
BIA response to UK trade with the US: Call for Evidence

About the BIA

The BioIndustry Association (BIA) is the voice of the innovative life sciences and biotech industry, enabling and connecting the UK ecosystem so that businesses can start, grow and deliver world-changing innovation.

We have over 600 members spanning human health and non-health biotech, including start-ups, scale-ups and established global companies. Our membership also encompasses the full UK ecosystem, including non-commercial research institutions and service providers.

Introduction

BIA previously submitted to the Committee's inquiry on trade with the US, EU and India. A copy of that submission can be found [here](#). We are pleased to have the opportunity to input to the Committee's further work on trade policy, specifically on the UK-US pharmaceutical arrangement.

Response on the Pharmaceutical Arrangement

The UK's life sciences sector is truly global. R&D, business, and investment partnerships between trusted international partners are a regular occurrence and critical to the functioning of the sector. International diplomacy and regulatory cooperation, among other trade policies, enable UK companies to access global markets for partnerships and export, as well as help attract investment to the UK.

With 53% of global medicines market share, the US is the pre-eminent economy and market for life sciences, accounting for a majority of global healthcare spending and investment in innovation. As such, it is vital for the UK to maintain a constructive relationship with the US via trade agreements that benefit our highest potential sectors such as life sciences. Trade tariffs on pharmaceuticals

would significantly hold back the growth of UK life sciences, particularly our burgeoning manufacturing businesses, and government was right to prioritise their elimination in international relationships. With this in mind, the securing of the US-UK pharmaceutical partnership that stipulates 0% tariffs on exports is extremely welcome, and a considerable boon for the sector. This is especially true for innovative small companies, whose sole global manufacturing site is based in the UK, meaning they would not be able to avoid any tariffs by utilising alternative manufacturing sites.

The agreement to improve the commercial environment for medicines in the UK was also extremely welcome, and will benefit patients and the economy by making the UK a more attractive location to launch new medicines, run clinical trials and invest in other activities. Economic impacts of the agreement are already becoming apparent, with significant investment in the UK sector from both UCB, with £500 million for UK R&D, and from AstraZeneca with £300 million following a cessation of UK investment in 2025.

To maximise the already apparent benefits of this deal, it is essential to ensure that the UK's domestic environment remains internationally competitive for life science. The Voluntary Pricing, Access and Growth (VPAG) scheme review, which BIA is an active participant in, presents an opportunity to align policy in such a way that supports innovation and investment across the ecosystem and ensure NHS patients get access to the most effective medicines available. It is particularly important that this review includes a focus on supporting UK companies to scale, invest and stay in the UK, as well as attracting large global companies to invest here.

The pharmaceutical deal between the UK and US was an important step in ensuring the UK's position remains as a globally competitive life science hub. It is now imperative to deliver on its commitments, and continue to maintain strong working partnerships with all major life science economies, including the US.

For any further information on the contents of this submission, please contact the BIA policy team at policy@bioindustry.org.