stevens announced as the new Chief Executive of the NHS.

Westminster Flu Day

A flu vaccine clinic was held in the House of Commons to highlight the importance of flu vaccination for those over the age of 65 or those in an at risk group. It is sponsored by the ABPI Vaccine Group and supported by the DH.

November

Heads of Agreement agreed for new voluntary Pharmaceutical Price Regulation Scheme (PPRS)

The ABPI and the DH announce Heads of Agreement for a new voluntary PPRS for branded medicines.

Department of Health announces details of statutory scheme

The Government announces revisions to the PPRS statutory scheme that would apply to any company which chooses not to join the voluntary

scheme. The Government introduces a 15% price cut for companies in the statutory scheme.

NHS Mandate published

This Mandate sets out the ambitions for the health service for April 2014 to March 2015, retaining the objective to ensure patients get access to treatments, including those medicines recommended by NICE. Also included were commitments to promote research and innovation, and the role of the NHS in supporting the economy and the *Strategy for UK Life Sciences*.



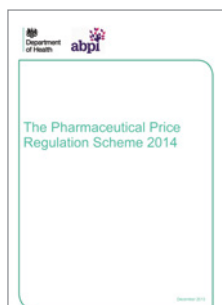
December

G8 Dementia Summit

The UK hosts a G8 summit on dementia in London.

Final PPRS 2014 published

The DH publishes details of the PPRS 2014, effective from 1 January 2014.



NHS England publishes key 2014 documents

NHSE publishes planning guidance, funding allocations, the new NHS standard contract, the Commissioning for Quality and Innovation (CQUIN) and CCG Quality Premium guidance.

ABPI events

Annual conference and dinner - 360° of Health



Left to right: Carol Blount, Richard Stubbs, Richard Gleave, Sir Ron Kerr, Sir Andrew Dillon, Justin Webb

The ABPI annual conference was attended by over 300 delegates and facilitated by Justin Webb, presenter of the BBC Radio 4 Today programme.

Delegates heard speeches and panel discussions from a range of people including: Sir Andrew Dillon, NICE Chief Executive; Chris Ham, Chief Executive of the King's Fund; Sir Ron Kerr, Chief Executive of Guy's and St Thomas's Foundation Trust; Earl Howe, Parliamentary Under Secretary of State for Quality, and Professor Brian Cox.



Professor Brian Cox



Stephen Whitehead, ABPI CEO

Themes covered included:

Continuous improvement in quality and standards throughout the NHS in times of change

The influence of the Francis report and the goals of continuing care while dealing with the NHS efficiency drive

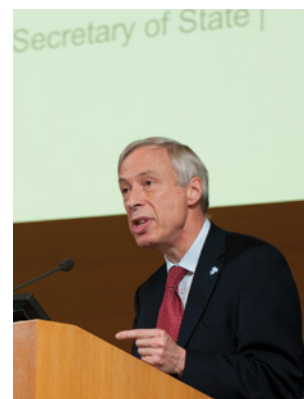
Innovation for health and wealth – do devolved nations have the edge?

New relationships industry will have to develop with NHSE and how the new AHSNS can act as the bridge to new innovative treatments.

R&D conference - 360° of Health Data: Harnessing big data for better health



Professor Dame Sally Davies, Chief Medical Officer



Earl Howe, Parliamentary Under Secretary of State for Quality

The R&D conference was held in partnership with the National Institute for Health Research (NIHR). The conference brought together representatives from industry, academia and the health service sectors.

The objectives of the conference were to hear about the evolving data boom and its impact on the biopharmaceutical industry and the NHS, highlight data needs and the opportunities to improve R&D productivity, and to drive forward health research excellence through partnership working for patient benefit.

Delegates also had the opportunity to attend three workshops which examined the key areas of: stratified medicines,

harnessing data in the UK – innovations driving research in the UK, and data integration and linkage.

The ABPI used the conference to issue a call to action in the area of research data by publishing the 'Big data' road map. The road map set out a four point plan to direct progress over the next four years in the area of research data, and its potential use in medical development.

Masterclasses and workshops

The ABPI held a number of masterclasses and workshops during the year for members on a range of topics such as:

- the remit of the All Wales Medicines Strategy Group
- the new PPRS deal
- specialised services

Three masterclasses on NICE were held which covered:

- 'What makes a good submission to NICE'?
- 'Evidence Synthesis for NICE Submissions'
- 'Optimising NICE submissions in oncology'

We also held technical workshops on clinical trial transparency; bringing together stakeholders including Sense about Science, British Medical Journal, the Cochrane Collaboration, academic funders and charities, as well as the Health Research Authority (HRA) Medicines and Healthcare products Regulatory Agency (MHRA), NIHR and Department of Health (DH) to better understand the technical aspects of clinical research data sharing.

The NHS Partnership team also held a series of regional events for industry and NHS professionals that highlighted the need for industry to work locally to build relationships and trust through transparency.

The ABPI held their sixth annual Legal Day event in October. The Legal Day is an all day event which looks at a variety of legal issues affecting the pharmaceutical industry, and is open to all those working in the legal departments of member organisations of the ABPI.

A revolutionary new deal – the Pharmaceutical Price Regulation Scheme (PPRS)

2013 was dominated by the PPRS negotiations which started in 2012 and were concluded in November 2013 with the Heads of Agreement. At the beginning of the negotiations the Department of Health (DH) proposed introducing a radical new scheme for assessing and pricing all new medicines under ‘value based pricing’, while retaining a separate ‘son of PPRS’ for existing medicines on the market.

