



# Biotech faces a new, hard era

# BioCentury Risk Sentiment Survey, April 2025

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# Biotech faces a new, hard era

## Key take-home messages from the survey responses

The first half of 2025 may go down as the time when the golden era of biotech gave way to its darkest days in decades. There have been rough periods before, but this one compounds a market collapse with a hollowing out of FDA, the devaluing of scientific research, and the potential decline of U.S. preeminence in biomedical science.

That is the inescapable takeaway from a survey of 328 biopharma stakeholders conducted April 10-14, that included responses from 168 (51%) company executives, 92 (28%) investors, investment bankers and financial advisers, and 68 other professionals, including legal and other service providers, CRO/CDMOs, academics, and five regulatory experts. Respondents were primarily from the U.S. (71%) with 21% from Europe, and 8% from APAC and other ex-U.S. territories.

The dour outlook is not to say that biotech won't recover, although a handful of comments predicted such doom, but that a large preponderance is managing what they see as high levels of risk with no timeline or sight line to the end of the tunnel.

BioCentury's survey was not an opinion poll on the Trump administration's policies; rather, it was designed to understand how these policies and the environment today are viewed in terms of risks to people's businesses and the broader biopharma industry.



# Key takeaways, continued

Access to capital remains top of mind, with the prospects of pharmaceutical and broader tariffs also weighing heavily. FDA staffing cuts, plus cuts to NIH and the freezing of grants, are almost universally seen as damaging to the industry. Meanwhile, the souring of U.S.-China relations raises broad concerns about disruptions to drug development.

There is also bad news for BIO, PhRMA and other industry trade-organizations, with almost two thirds of respondents feeling their interests are not well-represented in Washington. Among the write-in comments were calls for more industry leaders to speak up.

A handful of respondents do see long-term upside for the industry, citing decreasing of regulations as beneficial for research and hospital or clinical cost-effectiveness as examples.

Still, the most dominant theme is dismay at the direction of international relations leading to a loss of trust that may threaten not only the U.S.'s leadership position, but cause wider decline of the industry.



# Key takeaways, by the numbers

## How the community ranked potential effects of recent policy developments

Among the respondents (328 total\*):

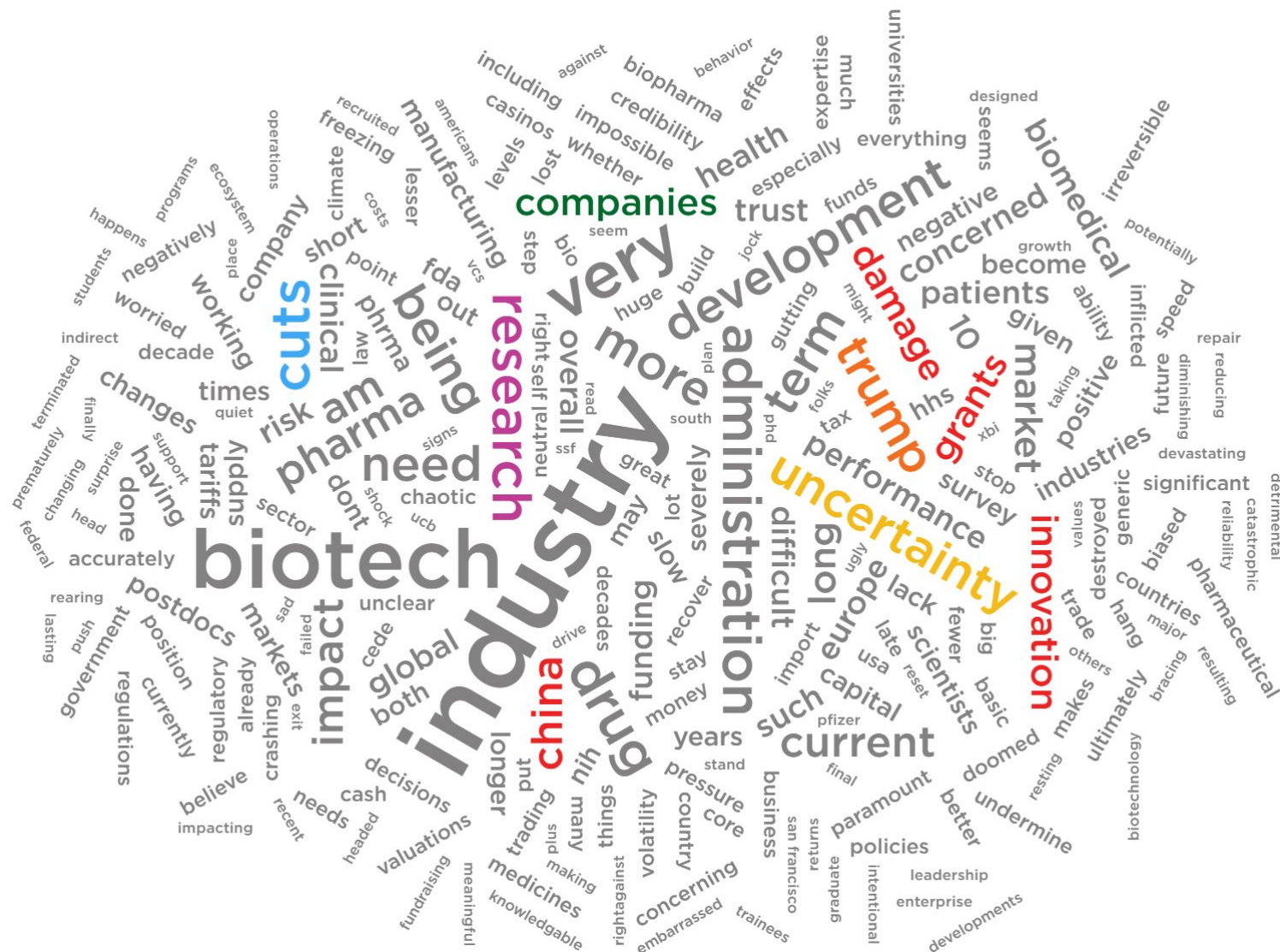
- 67% see decreasing **access to capital** as a risk to their business, ranking above other concerns such as importation of drugs and APIs, and the ability to hire contractors
- 70% are “very” or “extremely” worried about **pharmaceutical tariffs**
- 80%+ see **FDA, NIH cuts** as very negative for industry vs. less than 5% positive
  - Specific FDA concerns were topped by ability to meet PDUFA dates
- 15% view ending **DEI initiatives** as positive, the most favorable response, though 62% view as negative
- 83% believe souring **U.S.-China relations** will impede biotech

