

The BIOPHARMACEUTICAL sector in Belgium

A story of sustainable
growth and impact



Pharma Figures

2023

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ASSOCIATION GÉNÉRALE DE L'INDUSTRIE DU MÉDICAMENT
ALGEMENE VERENIGING VAN DE GENEESMIDDELENINDUSTRIE



The biopharmaceutical industry proved its strength and flexibility during the pandemic. Post-Covid, the sector has only reaffirmed its position as a stronghold of the Belgian economy. Over the last year, the added value, employment and investment rates for biopharmaceuticals has continued to rise over the rate for the manufacturing industry as a whole. In terms of exports, the sector accounts for almost 15 % of total Belgian exports: a tenfold increase over the past 25 years. This performance is excellent, especially when compared with other key sectors.

The basis of this success lies not only in our unique ecosystem, but also in our sustained efforts to innovate. With at least one patent application every day, the biopharmaceutical sector is the clear leader in Belgium, as our companies continue to invest in the solutions of the future. But current results are no guarantee of that future. Belgium's position has not gone unnoticed abroad, and other countries are taking steps to boost innovation and production and increase their market share. The biopharmaceutical industry is increasingly seen as a strategic sector, and rightly so.

Other countries have also been very active at the global level for some time. That is why it is essential to strengthen the attractiveness of Belgium - and Europe in general - for future investment. Belgium stands to lose all the more if the European position weakens, given our top position.

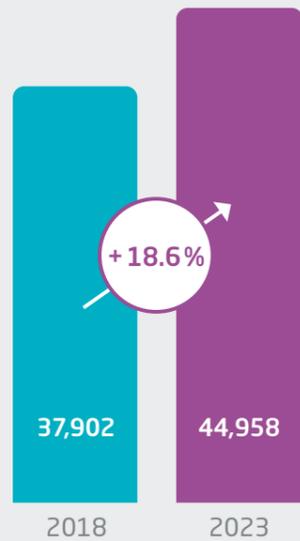
It is crucial that upcoming federal and regional governments pay close attention to the structural impact of policy measures on the competitive position and strength of the Belgian biopharmaceutical industry. Only in this way will the sector continue to fulfil its role as a driver of prosperity and wellbeing. That is why we strongly recommend that upcoming federal and regional governments include regular dialogue and cooperation with the biopharmaceutical industry as a policy priority.

For a prosperous and healthy Belgium.

Caroline Ven
CEO pharma.be

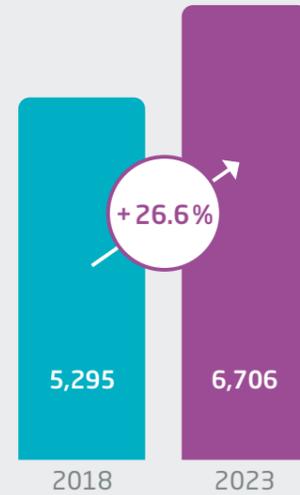
KEY FIGURES 2023

Increase over 5 years



44,958
direct jobs¹

Increase over 5 years



6,706
researchers²

Increase over 5 years



€ 5.7 bn
investment in R&D⁴

Increase over 5 years



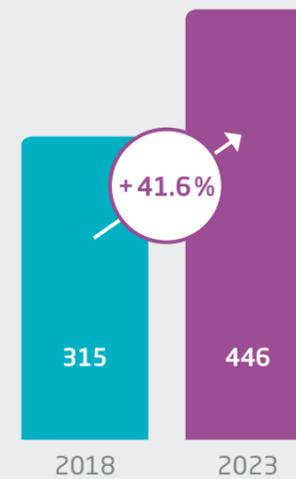
€ 78.0 bn
in exports⁶



9 in 10 biopharmaceutical companies have fewer than 250 employees in Belgium



They account for **a quarter** of employment in the sector³



446
patent applications in the pharma and biotech sector⁵



€ 13.4 bn
added value generated by the biopharmaceutical sector⁷

* The figures for added value are not yet available for 2023



Did you know?

THERE ARE ABOUT AS MANY WOMEN AS MEN IN MANAGEMENT POSITIONS IN THE BIOPHARMACEUTICAL SECTOR.

The biopharmaceutical sector has been making efforts to increase gender diversity for years. These efforts are most evident in the top positions. The proportion of women in management positions was already 46 % in 2018, rising to 49 % by 2022.

An industry for all

The Belgian biopharmaceutical sector operates across the entire value chain, from research and development through production and logistics to marketing and distribution. This diversity is also reflected in job profiles within the sector.

