



# Our position on Competitiveness and Investment Criteria

## What is the issue?

When looking to make sure our investments generate value for patients and shareholders, we carefully assess how and where we spend capital and R&D funding. In a very competitive global market for Foreign Direct Investment (FDI), we look to regions with stable economic and legal frameworks that support vibrant life science sectors. Businesses will locate to countries where these conditions exist and are sustainable.

This paper summarises our approach to investment decisions, including criteria that we apply when assessing new opportunities.

## What is GSK's view?

As part of the global pharmaceutical industry, we work with policy makers across the world to create local conditions that will generate good health outcomes for patients and are attractive to life science investment. Healthcare companies will typically look to governments to provide and/or facilitate:

### **1. Strong scientific research skills and infrastructure, together with a high-quality research base. Key components include:**

- an adequate supply of skilled scientists and other technical personnel
- a high-quality and relevant science base, including centres of world-class research in universities allowing collaboration between industry and academia
- a vibrant clinical trials/research infrastructure with flexible regulatory frameworks that supports the development and licensing of new medicines and vaccines
- Clusters of pharmaceutical firms, research and training institutions, suppliers of key inputs (e.g. software), venture capital providers and other related entities to facilitate linkages and partnerships critical for industry competitiveness.

### **2. An attractive commercial environment for innovative medicines and vaccines. Key components include:**

- a stable, steadily growing market that offers substantial size and encourages competition
- early adoption of new innovative medicines and vaccines, allowing fast access to patients
- pricing and reimbursement policies that recognise and reward innovation and consider the value provided by a medicine or vaccine, rather than just the cost

### **3. An attractive fiscal and economic climate comprising:**

- stable economy with fiscal certainty and a commitment to free trade
- financial incentives, encompassing corporate taxation and measures aimed at modernising tax legislation relating to intellectual property
- favourable planning regulations, a good transport infrastructure and a competitive cost base

### **4. A supportive regulatory environment that:**

- allows timely review and early adoption of new medicines and vaccines

- understands and embraces new technologies used in the discovery and development of new products and the new challenges to the regulatory approval process they create
- allows quick start up of clinical trials and facilitates rapid patient recruitment
- focuses on better regulation, to ensure regulations are clear, evidence-based and proportionate
- provides a level playing field for foreign companies, avoiding protectionist measures which unfairly favour local companies

**5. A strong legal framework that:**

- rewards innovation and supports R&D funding by respecting and enforcing international patents and regulatory data protection
- embraces a zero-tolerance approach to corruption