The following slides dive deeper into each area, and break down the results meaningfully by the respondents’ roles within biotech and by geographic location



100

## Word cloud of write-in comments



# Demographics of respondents

328 respondents across sectors and the globe

## BIOPHARMAS

- Preclinical (43)
- Clinical (86)
- Commercial (39)

## FINANCE

- VC/Investor (69)
- Inv bank / Fin. advis (23)

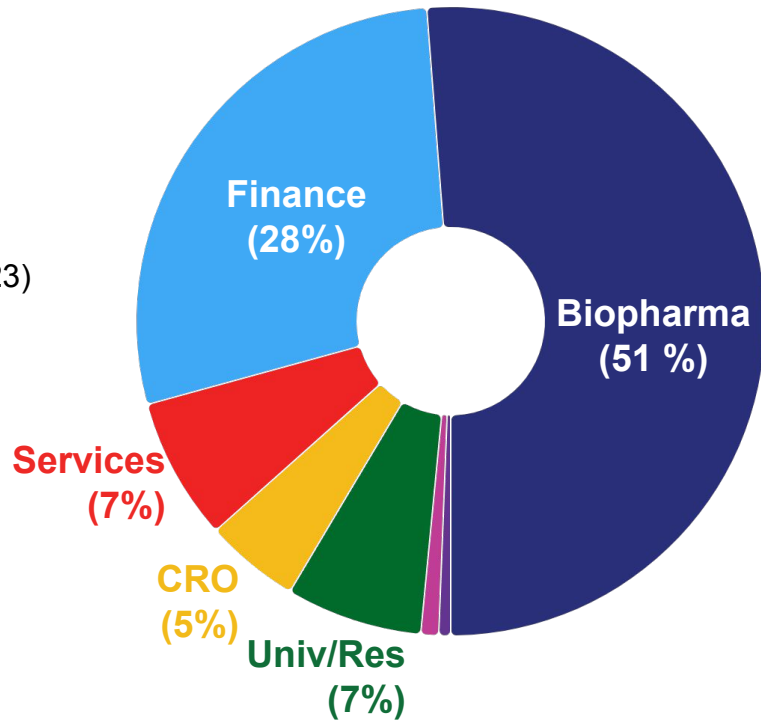
## SERVICES

- Consulting (13)
- PR/IR (5)
- Legal (4)