Due to the complexity of the sector, the majority of employees hold a higher education degree. This differs from the picture in wider Belgian industry. At the same time, there are also a lot of roles for people with primary or secondary education. In total, these roles account for more than a quarter of all employees⁸.

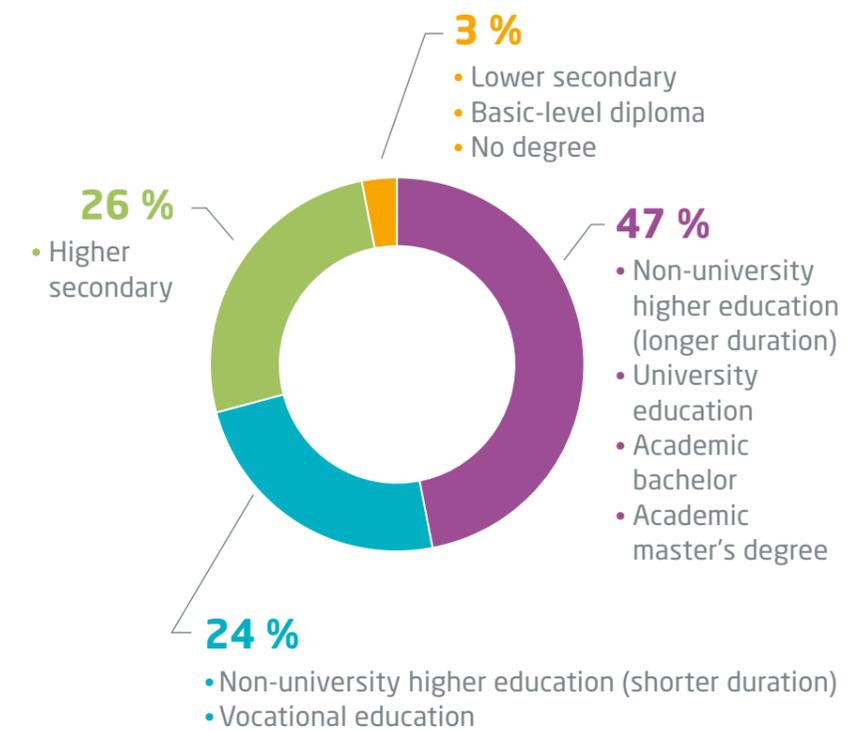
The sector is also diverse in other ways, such as in the equal employment rate of men and women up to management level

Did you know?

OVER THE LAST FIVE YEARS, THE NUMBER OF RESEARCHERS WORKING IN THE SECTOR HAS INCREASED BY OVER A QUARTER.

Many researchers are already employed in the biopharmaceutical sector. Every day, they work to develop new treatments, for example. In 2023, 6,706 researchers were working in the biopharmaceutical sector in Belgium. That is an increase of about 26.6 % within five years. This growth rate also shows the highly innovative nature of the sector.

Distribution of employment profiles in the biopharmaceutical sector in 2023



There were **44,958 employees** in the Belgian biopharmaceutical sector in 2023

Biopharmaceutical employees **account for more than 9 % of total manufacturing employment**

Employment in the sector has **more than doubled over 25 years**

A leader within the manufacturing industry

Year on year, the number of jobs within the sector is growing. Over the past five years, the number of employees has increased by almost 19 %, to just under 45,000 employees by 2023. This is not only owing to the employment needs of larger companies. SMEs (companies with fewer than 250 employees) also employ a lot of people, accounting for about a quarter of all jobs in the sector.

Across the manufacturing sector in general, the number of jobs grew by only 1.7 % over the past five years. So the biopharmaceutical sector scores remarkably well in this area. Employment growth in the three main manufacturing sectors, food, metals and chemicals, is much lower than in biopharmaceuticals. In fact, half of the manufacturing sectors have actually faced a decline in employment over the past five years. Consequently, the biopharmaceutical industry's share of total employment within the manufacturing industry continues to grow year on year, reaching 9,3 % in 2023..