The ABPI undertook extensive market research with all companies to determine industry’s priorities for the negotiation. In the final deal the majority of the priorities were met:

- Retained an evolved PPRS, with reformed HTA to consider a broader definition of value, and improved current measures to secure patient access and uptake
- Secured another five year agreement for stability and investment planning, which remains a Four Nations agreement

- Retained UK market advantage of free pricing at launch with no change in list prices
- Secured a portfolio based scheme with no need for individual pricing negotiations on new medicines
- Retained modulation, Patient Access Schemes and flexible pricing provisions

This was the best possible voluntary PPRS we were able to negotiate in the tough times, and it was recommended to branded pharmaceutical companies in the UK by the ABPI Board of Management.



The austerity contribution

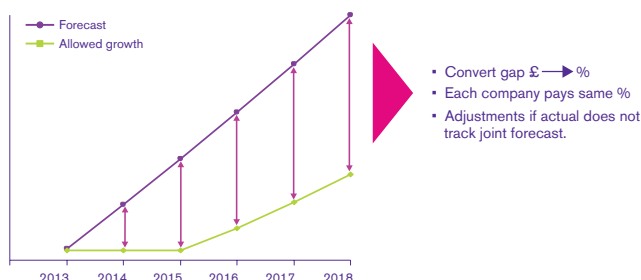
Negotiations took place in a climate of austerity and were the most complex negotiations we have ever had with Government. The deal represents industry’s commitment to play its part by recognising the financial challenges facing the NHS.

Industry has agreed to keep NHS expenditure on branded medicines flat for two years, with the pharmaceutical industry underwriting any further expenditure by the NHS within agreed boundaries. After the first two years, it is expected that the growth on branded medicines will be kept in line with the expected growth in NHS expenditure.

We have been very clear that the PPRS provides a game changing opportunity to free the NHS from the cost constraints that have historically led to low and slow access and usage of innovative medicines for UK patients. However, the deal needs to go hand-in-hand with action, by the Government and the NHS, to ensure patients have access to innovative medicines in the UK. The industry will underwrite any further expenditure by the NHS.

Illustration of the mechanism

Medicines bill vs. allowed growth (£)



Value based assessment and NICE

We consider the PPRS deal to represent a further evolution of ‘value based pricing’ by introducing a broader definition of value. We have moved away from price setting proposals (value based pricing) to a value based assessment proposal, which allows NICE to use a broader definition of value in its assessment of medicines in order to reflect more fully the value they bring to patients and society. The PPRS presents a chance for NICE to look at the value based assessment proposal differently and take a more pro-innovative approach when reviewing medicines.

We have confirmation that NICE will not negotiate, publicly set, or publicly indicate prices and the quality adjusted life-year threshold range for NICE assessment will remain unchanged for the duration of the PPRS agreement and not decrease, as was proposed during negotiations.

Uptake

We are pleased that NHS England (NHSE) has made a commitment to the implementation of Innovation, Health and Wealth. In 2013, industry put in significant effort to ensure that the Government held NHSE to account for its obligation to innovation, demonstrated by its support for research and development and for its success in promoting the rapid adoption and diffusion of innovative medicines.

Review of 2013 objectives

The ABPI set a number of objectives to guide its work in 2013. These objectives reflected the priorities of our members, large, medium and small. Below are details of how we met those aims.

Pricing and value

Ensured the value of the industry to the health of the UK was recognised

The ABPI worked to raise awareness of the value that the industry contributes to the health of the UK. The *'Delivering Value to the UK'* booklet highlighted the contribution of the pharmaceutical industry to patients, the NHS and the economy, providing a definitive source of statistical and case study information.

The ABPI welcomed the opportunity to contribute to the *Innovation, Health and Wealth* (IHW) refresh in October. We highlighted areas of focus such as accelerating operational delivery, alignment of finances and incentives, increased need for local accountability and retention of key ABPI IHW work streams, including the NICE Implementation Collaborative (NIC) and the Innovation Scorecard, along with better communications and local engagement.

Our commitment to joint working was demonstrated through our NHS Partnership team who are dedicated to helping industry and the NHS to productively work together. A joint working guide was produced which highlighted the strength of partnership working between the pharmaceutical industry and the NHS. The guide was compiled using a wide range of experience from ABPI members, and includes examples of case studies of joint working that have delivered real improvements for patients and adopted innovative approaches in areas such as asthma care and reducing chronic obstructive pulmonary disease (COPD).

Ensured the economic contribution of the industry to the UK was recognised

The industry makes a vital contribution to the UK's economy. In an era of austerity, the ABPI was instrumental in the Government's decision to sustain its investment in the science budget and reverse cuts to the science infrastructure. We worked in close collaboration with research councils and charities to show the economic benefits and also to highlight the importance of continual support of the life sciences industry by Government in order to spur economic growth in the UK.

Review of 2013 objectives

Access and uptake

The ABPI has conducted a broad range of work to improve the environment for access and uptake at a national and regional level. These include the development of policy frameworks to accelerate access and uptake of innovative medicines, partnership activities, the introduction of metrics reports, as well as communications and advocacy programmes.

Improved the environment for access and uptake of innovative medicines

In January, the General Medical Council (GMC) published the '*Good practice in prescribing and managing medicines and devices*' guidance. This guidance to clinicians was a significant improvement on the draft as it successfully ensured GMC prescribing guidance on off-label and unlicensed medicines remained unchanged and did not allow cost to be a legitimate factor for prescribing decisions. The ABPI led the bio-pharmaceutical industry response to the consultation in 2011 on the draft guidance. We were pleased with the constructive approach the GMC took when engaging with us.

