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## PRESS RELEASE

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### **R&D in the Belgian Pharmaceutical Sector**

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At the Lisbon and Barcelona summits, the European Union Member States set themselves the goal of becoming the most competitive, knowledge-based society in the world by 2010. In that connection, a leading role in Belgium is assigned to the drugs sector. That industry invests heavily in research and development (R&D) in both absolute and relative terms, as more than in any other sector, successful R&D activities are the key to commercial success.

However, since the current statistics and analyses still shed too little light on numerous aspects concerning the actual investment efforts of the pharmaceutical sector, the NBB conducted in 2005 an ad hoc survey, covering pharmaceutical companies active in Belgium in the field of research, production and distribution of drugs for human use.

Although it is not always easy, in an industry dominated by multinational enterprises, to quantify the exact contribution to drugs research by Belgian subsidiaries, the survey results nonetheless reveal a number of clear trends.

The Belgian pharmaceutical sector puts a substantial emphasis into R&D in terms of both funds invested and staff used, and the number of projects developed in Belgium confirms the country's leading position in global pharmaceutical research. It is notable that pharmaceutical research is often outsourced, and - more generally - there is a great deal of cooperation with various types of research centres both at home and abroad. According to the pharmaceutical companies, the expertise available in Belgium, not only in terms of skilled staff but also in the form of knowledge centres, is one of the main reasons for locating R&D activities in the country.

However, apart from stressing the importance of Belgian pharmaceutical research, the survey also highlighted a fragility, for the breakdown of the replies regarding to the type of activities conducted in Belgium shows clear differences of emphasis in the nature of research activities. Correspondingly, large variations in the amount of resources devoted to R&D are observed. This means that Belgium exhibits an atypical phase distribution for the projects in development, with a larger number of projects in the final clinical research phases, where competition from low-wage regions is probably stronger. It is only pharmaceutical companies with Belgian roots that seem to demonstrate a permanent presence in Belgium in all phases of drugs research: they are therefore very dominant in the sector's R&D investments.

Finally, the analysis of the survey results is supplemented by a number of annexes supplying additional information on the sector. They cover not only added value and employment, but also the indirect effects and profitability of the pharmaceutical companies, plus background information on reference reimbursement of drugs.