# Sanofi executive warns UK risks losing status as a drug development hub



A senior executive at the French pharmaceutical giant Sanofi has voiced stark concerns over the UK's position as a hub for drug development and sales, warning that Britain is "not a good place" for such crucial activities. Paul Naish, Sanofi's UK head of market access, described the nation as being "at a critical point," highlighting significant hurdles including high operational costs and an uncompetitive market environment for medicines.

Naish's candid remarks come amid troubling signals from the pharmaceutical sector about the UK's declining attractiveness for investment. The recent decision by Merck (known as MSD outside the US) to abandon its £1 billion research centre under construction in London has been a major blow to Britain's life sciences ambitions. This project was seen as a key pillar supporting the government's vision of the sector as one of the "crown jewels of the economy." Sanofi itself has scaled back its clinical trials in the UK by 50% over the past couple of years despite having a large pipeline of new drugs, pointing to a broader trend of retreat by major industry players.

The challenges are partly rooted in funding and pricing frameworks that have not kept pace with the needs of modern pharmaceutical innovation. NHS expenditure on medicines has fallen to 9% of the total healthcare budget, compared to significantly higher rates in Germany (14%), the US (15%), and southern European countries like Italy and Spain (17%). Meanwhile, the pricing thresholds established by the National Institute for Health and Care Excellence (NICE) have remained frozen since 1999, creating an environment where pharmaceutical companies struggle to justify the investment required for development and market access.

Sanofi’s experience mirrors wider issues faced by the UK life sciences sector. The company recently closed its Cambridge labs, shifted work to Boston, and paused any plans to expand UK clinical trials pending clear government action. Naish cited internal government disagreements, with the Department of Health caught between limited budgets and a lack of compelling advocacy for increased investment, while departments responsible for business and science express concern but little resolution. He called for a "proper plan" from the Treasury in coordination with other departments to elevate spending on medicines closer to international norms.

Industry voices like AstraZeneca’s UK president Tom Keith-Roach and the Association of the British Pharmaceutical Industry have echoed calls for reform, including raising pricing thresholds in line with inflation and reducing clawback rates—where companies pay back between a quarter and a third of revenues to the NHS—down to levels seen in other European countries. The current physician-level clawback policy is widely viewed as an impediment to sustained pharmaceutical investment in the UK.

This growing unease has tangible consequences. Other major firms have shown signs of hesitation: Eli Lilly, a US pharmaceutical company, has put its planned London gateway lab—a key incubator for biotech innovation—on hold, opting not to sign leases until the UK’s commercial environment improves. Similarly, AstraZeneca cancelled a £450 million vaccine production expansion in Liverpool earlier this year, blaming cuts in government support which further illustrate the impact of policy uncertainty on critical infrastructure investments.

The UK’s ambition to be a global “science and technology superpower” is under threat from a decline in research and development investment, which has fallen by almost 20% since 2014. The UK’s share of global R&D has slipped from 4.2% to 3.4%, underscoring the risk of falling behind other nations in fostering innovation-led growth.

Against this backdrop, the government is reportedly seeking to re-engage with pharmaceutical companies to renegotiate drug pricing and market access terms, following a refusal by industry leaders to accept Health Secretary Wes Streeting’s latest NHS drug pricing proposals. However, concrete progress remains uncertain, and prominent scientists warn that continued outflows of investment could further erode the UK’s standing.

In summary, despite Britain’s outstanding universities and world-class scientific talent, the pharmaceutical sector is grappling with a challenging economic, regulatory, and political landscape. Without a clear, committed governmental roadmap to increase investment and reform pricing structures, the UK risks losing its competitive edge as a leading centre for drug development and innovation.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi), [[2]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi)
* Paragraph 2 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi)
* Paragraph 3 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi)
* Paragraph 4 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi), [[2]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi)
* Paragraph 5 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi)
* Paragraph 6 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi), [[3]](https://www.theguardian.com/business/2025/jan/31/astrazeneca-cancels-450m-liverpool-investment-blaming-uk-government-funding-cuts)
* Paragraph 7 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi)
* Paragraph 8 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi), [[3]](https://www.theguardian.com/business/2025/jan/31/astrazeneca-cancels-450m-liverpool-investment-blaming-uk-government-funding-cuts), [[7]](https://www.theguardian.com/technology/2022/oct/27/uk-investment-research-and-development-falls-science-superpower-plan)
* Paragraph 9 – [[1]](https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi)

