

UK life sciences plan falls short, says ABPI

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The Association of the British Pharmaceutical Industry (ABPI) is warning that the core ambition of the government's new life sciences strategy will not be realised unless it makes a real commitment to invest more in new medicines.

In late June, the government published a new Industrial Strategy, which includes five out of eight specific plans for the sectors deemed the most significant future drivers of economic growth. Today, the government has [published its plan](#) for the life sciences sector [1].

The pharmaceutical industry already contributes over £17.6 billion in direct GVA to the UK economy, with £45 billion generated through R&D spillovers [2], but growth in the sector is far from reaching its full potential.

The government's aim is for the UK to be, by 2030, the leading life sciences economy in Europe, and by 2035, the third most important life sciences economy globally after the US and China. This ambition will not be realised unless the UK changes its approach to investment in medicines.

The government's new plan includes many important and necessary commitments to support the use of data for research, encourage investment in manufacturing, and accelerate the pace and ease of research. While these are positive, they are not enough to reverse the decline of the UK's standing as a centre for life sciences.

Richard Torbett, Chief Executive of the ABPI, said: "This plan recognises both the extraordinary contributions of the life sciences sector to the UK, and the fact that in recent years, it has been struggling to remain competitive and attractive to investment. The solutions proposed are necessary and important, but they are not enough to turn around the UK's decline."

“The UK must address the core issue holding back the life sciences sector, the long-term disinvestment in innovative medicines that is increasingly preventing NHS patients from accessing medications that are available in other countries.

“For too long, the UK has sought to be the place where innovation happens, but not the place where it is used. Without change, the UK will continue the slow slide down international league tables for research, investment, and the availability of new medicines.

“We are in the final stages of an intensive discussion with the government regarding our sector. We remain committed to working with the government to find a way forward which can get these issues out of the way and allow our sector to deliver on its potential.”

Rocketing payment rates under the associated Voluntary Scheme for Branded Medicines Pricing, Access and Growth (VPAG) and the Statutory Scheme, now at between a quarter to a third (23.5%–35.6%) of a company’s revenue from sales of branded medicines to the NHS, are undermining government efforts to make life sciences a key pillar of its industrial strategy

While no other country has an identical scheme to the UK, the 2025 payment rate has left the UK significantly out of line with comparable countries, with France’s average payment rate at 5.7%, Italy at 6.8%, Germany at 7%, Spain at 7.5%, Belgium at 7.9%, and Ireland at 9% [3].

The industry is urging the government to commit to a clear plan to return the UK to internationally competitive rates, as well as measures to update and improve the way the UK assesses the value of medical innovation. If that is achieved, the wider commitments in the strategy will have far greater impact.

Ends

Notes to Editors

[1] UK Government, [The Life Sciences Sector Plan](#), 16 July 2025.

[2] ONS, ‘Regional gross value added (balanced) by industry: all ITL regions’, 2021. Methodology available at: <https://sector-insights-map.abpi.org.uk/sources/>

[3] Analysis undertaken by Neil Grubert Consulting, available on request.

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About the ABPI

The ABPI exists to make the UK the best place in the world to research, develop and use new medicines. We represent companies of all sizes who invest in discovering the medicines of the future.

Our members supply cutting edge treatments that improve and save the lives of millions of people. We work in partnership with Government and the NHS so patients can get new treatments faster and the NHS can plan how much it spends on medicines. Every day, we partner with organisations in the life sciences community and beyond to transform lives across the UK.

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