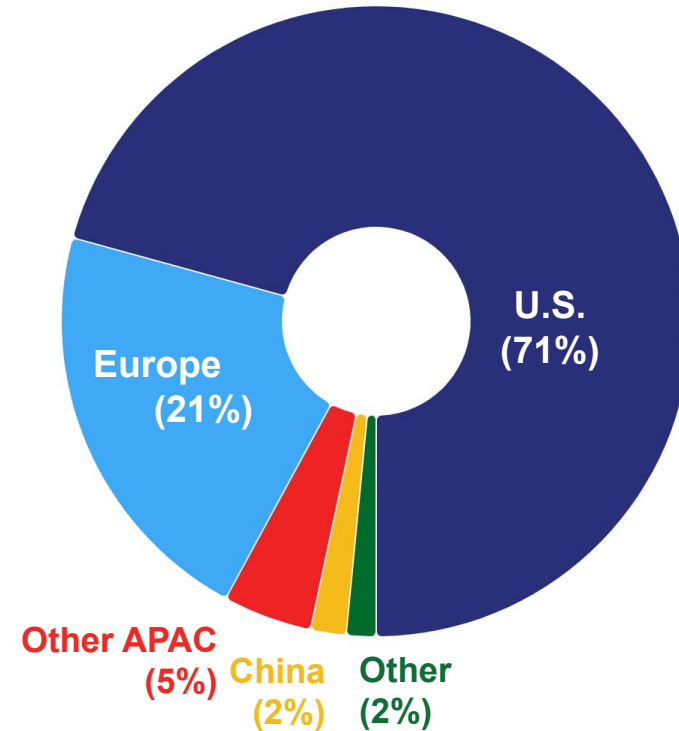
## OTHER CO/INST

- CRO/CDMO (16)
- Univ/Res Inst. (23)
- FDA/Reg (5)
- No answer (2)

Company/  
Organization



Geography



*Note: surveymonkey is not available in China, which may have led to fewer responses from that region*



# Tariffs: Fallout and fears

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- Business risks from proposed tariffs
- Sector tariffs and pricing pressure