Along with 16 partner organisations, the ABPI was a signatory to a Concordat for the NICE Implementation Collaborative (NIC). The NIC aims to support prompt implementation of NICE guidance, which is a key plank of the *Innovation, Health and Wealth* agenda, something which the APBI has worked to support. The ABPI influenced inclusion of four new high profile medicines within the pilot work streams which are now beginning to deliver initial outputs. The signing of the NIC Concordat by all its partners is the very first time that the NHS and its stakeholders have come together to work in this way.

We have established engagement mechanisms with NHSE for regular dialogue to see how the Cancer Drugs Funds (CDF) is used and to see how new medicines are evaluated to go into the fund. Also analysis and policy work was undertaken to ensure optimum use of the fund for patients and we feel this insight into NSHE will encourage more effective use of the fund. The ABPI also has a representative on the CDF panel

itself, which makes decisions about new medicines and acts as an interface with industry.

In exploring new areas of medicine, the ABPI established the Biosimilars Group to ensure safe and appropriate prescribing of biosimilar medicines. Working with a range of stakeholders the group will continue to engage in this new area of medicine development.

In late 2013, the Welsh Government announced a review of the Individual Patient Funding Request (IPFR) process in Wales. ABPI Cymru Wales was asked to participate in this review. The review is set to take place in 2014 and will consider how the existing IPFR process can be made more transparent and better understood by patients and clinicians and ensure there is a consistent approach across Welsh Health Boards. It will also have clear channels of communication with all those involved whether at individual, health board or national level.

Achieved improvement to current HTA processes

Healthcare Technology Assessment (HTA) is administered by NICE, Scottish Medicines Consortium (SMC) and All Wales Medicines Strategy Group (AWMSG). In 2013 we continued to engage with these bodies to improve HTA processes.

England

The ABPI contributed to the design of processes for optimising the evaluations of Highly Specialised Treatments (HST) through direct stakeholder engagement with NICE.

Wales

In Wales we worked with the AWMSG on the adoption of HST advice and the principles of Value Based Assessment. In addition, we proactively engaged with the Welsh Analytical Prescribing Support Unit (WAPSU) which led to the publication of their first annual report on the implementation and uptake of AWMSG guidance throughout NHS Wales. ABPI Cymru Wales sat on the Health Minister's review of Access to Orphan and Ultra-Orphan Medicines and also his review of IPFR in Wales. We also encouraged improved access to medicines through an agreed process and implementation of Wales Patient Access Scheme (WPAS).

Scotland

ABPI Scotland was instrumental in securing HTA reform, which included new methodologies for end-of-life and rare diseases with the express purpose of increasing the number of positive decisions from SMC. For medicines that are not recommended for use by SMC, we secured £20 million per annum investment in the Rare Conditions Medicines Fund. We also influenced the decision to replace the old Individual Patient Treatment Request System (IPTR) to a Peer Approved Clinical System (PACS) transferring decision making from medicines management back to clinicians.

Improved and protected market freedoms

In 2013 the ABPI continued its work in key areas relating to the distribution and supply of medicines. With regard to homecare we contributed to the Hackett review strategy board and associated work streams. Publication of the review is expected in early 2014 and is expected to address the broader governance, standards and IT systems, allowing homecare to scale up and focus on the value proposition.

We also drove the development of a Memorandum of Understanding between UK stakeholders on the EU Falsified Medicines Directive in preparation for its implementation in 2017. Our engagement with the DH supply chain forum continued to address the All-Party Pharmacy Group inquiry recommendations on medicines shortages related to product diversion. In 2012 we contributed to the IHW review into NHS procurement. In 2013, this process was completed and the final review excluded branded medicines which were covered by existing pricing schemes. This was an issue that the ABPI campaigned for. Additionally we facilitated ABPI members to give their input to the process for revisions of the NHS terms and conditions relating to the supply of medicines.



Review of 2013 objectives

Partnership and reputation

The ABPI engaged widely on a number of issues to ensure the industry is recognised as a trusted and valued partner at a national, regional and local level. We cemented our position as the leading life sciences trade association in the UK. During the PPRS negotiations we spoke on behalf of the industry as a whole and have been asked to represent the industry at government and European level.

Built the strength and credibility of the ABPI as the voice of the industry

The ABPI has been actively engaged in developing our position with regard to the ongoing debate about clinical trial transparency. We have taken several steps to contribute to the discussion around this important issue:

- We submitted evidence and presented to the House of Commons Science and Technology Committee inquiry.
- We ran two stakeholder workshops to explore definitions and guiding principles to enhance transparency in clinical trial reporting. We also had ongoing dialogue with the key stakeholders involved.
- We launched an online clinical trial transparency toolkit to provide good practice guidelines, compliance checklists and template standard operating procedures for pharmaceutical companies.
- We published research in the peer review journal *Current Medical Research and Opinion* (CMRO) highlighting a positive trend of increasing levels of disclosure for industry sponsored clinical trials. The key findings show that over three quarters (76%) of all industry sponsored clinical trials for new medicines recently approved by the European Medicines Agency (EMA) had some results disclosed within a year of completion or of regulatory approval and rates of disclosure continue to rise with almost nine in ten (89%) of these trials having disclosed results by 31 January 2013.

Changes to the ABPI Code of Practice for the pharmaceutical industry were agreed which will introduce greater transparency on payments made to healthcare professionals and healthcare organisations. The changes to the Code are part of the industry's move to enhance transparency around these relationships. It is anticipated that the 2015 ABPI Code will include requirements about the method of disclosure.

2013 also saw the ABPI exam for pharmaceutical sales representatives being accredited for the first time in its 40 year history. The exam was relaunched with a new website and learning materials. The changes to the exam will provide assurances that medical representatives have a good understanding of human biology, the ABPI Code of Practice and the new NHS.

