



## All-Party Parliamentary Group on **EU-US Trade & Investment**

### Note on the Pharmaceutical Sector and TTIP – June 2014

#### **TTIP: the potential gains and concerns for UK pharmaceuticals – consumers, workers and companies**

The All-Party Parliamentary Group on EU-US Trade & Investment organised a discussion meeting on the **UK Pharmaceutical Sector** and potential benefits and challenges from a **Transatlantic Trade and Investment Partnership (TTIP)** on June 25<sup>th</sup> in the House of Commons with the following panelists:<sup>1</sup>

**Eli Lilly Senior Director of Corporate Affairs, Rick Ascroft**  
**Unite National Officer, Linda Mc Culloch**

The meeting was attended by Parliamentarians from opposition and government Parties, plus representatives from business and campaign organisations and interested individuals.

Rick Ascroft of Eli Lilly<sup>2</sup> spoke on behalf of the pharmaceutical industry as well as Lilly. He underlined the significant economic presence of the industry in the UK – employing some 70,000 people directly with around 23,000 engaged in research and development (R&D). He highlighted the important contribution the industry makes in providing high quality medicines to people worldwide. In the UK the industry is also seen as cost-effective as only 10% of the UK health-care budget is used on medicine while the average in other OECD countries is 15%.

He said ‘what’s in it for people’ is missing from the current debate on TTIP.

Ascroft described TTIP as a once in a generation opportunity to give the EU and US jobs and economies a boost, and that Lilly was firmly committed to supporting a deal. For the pharmaceutical sector three key areas were significant: regulatory harmonization,

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<sup>1</sup> Chief Executive Stephen Whitehead from the Association of the British Pharmaceutical Industry was prevented from attending.

<sup>2</sup> Lilly – a US owned pharmaceutical company in the UK since the 1930s employs 38,000 worldwide and around 1,400 in the UK. The company is the 7<sup>th</sup> largest investor in pharmaceutical R&D in the UK. Jobs in the industry are high paid and knowledge based. Lilly has three sites in the UK: in Basingstoke, Surrey, and Liverpool.

Intellectual Property Rights protection and market access. Ascroft also described TTIP as significant in terms of its potential to set a benchmark for other future trade agreements.

The industry and patients could benefit greatly from reducing the time lag before a product can be distributed. Valuable time can be saved through parallel inspections of manufacturing facilities and R&D facilities. Efficiencies could also be gained through sharing of information while protecting intellectual property.

Unite National Officer Linda McCulloch welcomed the work that the APPG is doing to raise the level of debate on TTIP. She spoke of the union's support of a strong pharmaceutical sector and stressed that Unite is not 'anti-trade', as thousands of Unite members' jobs depend on trade. But she said, 'not trade at any price' and that it is difficult to assess specific implications for the sector due to a lack of concrete information on potential content or results of negotiations. She also pointed to the general opposition Unite has to TTIP, based on concerns the union has about the negotiations which she termed as non-transparent<sup>3</sup>, the inclusion of an ISDS system, the risk of reducing labour rights in Europe and protection of the UK public sector, especially the NHS.

Unite is broadly in agreement with European standards in the pharmaceutical sector. The union was concerned that a TTIP could reduce transparency in clinical trials – something that Ascroft contested.

In the discussion Ascroft pointed to the potential a transatlantic agreement had to raise standards globally. He invited a dialogue with the unions on concerns regarding lowering of standards, and said that this was needed in the industry. In response to a question Ascroft confirmed the inclusion of an investor state dispute settlement mechanism as important for the company, describing such a mechanism as a last resort yet something that it would be difficult to do without.

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If you wish to join the APPG and receive the regular bulletins, please contact Siwan Puw in Guto Bebb's office.

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<sup>3</sup>The EU negotiation position on pharmaceuticals has been published and can be found here: [http://trade.ec.europa.eu/doclib/docs/2014/may/tradoc\\_152471.pdf](http://trade.ec.europa.eu/doclib/docs/2014/may/tradoc_152471.pdf)