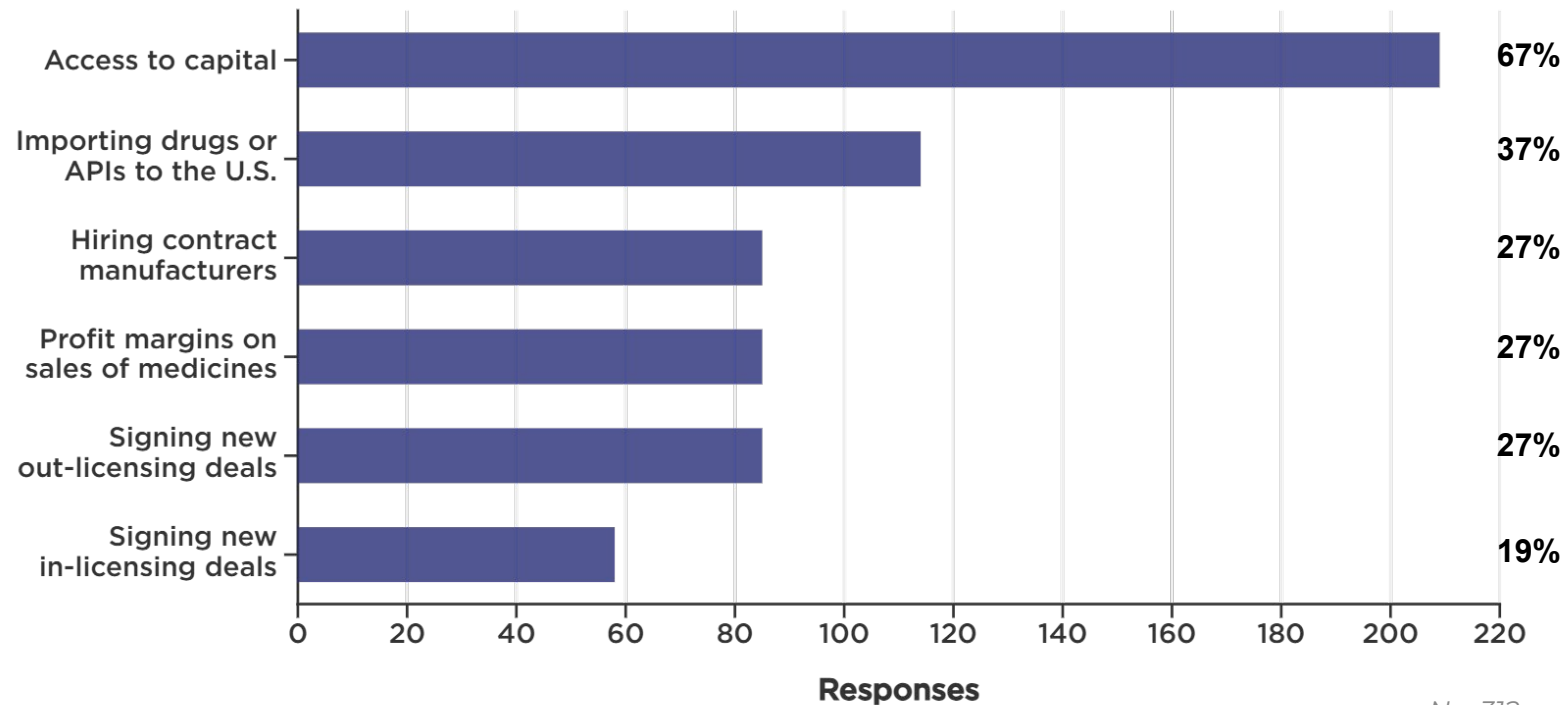




# Access to capital is the biggest choke point in tariff fallout

Two thirds of respondents see funding as the biggest risk

**What parts of your business are significantly at risk from recently enacted and proposed tariffs on imports to the U.S.?**



N = 312

- Overwhelming concern for access to capital, cited by 67%
  - This number rises to 73% and 75% for finance and biopharmas; other sectors (CRO, Reg, Professional services) less impacted
  - 50% of researchers cited this as an issue
- Importing drugs or APIs is the second biggest concern, at 37%
  - 71% of commercial biotechs cited this, as did 37% of clinical biotechs and investors/bankers, and 18% of preclinical biotechs
- Over one quarter cited contract manufacturing, profit margins, and out-licensing deals
- Less impact on in-licensing deals





# Funding choke is a global concern

Over 75% of biotechs & investors globally see major risk in access to capital

**Access to capital at risk everywhere**  
**Regional breakdown of respondents who cited capital access as major concern**

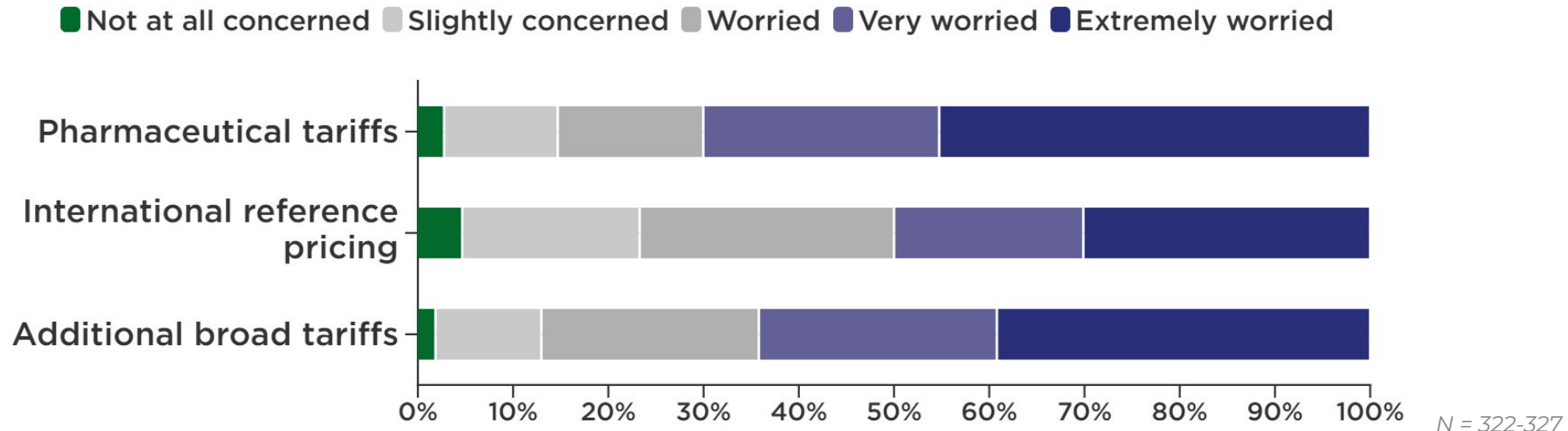
	<b>Risk: Access to capital</b>	<b>Percent of biotechs/finance in region</b>
U.S.	130	76%
Europe	45	79%
China	3	75%
Other	9	64%