Vaccine Group

The ABPI now represents the vaccine industry to the Government and healthcare stakeholders with the establishment of the ABPI Vaccine Group. The group will continue to work in partnership with the public health community to support the development and implementation of successful UK immunisation programmes.

Ensured the industry is recognised as a trusted and valued partner at a national, regional and local level

The ABPI signed a number of partnership agreements in 2013. At the end of the year we signed a partnership agreement with NICE. This is a welcome step forward in our unique relationship that recognises the respective responsibilities of both industry and NICE to encourage innovation. We have a shared ambition for the UK to remain an important location for pharmaceutical industry investment.

We also signed a compact agreement with Clinical Reference Groups (CRGs) at the end of the year, which highlights a number of commitments made by industry and NHSE that will enable us to work collaboratively and in partnership with each other to drive the delivery of high quality treatments and services. In addition, the NHS Partnership team actively supported the CRG's Clinical Director in the process of developing the specialised service five year strategy.



Terms of reference for a partnership agreement between the ABPI, British Generic Manufacturers Association (BGMA) and NHSE to cover commitments on IHW, medicines optimisation, PPRS and CRGs were agreed last year. A forum was established to engage and implement the Pharmaceutical Industry Sector Board (PISB). Also, the establishment of an Industry Council was agreed with NHSE as a forum for high level networking with senior NHSE executives, Sir Malcolm Grant, Sir David Nicholson, Stephen Whitehead and members of the ABPI Board of Management.

The Academic Health Science Networks (AHSNs) were established in the spring 2013, with formal engagement occurring during summer. The ABPI were members of the assessment panel for all 15 AHSNs. Industry leads from member companies have been agreed with NHSE for all 15 AHSNs and have been supported by the NHS Regional Partnership managers.

Ensured EU and international legislative reform is positive for the industry

The ABPI was also active in representing members' interests on the international scene. We participated in the UK Government's involvement in the EU's Transatlantic Trade Investment and Partnership Stakeholder Group. Set up by No. 10, this group negotiates trade agreements with the USA. We also submitted a response to the UK's review of the balance of competences between the European Union and the United Kingdom in the area of health. The review provides an analysis of what membership of the EU means for the UK's national interest.

Created a leading R&D environment in the UK

The Research, Medical & Innovation team at the ABPI had another successful year as we continued to be a partner to the research community in the UK. At our well attended R&D conference in November we launched our 'Big data road map', a four-point plan to direct progress in utilising vast amounts of data to propose solutions to the challenges facing the NHS, the life sciences community and the pharmaceutical industry.

The ABPI published four guidance documents on pharmacovigilance covering digital media, market research, data protection and collection of safety information. All of these documents have supported companies to be compliant and achieve best practice in complex functional areas, and have influenced company processes at a UK and, in some cases, EU level.

The ABPI represented the industry at a No. 10 event for Genomics England Ltd (GEL) alongside member companies, diagnostics and analytics companies, and institutional investors, as well as Genome America. Genomics is an important area for the ABPI and the industry as a whole, leveraging the unique strengths of the UK with potential benefits for stratified medicine. The ABPI, led by the Stratified Medicine Working Group, had facilitated meetings earlier in the year between the DH, GEL, and other related ABPI working groups. An agreement to have industry represented on new GEL advisory committees will ensure that we can continue to engage, shape and contribute to this unique opportunity.

We celebrated a new milestone with over 100,000 unique visitors to our Resources for Schools website during October and November. The website has gone from strength to strength and is a resource that actively supports the future life sciences and healthcare sectors, ensuring that we have the right skills and focus to meet future challenges and commitments.

The ABPI has also contributed to the wider sustainability agenda. In association with the Carbon Trust, the ABPI developed a spread sheet based tool to enable UK companies to estimate the carbon footprint of tablet medicines in blister packs. It is a demonstration of the industry's commitment to help reduce its impact on the environment through sustainable practices, including the management of carbon footprints.

As part of our continued work to improve communications to the public on animal research, the ABPI signed a Declaration on Openness on Animal Research, and committed to developing a Concordat which will develop principles of openness, practical steps and measurable objectives that will underpin a more transparent approach to animal research.

Providing value for members

We welcomed 13 new members in 2013 attracting both small as well as large pharmaceutical companies and new affiliate members. For current members the ABPI annual membership survey for 2013 showed continuous improvement in the engagement and support we provided.

The survey highlighted areas where respondents thought the ABPI was doing well, and we were praised for our work with stakeholders for being 'the voice' of industry and keeping members informed, particularly on the pricing negotiations as well as other updates relevant to industry. ABPI staff were also rated highly for their professionalism, quick responses and for being well informed.

"I find the ABPI a dynamic, professional association of which we in the pharmaceutical industry should be proud of"

We are delighted to see that members continue to find our services valuable. Our members have recognised in the survey that 2013 was heavily focused on the pricing negotiations, and in 2014 we have a strong priority to make the deal work in reality, ensuring that the money industry contributes has a direct impact on improving patients' access to innovative medicines. The ABPI plans to continue to build on the positive feedback around the pricing communications for 2013 and will hold more regular meetings as needed in 2014 as well as providing regular pricing environment updates that were highlighted as highly valued in the survey.