Evolution of direct, indirect and induced employment in the Belgian biopharmaceutical sector⁸



Growing impact on Belgian employment

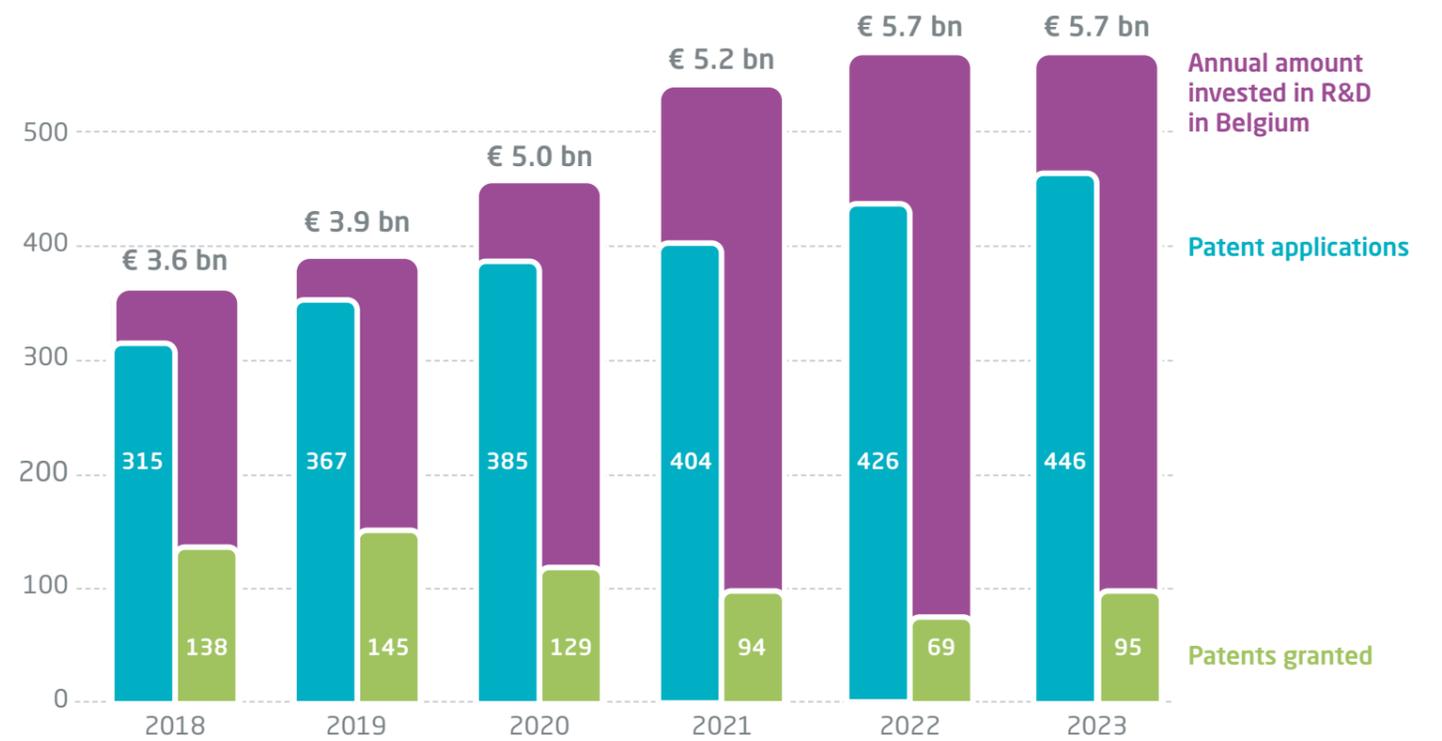
The biopharmaceutical sector's growth rate is not only unique within the manufacturing industry. The sector has enjoyed a growth rate of more than three times that of the private sector and the wider Belgian economy over the past five years. This strong performance explains the growing importance of the biopharmaceutical sector on a larger scale.

To get a full picture of the impact, we also need to look at the positive effects of biopharmaceutical sector growth on employment in other sectors, such as transport and logistics. This indirect employment accounts for another 57,276 jobs. If we consider the jobs resulting from the spending of all those workers (in both direct and indirect employment), the biopharmaceutical sector contributes to another 39,293 jobs.

Thus, for every job created in the Belgian biopharmaceutical sector, two other jobs are created. In all, the sector thus provides almost 142,000 jobs in Belgium.



Evolution of patents applied for/granted and R&D investments



Research and development in our DNA

What Belgium lacks in terms of natural resources, we make up for in knowledge. Research and development (R&D) are not only in Belgium's DNA as a whole, they are also at the heart of the biopharmaceutical industry. Every year, the sector develops many important innovations that are helping us to live longer and healthier lives. The added value of this sector is immediately apparent.

Did you know?

THE BIOPHARMACEUTICAL SECTOR IS THE LEADING SECTOR IN TERMS OF INVESTMENT IN R&D BY THE CORPORATE SECTOR.