*N = 247 biopharma /  
finance respondents*

- Concern about risk to capital is global: Across all regions, biopharmas and investors fear the tariffs will slow down their or others' ability to raise funds
- More than three quarters of biotechs and investors in the U.S. (76%) and Europe (79%) cite this as a major concern

# Tariff policies seen as major threat to business

How concerned are you about the following possible policy changes in the next two years?

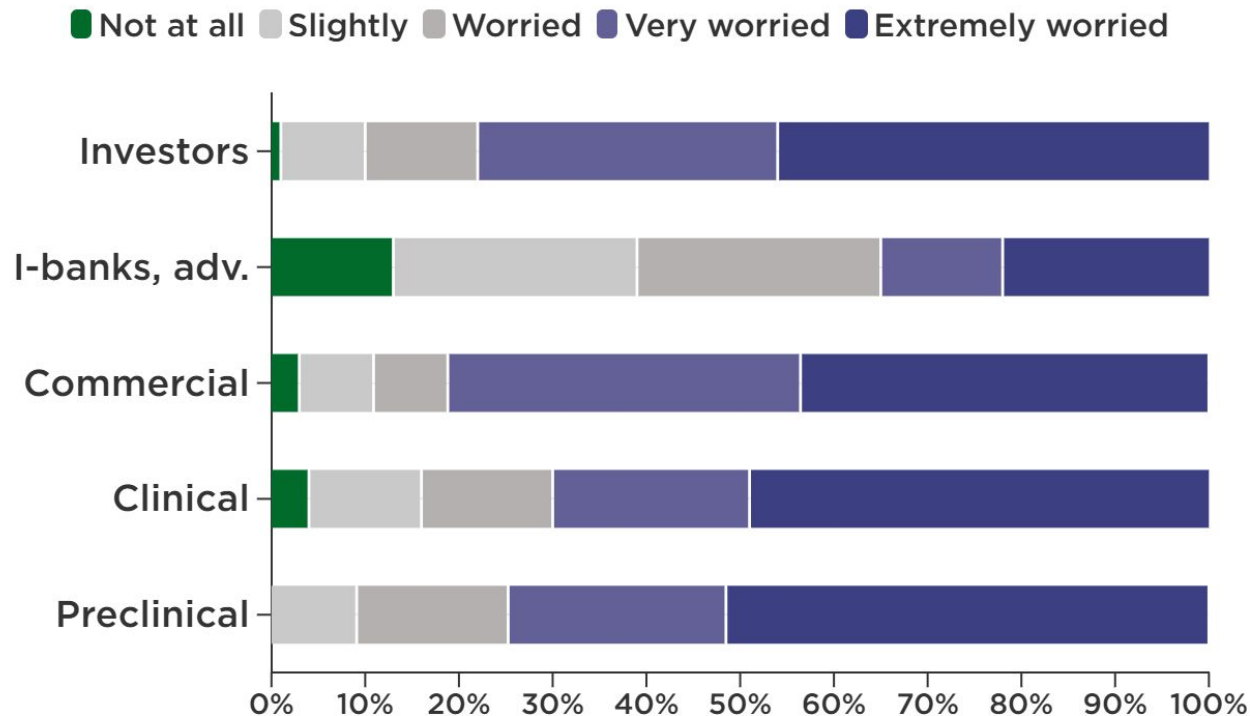


- 70% are very or extremely worried about pharmaceutical tariffs, a policy that Trump has dangled that would reduce margins and place further pricing pressure
- Half of respondents (50%) see international reference pricing as a serious concern, though no specific mention had been made by the administration at time of survey
- Over 60% are very or extremely worried about additional broad tariffs, a policy likely to place greater macro pressure on interest rates and inflation

# Pharmaceutical tariffs could deal big blow to investment

78% of investors cite major concerns about the policy

Concern about pharmaceutical tariffs, by respondent group



- The threat of pharmaceutical tariffs is causing fears well beyond commercial biotechs, with almost the same proportion of investors (82% vs 78%) very or extremely concerned
- The issues are about more than near-term effects on margins; more than 70% of precommercial companies show high concern, presumably seeing the long-term consequences for them and the industry
- Investment banks and financial advisers are less concerned: under half are very or extremely worried.