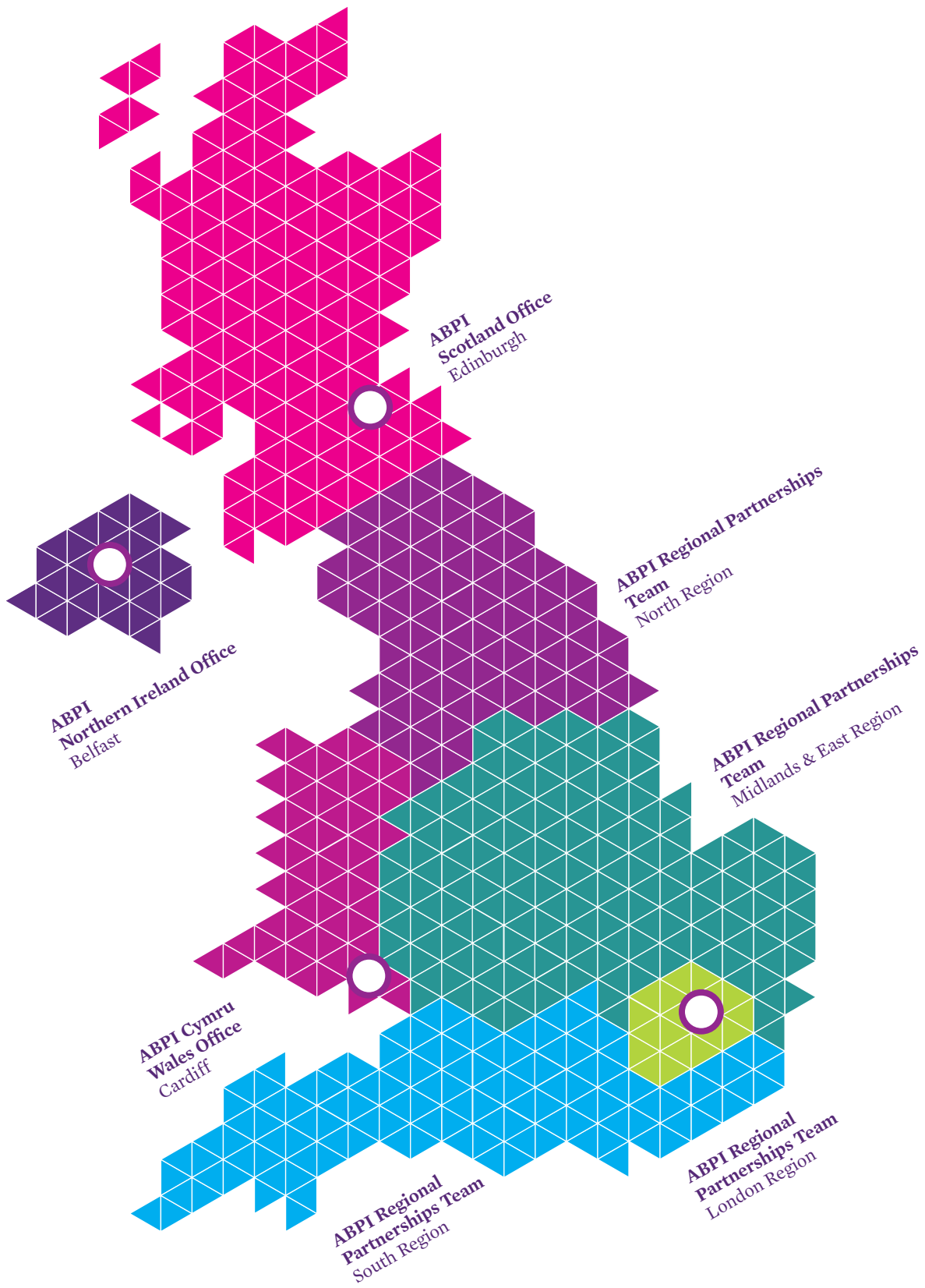
"The ABPI is now more pro-active in raising the profile of the industry and is focused on building engagement with key stakeholders at a strategic level"

"The level and standard of work the ABPI maintains with relatively few staff is impressive"

In direct response to the survey feedback, we will do more focused work on championing the industry and highlighting the value it brings to patients in the UK. The launch of the new 'My ABPI' members' extranet will help improve member communications around ABPI working groups and engagement opportunities, an area that members felt was important to further improve.

"A genuine desire to meet the needs of the membership is reflected in increased consultation, regular feedback and more information being provided"

"We are getting more focused on the issues that really matter and making more impact"



The ABPI in the devolved nations

The ABPI works to improve the environment for the pharmaceutical industry right across the UK. Our teams in Scotland, Wales and Northern Ireland have been busy working on our members' behalf in 2013.

Northern Ireland

2013 was the fifth anniversary of ABPI NI and the first full operating year for our dedicated office which was set up at the end of 2012. The year also saw the formation of four active and energised Strategic Working Groups and six Therapy Groups. Under the stewardship of a newly formed Leadership Team comprising Group Chairs and Deputy Chairs, our groups developed and delivered interlinked objectives in order to contribute to ABPI national goals.

Four new partnership projects were established. A ground breaking pilot programme between the Partnership Group, the Northern Trust and Queen's University Belfast was launched, to equip community pharmacists with a range of coaching tools to support polypharmacy patients' post-hospital discharge.

- The Immunology Therapy Group led an initiative with the Belfast Trust to reduce biologics wastage, which currently costs the Trust approximately £160k per annum.
- The Respiratory Therapy Group launched a series of workshops with pharmacy bodies and patient groups across NI to support community pharmacists in the delivery of Respiratory Medicines Use Reviews.
- The Communication & Citizenship Group developed ABPI NI's first ever Citizenship Partnership with Carers NI to help general practice identify and meet the needs of carers in the primary care setting.