The sector's contribution is crucial for Belgium in meeting the so-called Lisbon standard, which requires European governments and companies to spend 3 % of their combined GDP on R&D annually.

Over 15 million euros is invested in R&D by the innovative biopharmaceutical sector every day¹¹

446 patent applications or well over one patent application per day⁵

Five times more investment in R&D **over the last 25 years**¹²



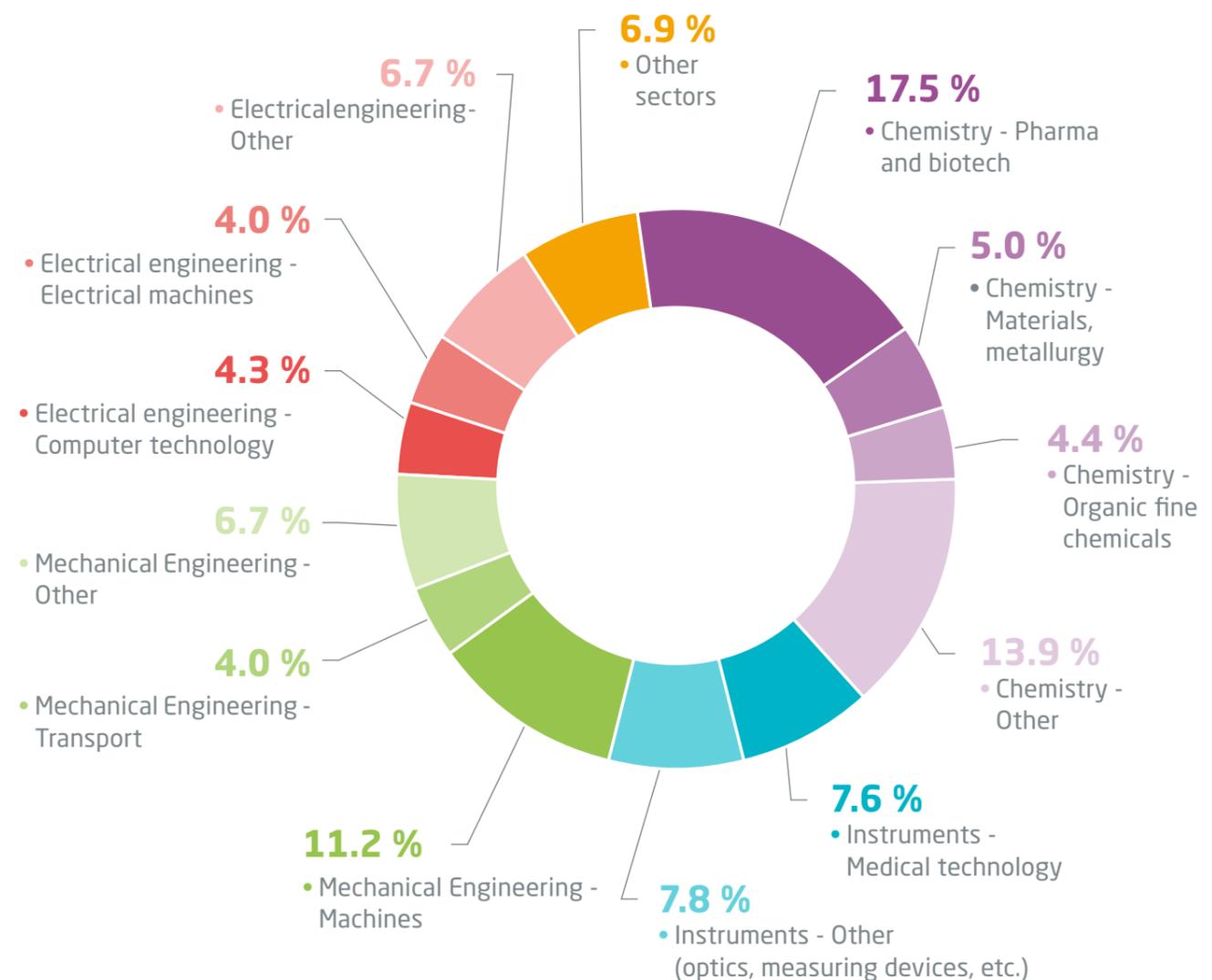
No innovation without patents

In 2023, the Belgian biopharmaceutical industry filed 446 patent applications, or well over one per day. This makes the sector the undisputed leader. No other sector even comes close to this. These applications are crucial because the protection provided by patents is a prerequisite for continuing to invest in very expensive, long-term research programmes.