# Policy impacts beyond tariffs

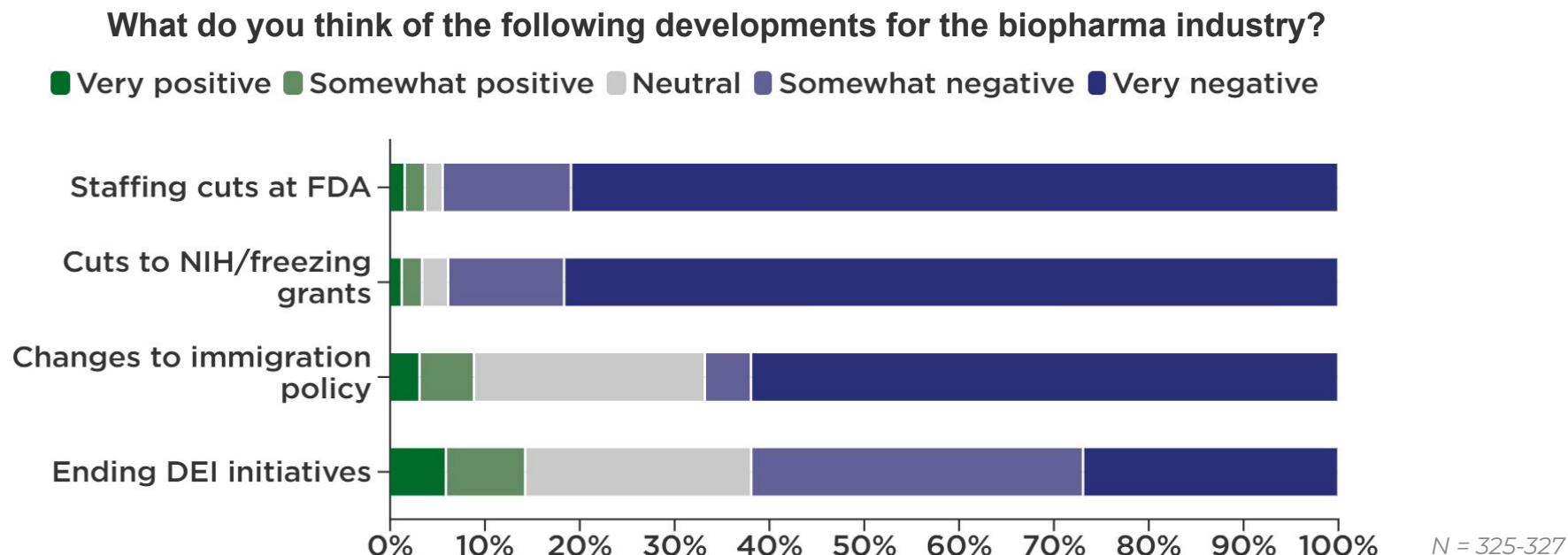
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- FDA, NIH, immigration, DEI
- FDA functions
- Industry trade organization effectiveness



# FDA, NIH impact is almost emergency level

80%+ see FDA, NIH cuts as very negative for industry, less than 5% positive



- Cuts at FDA at NIH are near universally seen as negative, with no daylight between biopharmas and investors
- Immigration policy is less uniform, though more than 60% very negative, and under 10% positive
- DEI had the most positive responses at 14%, with the lowest proportion (27%) of very negative for these issues. Still, there is a net 60%+ who think ending DEI initiatives is bad for the industry

# Accentuate the positive

Investors like the DEI policies a lot more than the immigration ones

## Immigration policy: positive for biopharma

	Biopharma	CRO/CDMO	Financial	Prof. services	University/ Research Inst
U.S.	11	2	2	1	
Europe	1				1
China		1			
Other APAC		1			

## Ending DEI: positive for biopharma

	Biopharma	CRO/CDMO	Financial	Prof. services	University/ Research Inst
U.S.	13	2	14	4	2
Europe	1		3		1
China	2				
Other APAC	1	1	2		

