Losing Ground? Challenges for Europe's Life Sciences Sector in the Global Race for Innovation

Elizabeth Kuiper, Associate Director European Policy Centre - 9 October 2025

Choosing Europe?!

Picture this:
2 July 2025: Commission's Life Science Strategy
Choose Europe for life sciences. A strategy to position the EU as the world's most attractive place for life sciences by 2030

Then picture these headlines from last months:
1) Merck slams UK as it scraps £1bn London drug research centre
2) AZ halts UK investment, and Lilly, Sanofi follow suit
3) Eli Lilly picks Virginia for $5B API site as part of $27B US pledge
4) Pfizer does deal with Trump on prescription drug prices

Has the EU got what it takes to emerge as the prime hub for life sciences within the next four years? Dismissing these headlines by linking them solely to the UK or US context overlooks the broader perspective.

Why Life Sciences Matter Now?

For good reason that life science has become a priority:

- Economic Security & Health: dependencies + importance of innovation in a world where China is rapidly catching up (clinical trials/brain health)
- Competitiveness: crucial because it drives growth and long-term sustainability; Social systems cannot be maintained without economic growth
- Demographic Transition: the EU's ability to navigate the challenges of an ageing population are contingent on a long-term integrated approach to policymaking to prepare for demographic shifts

Currently, the EU has competitive advantage in only two areas: advanced manufacturing and life sciences. Europe simply cannot afford the risk of losing the life sciences industry. This means less R&D, less clinical trials, slower patient access to innovation such as CART, MRNA cancer vaccines etc.

EU Frameworks Supporting Innovation

- ***Choose Europe for life sciences*** A strategy to position the EU as the world's most attractive place for life sciences by 2030
- ***Multiannual Financial Framework (MFF) and European Competitiveness Fund*** 2028-2034 "Health, Biotech and the Bioeconomy" cluster (€22.6 billion)

- ***Horizon Europe 2028–2034 (€175 billion***): health, biotechnology, agriculture, and the bioeconomy cluster (approx. €19.650 billion)
- ***Sector specific regulations***: Critical Medicines Act, Clinical Trials Regulation, European Health Data Space, upcoming Biotech Act etc.

Global Positioning

• EU strong in academic research
• US stronger in venture capital & commercialization
• China scaling in manufacturing, biotech and AI investment

Barriers to Global Leadership

• Fragmented regulatory environment
• Uneven talent distribution
• Slow adoption of new therapies
• Supply chain dependencies

The recent Council Conclusions (approved on 30 September 2025), "A call for action on life sciences for the Union's competitiveness" rightly regret that the EU's life sciences strategy is lacking an ambitious international perspective.

The EU is at a crossroads: it possesses cutting-edge science, yet is hindered by a lack of funding and reimbursement challenges. Without addressing these issues, groundbreaking innovations risk stagnating at the pilot phase. It's time for Europe to streamline its processes and seize the opportunity for progress.

Emerging Trends to Watch

<u>AI-driven drug discovery</u>

- *Apply AI Strategy* (adopted 8 October 2025) accelerating timelines, reducing costs, and improving success rates across stages like target identification and clinical trials

<u>Personalized & precision medicine and Cell & gene therapies</u>

- Transformative technologies offer great opportunities for patients and incentivise personalised healthcare treatments with the potential to change the course of cancer. The first therapeutic cancer vaccines are forging ahead and more significant developments are expected in the years to come

<u>Role of Digital Health and Data</u>

- European Health Data Space (EHDS) Regulation: Following work on secondary legislation, key EHDS provisions on primary and secondary uses of health data will apply starting in March 2029.
- Consumer health devices and wearable technologies are increasingly positioned as bridges between individual health management and formal healthcare systems. This transformation raises several intersecting, complex questions on

how to integrate these technologies with traditional healthcare infrastructures, data interoperability, privacy preservation, and equitable access to personalised care innovations.

Brain Health - Pilot Life Science Solutions

The recent EPC Paper "Innovation Across the Lifecycle of Brain Health" (https://www.epc.eu/publication/innovation-across-the-lifecycle-of-brain-health/) stipulates that brain health represents one of the most complex and pressing healthcare challenges of our time. As in other areas of health, demographics greatly influence brain health and its impact is evident across the entire lifecycle.

Even though success rates in neurology are improving and approaching those of other domains, the share of neurological trials within all clinical trials has halved since the early 2010s. Reversing this trend will be essential for progress in brain health.

Brain health is an ideal domain to pilot solutions proposed in the European Life Sciences Strategy. From investments to facilitate multi-country clinical trials, to fast-tracking life sciences startups on their journey to market, the strategic alignment around brain health can become a critical tailwind for innovation and a model for integrated health policy implementation.

Reflecting on the insights shared by Professor Draghi a few weeks ago, marking a year since the unveiling of his report, the message is clear:

"*Over the past year, each of these challenges has grown more acute. One year on, Europe is therefore in a harder place. (...) We must move beyond broad strategies and backload timelines. We need concrete dates and deliverables - and to be held accountable for them*".

Elvis was right: A little less conversation and more action. I could not agree more.