Year upon year, the number of patent applications is increasing as a consequence of the biopharmaceutical sector's continuous innovation. In five years, the total number of patent applications has increased by about 40%. This growth was almost five times higher than the growth in all technology domains combined. By 2023, for example, the sector accounted for almost 18% of all patent applications in Belgium. That share is rising year on year. The biopharmaceutical sector is only increasing its absolute lead in innovation in Belgium.

These impressive sums show that innovations cannot be taken for granted. The development of innovative new medicines requires considerable time and resources. The biopharmaceutical sector is therefore the most R&D-intensive industry, with an R&D intensity of 42.4%. R&D intensity indicates how much of the added value is reinvested in research and development. The sector not only scores well in Belgium, but is gaining increasing weight in terms of R&D across Europe¹³.

Proportion of Belgian patent applications per industry sector





An essential hub for international medicine distribution

During the COVID-19 pandemic in 2021 and 2022, the Belgian biopharmaceutical sector played a crucial role in manufacturing vaccines. The unprecedented scale of that effort is also evident in its export figures: in 2022, exports of medicines and vaccines reached almost 100 billion euros¹⁴. This confirms Belgium's unique position as an international hub for pharmaceuticals.

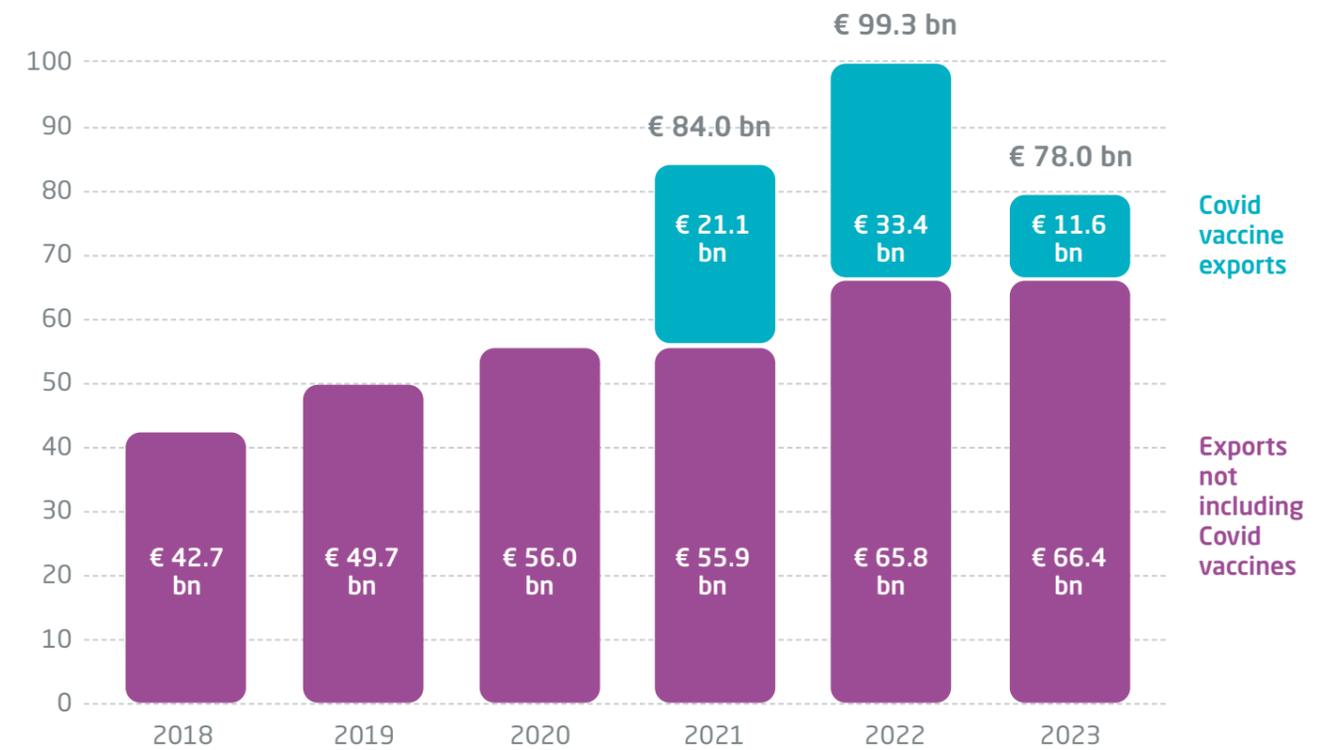
In 2023, COVID-19 vaccine exports fell sharply due to the end of the pandemic. As a result, the sector's total exports fell by about 20 %, to 78.0 billion euros. However, over a five-year period, exports continued to grow by more than 80 %. Looking at the figures without the COVID-19 vaccines, exports in the sector have continued to grow by more than 55 % over the past five years.