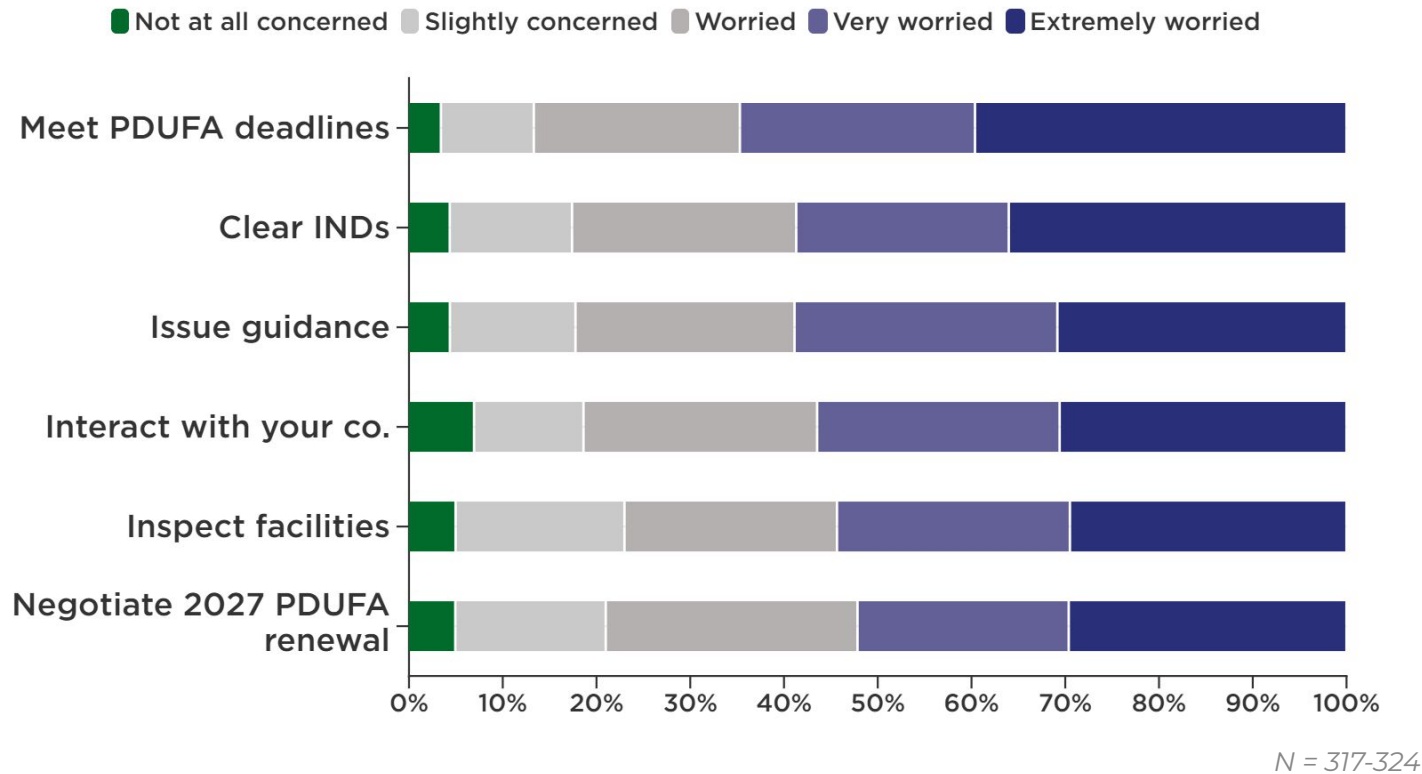
- The financial sector is far more likely to be bullish on ending DEI (20% see as positive) than on curbing immigration (only 2%)
- The cluster of positives on immigration policy are mostly from U.S. biopharmas (7%), but proportionally CROs/CDMOs are the most in favor, with 25% responding somewhat or very positive
- Neither policy is popular among European respondents, with <1% and 2% in favor of policy changes for immigration and DEI respectively



# PDUFA deadlines top concerns about FDA

Broad and deep concerns for more than half respondents

How concerned are you about FDA's ability to:



- PDUFA deadlines are the biggest concern for the industry, with 65% responding they are very or extremely worried
  - No difference across geographies
- Among biopharmas, U.S. respondents were more concerned than European ones: (very/extremely) on:
  - **Clearing INDs:** 65% U.S. vs 57% Eur
  - **Guidance docs:** 64% U.S. vs 55% Eur
  - **FDA meetings:** 63% U.S. vs 47% Eur
  - **PDUFA renewal:** 60% U.S. vs 44% Eur
- Two issues stood out for regulatory experts.\* All 5 were extremely worried about:
  - Issuing guidance docs
  - PDUFA negotiations
  - (4 of 5 for meeting PDUFA deadlines, with 1 “very” worried)