ABPI Northern Ireland Annual Lecture at Stormont

Spearheaded by our Value and Access Group and our Cancer Therapy Group, ABPI NI continued to engage with political decision makers to address equality of access to innovative medicines for NI patients. Our Innovation Group developed close links with academia, clinical and policy stakeholders to showcase NI's immense innovation capability – and to make the link that increased access to and uptake of innovation is essential to deliver on this potential. This theme was reinforced by Professor Paddy Johnston, now Dean of Queen's University Belfast, who delivered our fifth Annual Lecture in October.

ABPI NI is now increasingly being viewed as a valued contributor to the development and delivery of health policy, as evidenced by invitations to participate in the Health and Social Care R&D Strategy Development External Reference Group and the Department of Health, Social Services and Public Safety's Medicines Optimisation Strategy Working Group. These increasingly close links with policy makers are testament to our members' credibility and commitment to working together to improve the NI healthcare landscape. We will continue to build on these strengths throughout 2014 to ensure that we continue to deliver innovation-led advances in patient care.

Scotland

The medicines landscape in Scotland underwent a huge shift in 2013. The new medicines review process, which began with the Scottish Parliament's Health and Sport Committee in 2012, was picked up by the Scottish Government in 2013. They published proposals in October 2013 aimed at creating a system that is more receptive to new medicines, is more transparent and places a greater emphasis on different ways of measuring a medicine's value.

The ABPI Scotland team has been engaged as a critical stakeholder throughout the new medicines process. ABPI Scotland Director, Andrew Powrie-Smith, appeared before the Health Committee in May to point out that despite having amongst the lowest prices in Europe for new medicines, uptake was both low and slow. This was a message echoed by numerous patient interest groups who, in combination with ABPI representation, had provoked the Health Committee inquiry by submitting petitions to the parliament's Public



ABPI Scotland joint seminar with the Health and Social Care Alliance

Petitions Committee to gain access to the medicines that their clinicians told them they needed. In total the ABPI Scotland team has appeared before the Committee three times to give oral evidence, and has made seven written submissions. Critically in response to the reviews, the Scottish Government accepted there was an issue to address. The stated intent of their response was to deliver increased access for patients to medicines in Scotland. There have been changes to the way the Scottish Medicines Consortium (SMC) assess end of life and rare disease medicines. SMC has been tasked to look at a wider assessment of value by developing a ‘Scottish Model of Value’ and there have been a number of changes to SMC processes, with an increased voice for patients and for industry.

The changes have not been limited to SMC. NHS boards will be required to make faster, more transparent formulary decisions and the unpopular Individual Patient Treatment Request (IPTR) process has been scrapped in favour of a clinician-led process. The success of the review will become clear in 2014 as we start to see its implementation and ABPI Scotland will continue to drive change.

Other work undertaken by the ABPI Scotland team in 2013 included:

- Continuing our successful joint seminar programme with the patient group umbrella organisation, the Health and Social Care Alliance.
- Taking forward the secretariat of the Cross Party Group on Life Sciences at the Scottish Parliament.
- Working with National Research Scotland through the industry partnership group.
- Hosting a series of Members’ Training Days, including a major event in partnership with SMC.

Wales

In 2013, through our continued advocacy with the Welsh Government, ABPI Cymru Wales was invited to sit on both the Health Minister’s review of access to orphan and ultra-orphan



Deepak Khanna, ABPI President, Professor Julie Williams, Chief Scientific Advisor for the Welsh Government, Stephen Whitehead, ABPI CEO

medicines and his review of IPFR in Wales, as mentioned in the section on HTA. We also encouraged improved access to medicines through an agreed process and implementation of Wales Patient Access Scheme (WPAS). Through this companies now have the opportunity to utilise a process, similar to the one operating in England, which enables patients to have access to medicines that may not initially be considered cost-effective by the All Wales Medicines Strategy Group (AWMSG).

As described in the Access and Uptake section, ABPI Cymru Wales also strengthened its relationships with AWMSG during the year, working with them to adopt highly specialised treatments advice and the principles of value based assessment. We have also engaged with the Welsh Analytical Prescribing Support Unit (WAPSU).

Ongoing engagement with government, academia and NHS Wales on the innovation agenda ensured that the value of the pharmaceutical industry and its products were recognised by the Best Practice and Innovation Board, which has encouraged the Welsh Government and NHS Wales to take a more pro-innovation stance. Increased involvement in this agenda resulted in a seat for ABPI Cymru Wales on the Life Science Research Network Wales, which has been established to build a critical mass of academic expertise in drug development and provide a platform for engaging with companies and research organisations from across the world. It is expected for this close alignment to continue with ABPI Cymru Wales inclusion in the Welsh Government sponsored Life Sciences Hub.

We held our 11th Annual Lecture and Dinner in October at the National Museum of Wales in Cardiff. Professor Julie Williams, a senior figure in the field of Alzheimer’s disease research and Chief Scientific Advisor for the Welsh Government, delivered a thought provoking lecture on ‘new perspectives on the causes of Alzheimer’s disease’ to an audience of around 300, comprising members of the public, students and an invited audience of pharmaceutical industry personnel, local stakeholders, politicians, NHS managers, clinicians, patient representatives and the media.

ABPI strategic priorities for 2014

The ABPI has set its strategic priorities for 2014, focusing on transforming medicine from discovery to patient outcomes. There are broadly two areas that work will fall under, *tomorrow's medicine today* and *delivering a transformational commercial environment in the UK*, looking at price, access and uptake. Underlying all of this is a commitment to transforming relationships with our range of important stakeholders.

Tomorrow's medicine today

In order to bring benefits for patients, we need to stress the importance of stakeholder relationships and partnership working, integrating and linking together basic science, the R&D process and manufacturing.