With a 14.8 % share of total exports, the biopharmaceutical sector remains Belgium's export champion. Biopharmaceutical exports have grown faster than any of the other top five sectors' exports over the past five years. The biopharmaceutical sector is thus taking an increasing lead and is gaining importance within the export-oriented Belgian economy.

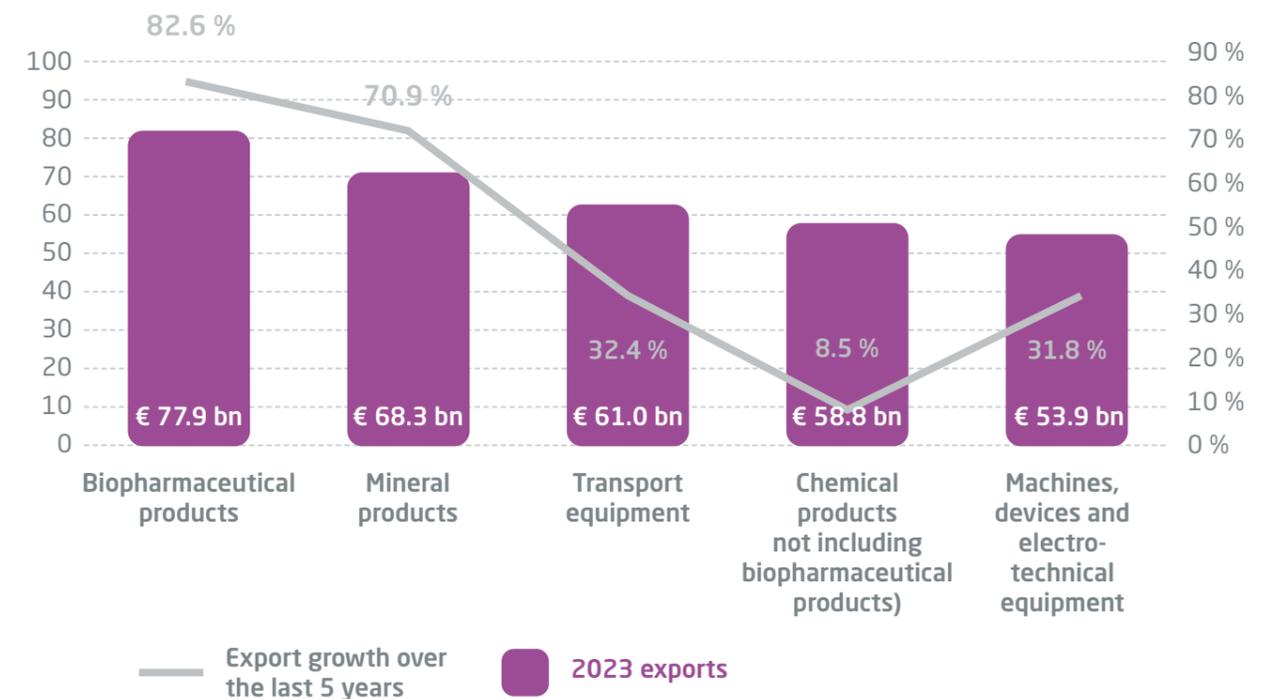
An undeniable share of Belgium's positive trade balance

Every day, over 213 million euros worth of biopharmaceuticals are exported from Belgium. This resulted in a trade surplus of 9.2 billion euros in 2023. Belgium's overall trade balance shows a surplus of 16.3 billion euros. The biopharmaceutical sector therefore accounts for 56 % of Belgium's trade surplus, by far the largest share of any sector.