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## Bibliography

1. <https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi> - Please view link - unable to able to access data
2. <https://www.theguardian.com/business/2025/sep/12/britain-terrible-place-sell-medicines-drug-firm-executive-sanofi> - A senior pharmaceuticals executive from Sanofi has criticised the UK government's approach to funding new medicines, stating that Britain is 'not a good place' to develop or sell drugs. Paul Naish, Sanofi's UK head of market access, highlighted the country's high operational costs and challenges in selling medicines. He called for a comprehensive roadmap to increase spending on new treatments. This follows Merck's decision to cancel its £1bn research centre in London, raising concerns about the UK's competitiveness in the life sciences sector.
3. <https://www.theguardian.com/business/2025/jan/31/astrazeneca-cancels-450m-liverpool-investment-blaming-uk-government-funding-cuts> - AstraZeneca has cancelled a planned £450m investment to expand its vaccine production site in Speke, Liverpool, citing reduced government support. The company had been in discussions over incentives to support the expansion but faced challenges due to changes in state aid offered by the government. This decision underscores the impact of government funding cuts on pharmaceutical investments in the UK. ([theguardian.com](https://www.theguardian.com/business/live/2025/jan/31/canada-mexico-donald-trump-tariffs-saturday-uk-house-prices-inflation-ftse-100-federal-reserve-business-live-news?filterKeyEvents=false&utm_source=openai))
4. <https://www.theguardian.com/business/2020/sep/03/gsk-and-sanofi-to-start-human-trials-on-covid-19-vaccine> - GlaxoSmithKline (GSK) and Sanofi have initiated human trials for a potential COVID-19 vaccine. The vaccine combines Sanofi's flu vaccine technology with GSK's adjuvant to enhance immune response. The clinical trial involves 440 healthy adults in the US, aiming to evaluate safety, tolerability, and immune response, with results expected in early December 2020. A phase 3 trial could begin before the end of the year, potentially leading to regulatory approval in the first half of 2021. ([theguardian.com](https://www.theguardian.com/business/2020/sep/03/gsk-and-sanofi-to-start-human-trials-on-covid-19-vaccine?utm_source=openai))
5. <https://www.theguardian.com/science/2020/apr/14/gsk-and-sanofi-join-forces-to-work-on-coronavirus-vaccine> - GSK and Sanofi have formed an unprecedented collaboration to develop a COVID-19 vaccine. Combining their extensive vaccine manufacturing capabilities, the companies aim to produce hundreds of millions of doses worldwide. The partnership leverages Sanofi's flu vaccine technology and GSK's adjuvant to enhance immune response, with human trials expected to begin within months. ([theguardian.com](https://www.theguardian.com/science/2020/apr/14/gsk-and-sanofi-join-forces-to-work-on-coronavirus-vaccine?utm_source=openai))
6. <https://www.theguardian.com/business/2021/nov/24/follow-the-science-astrazeneca-unveils-1bn-rd-centre> - AstraZeneca has unveiled a £1bn research and development centre in Cambridge, housing 16 labs and 2,200 scientists. This facility is among the largest science labs in Britain and represents the company's largest single-site investment to date. The centre underscores AstraZeneca's commitment to science and R&D as the future of the company. ([theguardian.com](https://www.theguardian.com/business/2021/nov/24/follow-the-science-astrazeneca-unveils-1bn-rd-centre?utm_source=openai))
7. <https://www.theguardian.com/technology/2022/oct/27/uk-investment-research-and-development-falls-science-superpower-plan> - The UK's ambition to become a 'science and technology superpower' has been hindered by a significant decline in research and development (R&D) investment, which has fallen by almost a fifth since 2014. The UK's share of global R&D investment decreased from 4.2% to 3.4% between 2014 and 2019. This decline poses challenges to the UK's position in the global R&D landscape. ([amp.theguardian.com](https://amp.theguardian.com/technology/2022/oct/27/uk-investment-research-and-development-falls-science-superpower-plan?utm_source=openai))