

Credit crunch threatens new medicines

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The global financial crisis could seriously delay the discovery and production of many new life-saving medicines, warns a major international conference today (Monday).

Investment into research for new drugs - which globally runs into the billions – is now seriously at threat as former investors in the drug companies shy away as a result of the economic meltdown.

Professor David Wield, Director of the Economic and Social Research Council's (ESRC) Edinburgh-based Innogen Centre, and chair of the 'Genomics and Society: Reinventing Life?' conference, delivered a stark warning prior to the gathering of over 200 experts at conference in London.

Professor Wield said: "Investing in biotech companies is now seen as risk taking, and will not be for the timid. What will happen to investment in biotech research if finance cannot even be found for relatively everyday expenses which are increasingly becoming more of a struggle?"

"Drug discovery depends on long-term finance with high risk of failure – and lots of it. Financing of biotechnology companies hit \$50bn in 2007. And overall, these biotechs only made profits for the very first time last year, amounting to \$1bn on revenues of \$59bn."

According to Professor Wield, in addition to the impact on the basic research performed at biotechnology companies, development of medicines by pharmaceutical companies has also been hit by the credit

crunch. "Like many other sectors, the pharmaceutical industry has had tough times recently – there is seemingly no way to speed up and improve the drug discovery pipeline, and heavily increased R&D has not increased the number of new drugs."

"As a result, big companies have been laying-off staff and closing down research units, instead looking to biotechnology start-ups for new ideas," he added.

In recognition of the significant long term and immediate challenges faced by the pharmaceutical sector the UK Research Councils are working to help underpin future development of the sector for example to find new ways of enabling effective drug trials that enjoy public confidence; and building new research partnership with the sector.

This impact of the credit crunch on research into new medicines and treatments will be considered at the conference as part of a debate featuring two eminent economics experts, Professor Gary Pisano of Harvard University, and Professor William Lazonick of the University of Massachusetts Lowell. The session will be chaired by BBC business journalist, Simon Gompertz.

With so much of the life sciences already intertwined with our everyday life, further conference sessions will concentrate on whether society is keeping pace with advances in biology. These include issues surrounding the use and safekeeping of our personal biological information, the development of sustainable biofuels, and the creation - for stem cell research - of human-animal hybrids.

Other topics to be discussed range from the ethical impacts of emerging disciplines such as synthetic biology - which attempts to recreate living systems in the laboratory and may one day produce artificial life-forms - to the likely contributions the life sciences will make to global challenges

such as food security and climate change.

The gathering is the annual conference of the ESRC's Genomics Network, and it brings together social and natural scientists with policymakers and commentators, from all over the globe. This year it has been organised by the network's Innogen centre, which is based at the University of Edinburgh and the Open University.

Source: Economic & Social Research Council

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