Evolution of exports in the Belgian biopharmaceutical sector



Top five Belgian export sectors





Exports in Europe... and far beyond

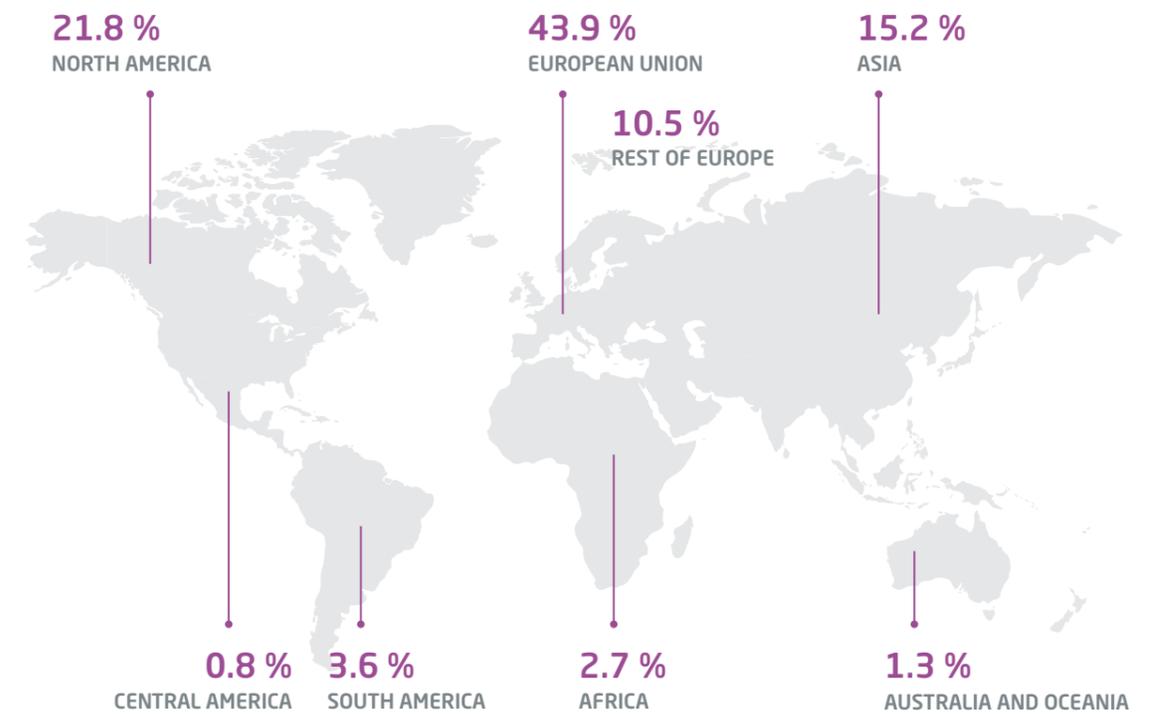
More than half of biopharmaceutical sector exports leave the European Union. In total Belgian exports, this amounts to 14.8 %. The United States is by far the most important trading partner, accounting for almost 20 % of Belgian biopharmaceutical exports. This is followed by Germany and Italy, with 11.9 % and 7.7 % respectively.

Did you know?

BELGIUM SHOULD REALLY BE KNOWN AS THE LAND OF MEDICINES AND VACCINES, RATHER THAN THE LAND OF BEER AND CHOCOLATE!

It is because in 2023, exports of medicines and vaccines were more than 14 times higher than those of our favourite treats!

Exports in Europe... and far beyond



TOP 5 EU 2023

Germany	11.9 %
Italy	7.7 %
Netherlands	6.9 %
France	5.2 %
Spain	3.0 %

TOP 5 NON-EU 2023

United States	19.8 %
United Kingdom	5.7 %
Japan	3.5 %
China	3.3 %
Brazil	2.6 %

Sector exports total
213 million euros every day

More than **50 % of exports** cross EU borders

Biopharmaceutical exports account for **14.8 % of all Belgian exports**

Biopharmaceutical exports have seen an **almost tenfold increase over 25 years¹²**

The importance of the biopharmaceutical sector

In terms of jobs, innovation and exports, the biopharmaceutical sector occupies a top position in the Belgian economy. But the sector is also a very important contributor to production, added value and investment in Belgium. And this contribution also continues to grow year on year.

Production

In 2023, total industrial output for the Belgian manufacturing sector fell. This was also true for the biopharmaceutical sector, mainly due to the sharp decline in production of COVID-19 vaccines. Looking back a little further, however, we see that biopharmaceutical production has more than doubled in the past five years¹⁵. In no other industrial sector has growth been so impressive.

