

# Press release: Major pharma leader MSD first to endorse government's Industrial Strategy as it announces major investment in the UK

- Government announces it has secured a major strategic investment into UK by MSD ahead of this morning's publication of its flagship Industrial Strategy
- Landmark investment comes as a huge vote of confidence in the government's approach to industrial strategy, with the global healthcare company committing to open a new world-class hub in the UK
- Industrial Strategy will outline the government's plan to address the UK's underlying productivity challenge, with a focus on 5 key foundations: ideas, people, infrastructure, business environment, places

The Business Secretary has confirmed today (27 November) that world-leading life sciences company MSD is set to make a major investment into the UK economy with the opening of a new state-of-the-art UK hub, helping ensure innovative research into future treatments for patients and pioneering medicines are completed in Britain.

The news comes as the government is set to unveil its flagship [Industrial Strategy](#) later this morning, with a long-term plan for how Britain can build on its economic strengths, address its productivity challenge, positively embrace technological change, and support businesses and its workers.

The Sector Deal agreement comes as a major endorsement of the government's Industrial Strategy vision and has been secured through the upcoming Life Sciences Sector Deal, one of 4 such deals that government is set to confirm later today and announce in the weeks ahead.

Alongside the Life Sciences Sector Deal, government will confirm it has agreed deals with construction, artificial intelligence and automotive. Each deal represents a new strategic and long-term partnership with government, backed by private sector co-investment.

Business Secretary Greg Clark said:

We are at one of the most important, exciting and challenging times there has ever been in the history of the world's commerce and industry.

Powered by new technology, new industries are being created, existing ones changing and the way we live our lives – as workers, citizens and consumers – transformed.

We are an open, flexible economy, built on trade and engagement with the world. We have a competitive business environment with a deserved reputation for being a dependable and confident place to do business, thanks to our high standards, respected institutions and a reliable rule of law.

We are renowned for innovation and discovery, with some of the best universities and research institutions in the world producing some of the most inventive people on earth.

We have commercial and industrial sectors – from advanced manufacturing to financial services; from life sciences to the creative industries – which are competitive with the best in the world.

In this Industrial Strategy we set out how we will maintain and enhance these and other strengths and deploy them to our advantage.

But any serious strategy should address the weaknesses that stop us achieving our potential, as well as our strengths, and this Industrial Strategy does that.

Britain's productivity performance has not been good enough, and is holding back our earning power as a country.

So this Industrial Strategy deliberately strengthens the 5 foundations of productivity: ideas, people, infrastructure, business environment and places.

By acting together as a nation, and in a sustained way, to improve the underperforming conditions for productivity we can drive up our earning power.

## **MSD UK hub**

The investment announced by MSD, known as Merck and co. in North America, will support a new world-leading life sciences discovery research facility in the UK, supporting a total of 950 jobs in high-skilled and high-value research roles.

Investments by a number of pharmaceutical companies into the UK will form a key part of the Sector Deal, a central Industrial Strategy measure, set to be signed in the coming weeks by the life sciences sector and government.

Announcing the investment, Business Secretary Greg Clark said:

Our life sciences sector is one of the UK's fastest developing industries, with a turnover in excess of £64 billion, employing 233,000 across the UK.

MSD's commitment today, and the wider Sector Deal investment we

have secured, proves the process outlined in the Industrial Strategy can give companies the confidence and direction they need to invest in the UK. It will ensure Britain continues to be at the forefront of innovation and represents a huge vote of confidence in our Industrial Strategy.

Health Secretary Jeremy Hunt said:

I want patients to continue to be at the front of the queue for the best treatments available. The NHS has a proud history of spearheading medical innovation and today's investment in our strong and growing life sciences sector will see patients in the UK continue to benefit from world-leading research and pioneering medicines.

MSD's Research Laboratories president Dr. Roger M. Perlmutter said of the investment:

Strong discovery capabilities and the pursuit of scientific excellence are foundational to MSD's mission to save and improve lives around the world.

A new UK location will enable us to build on our proud legacy of invention and be an important contributor to the vibrant and rapidly growing UK life sciences community, while providing access for more collaborations within the European life science ecosystem.

MSD Managing Director in the UK and Ireland, Louise Houson said:

We believe the UK to be a unique bioscience centre of excellence and this investment presents a major opportunity for us to work in collaboration with the UK government to build on the forward thinking and ambitious Industrial Strategy white paper being published by the government today.

Chair of the Life Science Industrial Strategy Advisory Board, Sir John Bell said:

Today's investment provides strong evidence that a coherent industrial strategy can have a real, tangible impact on economic activity in sectors that we need to strengthen and grow. It will drive this sector forward and simultaneously attract other investments into the UK.

Investments by world-renowned companies like MSD and QIAGEN demonstrate that the UK's science base is truly world-leading and

an exceptional national strength.

It is clear that the UK can, through a collaborative partnership between government, industry, academia, charities and the NHS, deliver the next wave of innovation that will benefit patients, transform the health care system, and generate economic growth and improved productivity.

The Sector Deal, confirmed in the white paper later today, will drive investment in the UK's world-leading research infrastructure and boost productivity in the sector. It will be formally announced in the coming weeks, including a brand new partnership between leading diagnostics company, QIAGEN, and Health Innovation Manchester, that has the intention to develop a genomics and diagnostics campus in the city.

This new campus will generate new skilled jobs and attract companies from across the world to the north west, while the company has confirmed it is going to expand its current operations in Manchester, with the potential to create 800 skilled jobs.

CEO of QIAGEN, Peer M. Schatz said:

We are very excited about this partnership with Health Innovation Manchester, and the essential engagement of the University of Manchester, the NHS Trust and the UK government. Our success together can advance science and improve the lives of patients in the local region as well as worldwide.

## **Innovation at the heart of Industrial Strategy**

Today's investment builds on the [announcement made by the Prime Minister last week](#) that the government ambition is to deliver a step change in the level of investment in research and development (R&D), rising from 1.7% to 2.4% of GDP by 2027. This could mean around £80 billion of additional investment in advanced technology in the next decade, helping to transform whole sectors, create new industries, and support innovation across the country.

The uplift will help transform the UK economy and drive a long-term change in the use of R&D by industry, ensuring that the next generation of innovative technologies that create high-skilled jobs, revolutionise productivity and improve living standards, are produced in Britain. Government will be working with industry and academia to deliver this goal.

## **Grand Challenges**

The white paper follows extensive engagement by government with industry, academia and business bodies who submitted almost 2,000 responses to the [green paper consultation](#) earlier in 2017.

In the strategy, the government identifies 4 Grand Challenges; global trends that will shape our rapidly changing future and which the UK must embrace and lead to ensure we harness all the economic and social opportunities they bring. The first 4 are:

- artificial intelligence (AI): the rise of AI is changing the world we live in, the UK has to be at the forefront of this data-driven revolution and grasp the opportunities it presents through the AI Sector Deal
- clean growth: the global shift to [clean growth](#) presents huge opportunities for innovation that government and industry must take advantage of by backing the development, manufacture and use of low carbon technologies
- ageing society: to effectively meet the needs of an ageing population, the UK must harness innovations in medical care, technology and services
- future mobility: from driverless cars to drone-delivered goods, the way we move people, goods and services is evolving rapidly and the UK needs to be a world leader in shaping what the future of mobility looks like

Each Grand Challenge represents an open invitation to business, academia and civil society to work and engage with the government to innovate, develop new technologies and develop strategies to seize these global opportunities.