To demonstrate the importance of the link between the commercial environment and R&D, we will work with a third party to publish a study examining the factors that affect investment decisions. We will also continue to engage with patient organisations to facilitate collaboration in R&D to ensure that our work meets unmet patient need.

The changed R&D model presents opportunities in many areas including: stratified medicines and orphan and ultra orphan medicines, where the divide between development and commercialisation will become more blurred. These areas will highlight the need to rapidly implement regulatory innovation as well as the testing of new approaches to HTA for such targeted medicines. The focus for our R&D conference in November will be on stratified medicine, where we will also build on the work from our R&D conference in 2012 and 2013 demonstrating the value of health collaborations and health data. In addition, implementation of the *Big data road map* will generate thought leadership publications and demonstrator projects with key stakeholders.

Transforming relationships

In 2014 we will tell the positive story of the industry through a myth busting campaign and produce publications that demonstrate the value of industry. In addition we will progress disclosure of individual payments to healthcare professionals through a single searchable database, continue our work on clinical trial transparency, establish a medical school module on drug discovery and also work with patient organisations to produce a joint working guide.

Delivering a transformed commercial environment in the UK

To ensure that that we make the PPRS deal work we will deliver a transformational PPRS as well as servicing the PPRS. This will include:

- administration of the scheme
- review aggregated industry reported data
- continual industry communication
- liaison with the Department of Health
- represent Statutory Scheme members
- removal of barriers in the system to uptake, including funding flows, *Innovation, Health and Wealth* refresh, medicines optimisation and joint working

We will also drive a pro-innovation health technology appraisal evaluation process through NICE/SMC/AWMSG reform.

We will aim to influence access and uptake appropriately for specialised medicines, ensuring appropriate models of value assessment for cancer and orphan medicines, and we will demonstrate the impact of medicines on patient outcomes and system efficiencies. We will align therapy groups to the strategic priorities and drive best practice.

We will drive and influence other commercial priorities including biosimilars, distribution and supply, including homecare and the Falsified Medicines Directive.

We will ensure that we have alignment across all four nations and greater consistency in approach across the commercial agenda.

List of ABPI members (as at 31.12.2013)

New members in 2013

Full Members

- AbbVie Limited
- BioMarin Europe Limited
- Intermune UK & I Limited
- Mitsubishi Pharma Europe Limited
- Novo Nordisk Limited

General Affiliate Members

- Aurora Healthcare Communications Limited
- Datapharm Communications Limited
- Freshfields Bruckhaus Deringer LLP
- Norton Rose Fulbright LLP
- Packer Forbes Communications Limited

Research Affiliate Members

- B&K Universal Limited t/a Marshall BKU

Full Member companies:

A. Menarini Farmaceutica Internazionale S.r.l.
Abbott Laboratories Limited
AbbVie Limited
Actelion Pharmaceuticals UK Limited
Alexion Pharma UK Limited
ALK-Abello Limited
Alliance Pharmaceuticals Limited
Almirall Limited
Amgen Limited
Astellas Pharma Limited
AstraZeneca Plc
Bausch & Lomb UK Limited
Baxter Healthcare Limited
Bayer Plc
Biogen Idec Limited
BioMarin Europe Limited
Boehringer Ingelheim Limited
Bristol-Myers Squibb Pharmaceuticals Limited
Celgene Limited
Chiesi Limited
Chugai Pharma Europe Limited
Daiichi Sankyo UK Limited
Daval International Limited
Eisai Limited
Eli Lilly & Company Limited
Fresenius Medical Care (UK) Limited
GlaxoSmithKline Plc
Grunenthal Limited
InterMune UK & I Limited
Ipsen Developments Limited
Janssen
Leo Pharma
Lundbeck Limited
Merck Serono Limited
Merck Sharp & Dohme Limited
Merz Pharma UK Limited
Mitsubishi Pharma Europe Limited
Napp Pharmaceuticals Limited
Novartis Pharmaceuticals UK Limited
Novo Nordisk Limited
Orion Pharma (UK) Limited
Otsuka Pharmaceutical Europe Limited
Pfizer Limited
Pierre Fabre Limited
Quintiles UK
Rosemont Pharmaceuticals Limited

Sanofi Limited
Servier Laboratories Limited
Shionogi Limited
Shire Pharmaceuticals Limited
Sunovion Pharmaceuticals Europe Limited
Takeda UK Limited
UCB Pharma Limited
ViroPharma Limited
Warner Chilcott Pharmaceuticals UK Limited

General Affiliate Members:

IHQ Limited
Accenture Plc
Addleshaw Goddard LLP
American Express Europe Limited
Amygdala Limited
Arnold & Porter (UK) LLP
Ashfield In2Focus Limited
Atlantis Healthcare UK Limited
Aurora Healthcare Communications Limited
Baker & McKenzie LLP
Banks Sadler Limited
BCD Meetings and Incentives Limited
Bird & Bird LLP
BMI System Limited
Bristows
BTG plc (British Technology Group)
Cegedim Relationship Management
CMS Cameron McKenna LLP
Compliance Hub Limited
Covington & Burling LLP
DAC Beachcroft LLP
Datapharm Communications Limited
Deloitte LLP
DHR International Life Sciences Europe
DLA Piper UK LLP
Ernst & Young LLP
Eversheds LLP
Five Hats International Limited
Freshfields Bruckhaus Deringer LLP
Galbraith Wight Limited
Harlan Laboratories UK Limited
Hayward Medical Communications Limited
Healthcare at Home Limited
Hogan Lovells International LLP
ID Business Solutions Limited