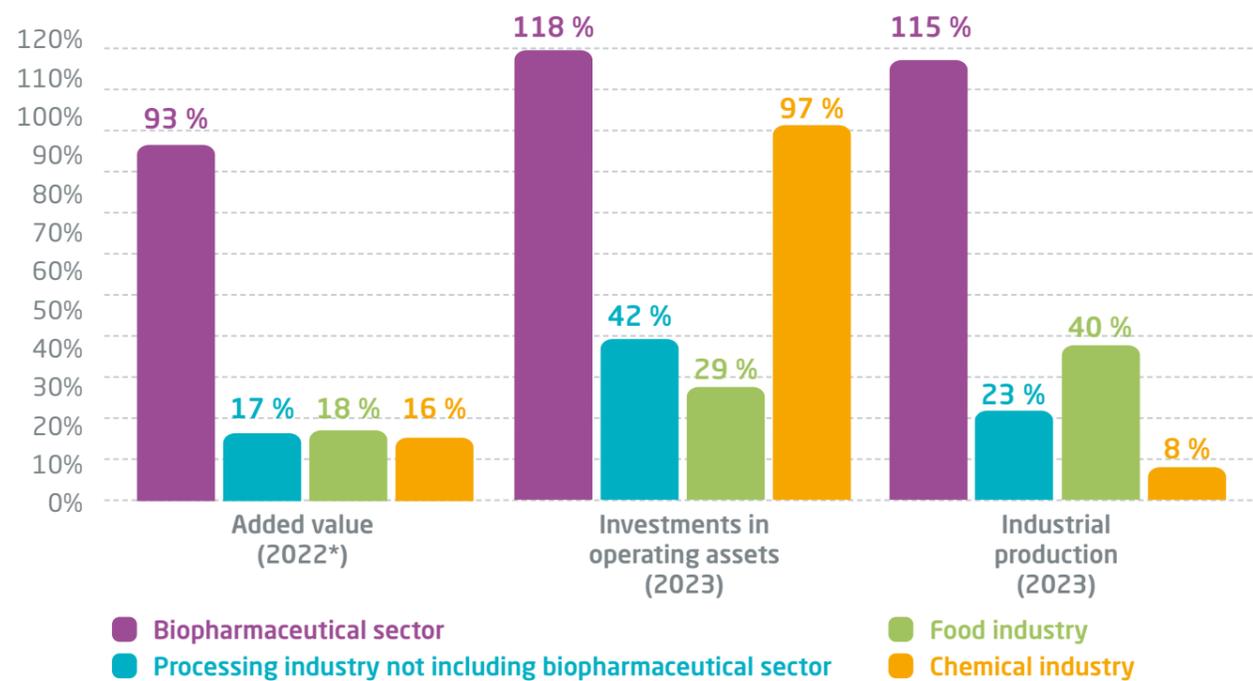
Did you know?

BELGIUM'S BIOPHARMACEUTICAL SECTOR CONTINUES TO RECORD YEAR-ON-YEAR GROWTH.

The biopharmaceutical sector is virtually the only sector in Belgium that continues to grow sustainably both in terms of added value and employment, as well as productivity.



Evolution of added value, investment and production over five years



* The figures for added value are not yet available for 2023

Added value

In terms of added value, the biopharmaceutical sector is also performing exceptionally well. In just five years, added value has doubled⁷, making biopharmaceuticals the leading sector in terms of added value since 2019. No other sector can boast higher growth rates. By 2022, the biopharmaceutical sector accounted for almost a fifth of the total added value generated by the manufacturing industry in our country. Over the past 25 years, the added value of the biopharmaceutical sector has quadrupled¹².

Investments in operating assets

The sector's impressive performance is partly due to the tremendous efforts in R&D and continuous investment in operating assets. These investments include land, buildings, installations, machinery and equipment to expand production capacity or make production facilities more environmentally friendly, for example. Over the last five years, investment in operating assets has more than doubled¹⁶, with the sector accounting for almost 10% of manufacturing investment by 2023. No other sector can boast such growth.

Sources and footnotes

- 1** Belgian National Social Security Office (ONSS/RSZ) - pharma.be
- 2** pharma.be, member survey
- 3** Bureau Van Dijk, Bel-First - pharma.be
- 4** pharma.be, member survey
- 5** European Patent Office, European patent applications 2011-2023 by field of technology. The figures cover the pharmaceutical and biotechnology fields.
- 6** National Bank of Belgium (NBB), Foreign trade, Community concept
- 7** National Bank of Belgium (NBB), Added value (at basic prices)
- 8** Statbel labour force survey, 2023
- 9** Belgian National Social Security Office (ONSS/RSZ), Labour market analysis: detailed quarterly data
- 10** PwC, The economic and societal footprint of the pharmaceutical industry in Europe, June 2019
- 11** pharma.be, member survey
- 12** This figure has been adjusted for inflation
- 13** National Productivity Council, Annual Report 2021
- 14** National Bank of Belgium (NBB), Foreign trade, Community concept
- 15** Statbel, Industrial Production Index, working-day adjusted index
- 16** Statbel, Turnover and investments as per VAT returns



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