



The Pharmaceuticals Industry includes:

- Basic pharmaceutical manufacture
- Pharmaceutical preparations manufacture

The industry produces everything from antibiotics to the contraceptive pill and develops products that treat many common illnesses and ailments from allergies and infections through to asthma and diabetes. It also continues to pioneer new treatments for many serious and life-threatening diseases including cancer and heart disease. In short, this is an industry that enhances and, in some cases prolongs, many lives all around the world.

The pharmaceuticals industry is also responsible for the safety and effectiveness of the products it manufactures. Products go through rigorous tests and trials.

In 2005, pharmaceutical companies in the UK spent £3.3 billion on pharmaceutical research and development – that's an investment of around £9 million every day. Indeed, around a quarter of all UK industry-supported research and development comes from the pharmaceutical industry.

It is also an industry that needs highly skilled people. There are many and varied careers on offer. Career development in the pharmaceutical industry is well respected and the companies which make up the sector are committed to investing in their people, as it is through their employees' skills and talents that they are able to be innovative and compete internationally.

Economic picture of the Pharmaceuticals Sector¹

Industry	Turnover	GVA ²	GVA per employee
Totals	£15.68bn	£7.45bn	Average £109,530

Industry details³

The UK Pharmaceuticals industry is **4th** globally in world trade balance

The Pharmaceuticals industry accounts for **1% of UK GVA**

UK pharmaceutical exports (2006): **£14.6 billion**

UK spend on medicines as a proportion of GDP: **0.94%**

UK sales share of the world's top 100 prescription medicines (2003): **20%**

UK market share of new medicines (2003): **17%**

Pharmaceutical R&D expenditure in the UK (2005) = **£3,308 million**

R&D accounted for **34.2%** of sales in the UK Pharmaceuticals industry (2004)

UK has 2 corporations in the global **top ten** with a **10.5% global market share**

¹Annual Business Inquiry 2005 – data released November 2006, available through the Office of National Statistics

²GVA is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

³Association of the British Pharmaceutical Industry (ABPI) <http://www.abpi.org.uk/statistics/intro.asp>

The Pharmaceuticals Industry Workforce⁴

Workforce Distribution

Number of Employers ⁵	600
Number of Employees ⁵	73,000*
Age of workforce	
– 16-24	8%
– 25-34	28%
– 35-44	33%
– 45-54	23%
– 55+	8%
Ethnicity	
– White	92%
– Non-white	8%
Gender	
– Female	44%
– Male	56%

Occupation Distribution

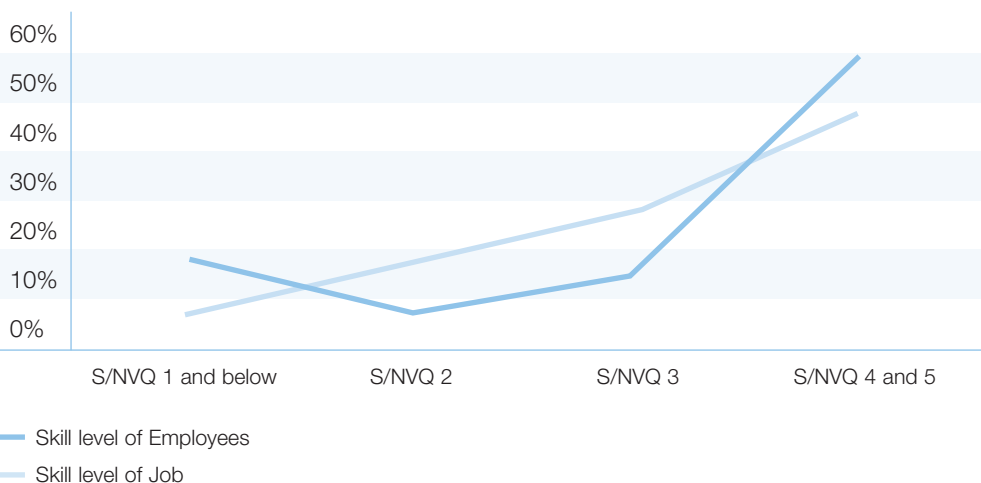
Managers and Senior Officials	24%
Professional Occupations	24%
Associate Professional and Technical	19%
Administrative and Secretarial	7%
Skilled Trades Occupations	2%
Sales and Customer Service Occupations	2%
Process, Plant and Machine Operatives	14%
Elementary Occupations	7%

* Remaining 1% Personal Service Occupations

• Industry estimates can exceed ABI employee data due to contractor workforce and SIC limitations

The Skills Gap⁵

Skills Gap in the Pharmaceuticals Industry



There is an over supply of people qualified at S/NVQ level 1 and below compared to the number of jobs at that level in the Pharmaceuticals Industry.

Elementary occupations only account for 7% of the overall workforce.

There is a 12% SURPLUS at S/NVQ level 1 and below.

There is an under supply of people qualified to S/NVQ level 2 and 3 compared to the proportion of jobs at those levels in the Pharmaceuticals Industry.

Level 2 and level 3 occupations account for 44% of the Pharmaceuticals Industry.

There is a 21% DEFICIT at S/NVQ levels 2 and 3.

Standard Industrial Classification (SIC) Listing⁶

The Pharmaceuticals Industry by SIC code: 24.41 24.42

⁴Labour Force Survey January 2006 - December 2006

⁵Cogent Industry Estimates

⁶Office of National Statistics - Standard Industrial Classification (SIC) 2003

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