IDIS Limited
IMS Health Limited
KPMG LLP
Linklaters LLP
M D Events Limited
Norton Rose Fulbright LLP
PA Consulting Group Limited
Packer Forbes Communications Limited
PH Associates Limited
PM Group Worldwide Limited
Policy Matters LLP
Powell Gilbert LLP
PricewaterhouseCoopers LLP
Red Door Communications Group Limited
Simmons & Simmons LLP
SNR Denton UK LLP
Star Medical Limited
Takeda Pharmaceuticals Europe Limited
Taylor Wessing LLP
Trinity Events Solutions Limited
Trio Media Limited
Virgo Health Limited
Wragge & Co LLP

Research Affiliate Members:

Axess Limited
B&K Universal Ltd t/a Marshall BKU
Charles River Laboratories
Covance Laboratories Limited
ICON Limited
Life Sciences Research Limited
NDA Regulatory Science Limited
ORION Clinical Services Limited
Parexel International Limited
PrimeVigilance Limited
Quintiles Limited
Quotient Clinical Limited
Randox Laboratories Limited
Richmond Pharmacology Limited
Sequani Limited
Sucampo Pharma Europe Limited
Takeda Development Centre Europe Limited
TranScrip Partners LLP

ABPI Board of Management (as at 31.12.2013)



ROW 1 (Left to right)

Deepak Khanna (MSD)
President

Lisa Anson
AstraZeneca

Steve Arnold
UCB

Robin Bhattacharjee
Actelion Pharmaceuticals

Nick Burgin
Eisai Europe

Pete Butterfield
Alliance Pharmaceuticals (Chair of
Small Companies Forum)

ROW 2 (Left to right)

Jean-Michel Cosséry
Eli Lilly & Co.

Amadou Diarra
Bristol-Myers Squibb

Jonathan Emms
Pfizer

Frederic Guerard
Novartis

John Kearney
Amgen

Nicola Massey
Shire Pharmaceuticals

ROW 3 (Left to right)

Steve Oldfield
Sanofi

Matt Regan
AbbVie

Cesar Rodriguez
Janssen

Kate Tillett
MSD

Steve Turley
Lundbeck

Erik van Snippenberg
GSK

ABPI Senior Leadership Team (as at 31.12.2013)



ROW 1 (Left to right)

Stephen Whitehead
Chief Executive of the ABPI

Geoff Bailey
Finance Director

Carol Blount
NHS Partnership Director

Paul Catchpole
Value and Access Director

Alison Clough
Director of Commercial

ROW 2 (Left to right)

Colette Goldrick
ABPI Northern Ireland Director

Dr Richard Greville
ABPI Cymru Wales Director

Catherine Meaden
Communications Director

Samantha Ogden
Membership Services Director

Andrew Powrie-Smith
ABPI Scotland Director

ROW 3 (Left to right)

Dr Bina Rawal
Research, Medical and
Innovation Director

Heather Simmonds
Director of the Prescription
Medicines Code of Practice Authority

Professor Adrian Towse
Director of the Office of
Health Economics

Carol Wilson
Legal Director and Secretary
to the Association

Key facts on the value of industry to the UK

The UK's pharmaceutical sector invests approximately **£11.5 million every day** in **R&D**.¹

The pharmaceutical industry **employs** around **73,000 people directly** in the UK.²

Each employee in the pharmaceutical industry contributes **£149,000 to GDP per year**.³

The pharmaceutical sector generates a trade surplus of **£5bn**, which is **greater than any other industrial sector** in the UK.⁴



One eighth of the world's most popular prescription medicines were developed in the UK.⁵

25% of all expenditure on R&D in UK businesses is by the pharmaceutical industry.⁶

Pharmaceutical companies provide medicines to UK patients at some of the lowest prices in Europe.⁷

In 2013, the overall spend on medicines represented only 9.6% of total UK-wide NHS expenditure, while medicines from the research-based industry represented 7.1% of total UK NHS spend.⁸



These facts come from the ABPI *Delivering value to the UK* book which can be downloaded from the ABPI website www.abpi.org.uk

1 Office for National Statistics (ONS), Business Enterprise Research and Development 2012, November 2013

2 Office for Health Economics (OHE) calculations based on ONS, Business Enterprise Research and Development (2008, 2009, 2010, 2011, 2012), accessed December 2013

3 ONS, Annual Business Survey 2012 Provisional, November 2012 (Section C, Manufacturing) and BERD 2012 released November 2013

4 HM Revenue and Customs, UK Trade Info 2012, February 2013

5 OHE calculations based on IMS Health World Review Analyst, 2013. The figure relates to share of sales of top 100 prescription medicines, by nationality of company

6 ONS, Business Enterprise Research and Development, 2012, November 2013

7 Department of Health, PPRS Report to Parliament, 6th, 10th and 11th reports, 2002, 2009 and 2012

8 OHE, UK NHS medicines bill projection 2012 – 2015, analysis for the ABPI, June 2012

Association of the British Pharmaceutical Industry

7th Floor, Southside, 105 Victoria Street, London SW1E 6QT
Tel: +44 (0)870 890 4333 Email: abpi@abpi.org.uk

ABPI Cymru Wales

Floor 4, 2 Caspian Point, Pierhead Street, Cardiff Bay CF10 4DQ
Tel: +44 (0) 870 890 4333

ABPI Northern Ireland

The Mount, 2 Woodstock Link, Belfast BT6 8DD
Tel: +44 (0) 870 890 4333

ABPI Scotland

3rd Floor Crichton House, 4 Crichton's Close, Edinburgh EH8 8DT
Tel: +44 (0)870 890 4333