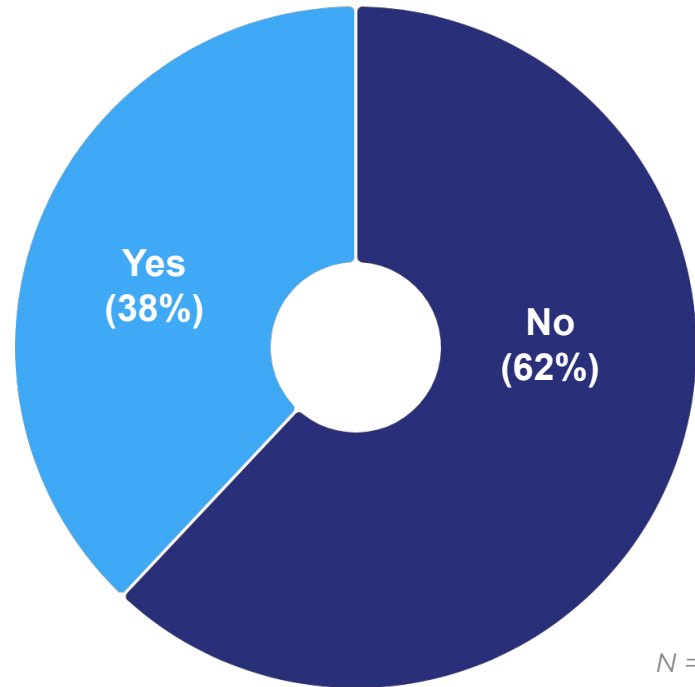




# Biopharma wants better representation in Washington

Almost two thirds are unhappy with their trade organizations

Do you think industry organizations such as BIO and PhRMA are effectively representing your company's interests in Washington?



- Across all sectors, a thumbs down for BIO, PhRMA and other trade orgs
- Commercial biopharmas are the least content, with 78% dissatisfied
  - Clinical and preclinical biotechs were split 60/40

# Sentiment unplugged

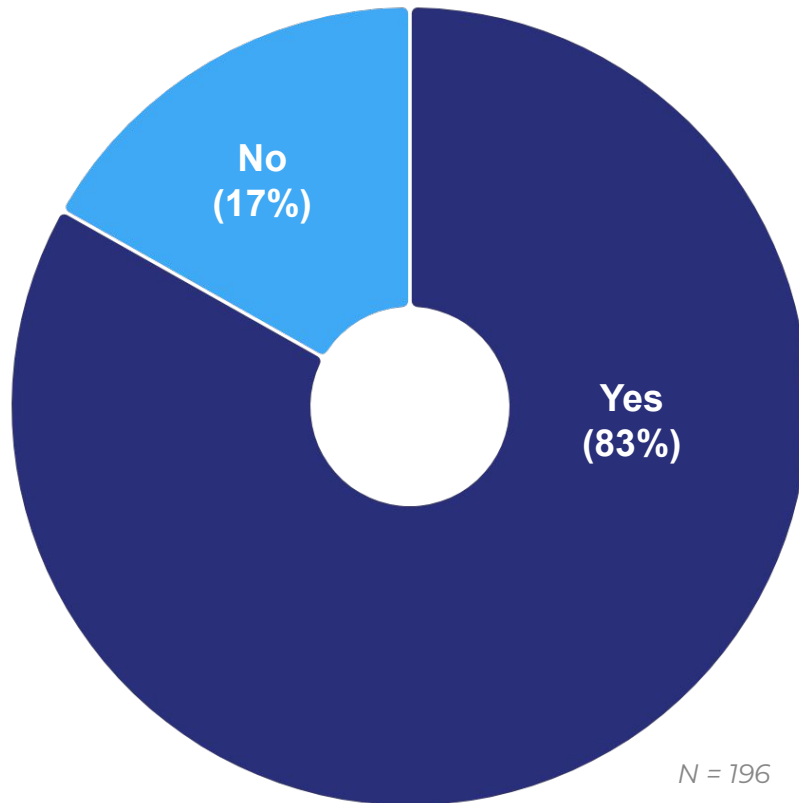
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- Analysis of write-in comments on:
  - China
  - The overall environment



# Broad concern that China policy will impede biotech

Are you concerned that U.S.-China relations will affect your ability to develop biomedical products?



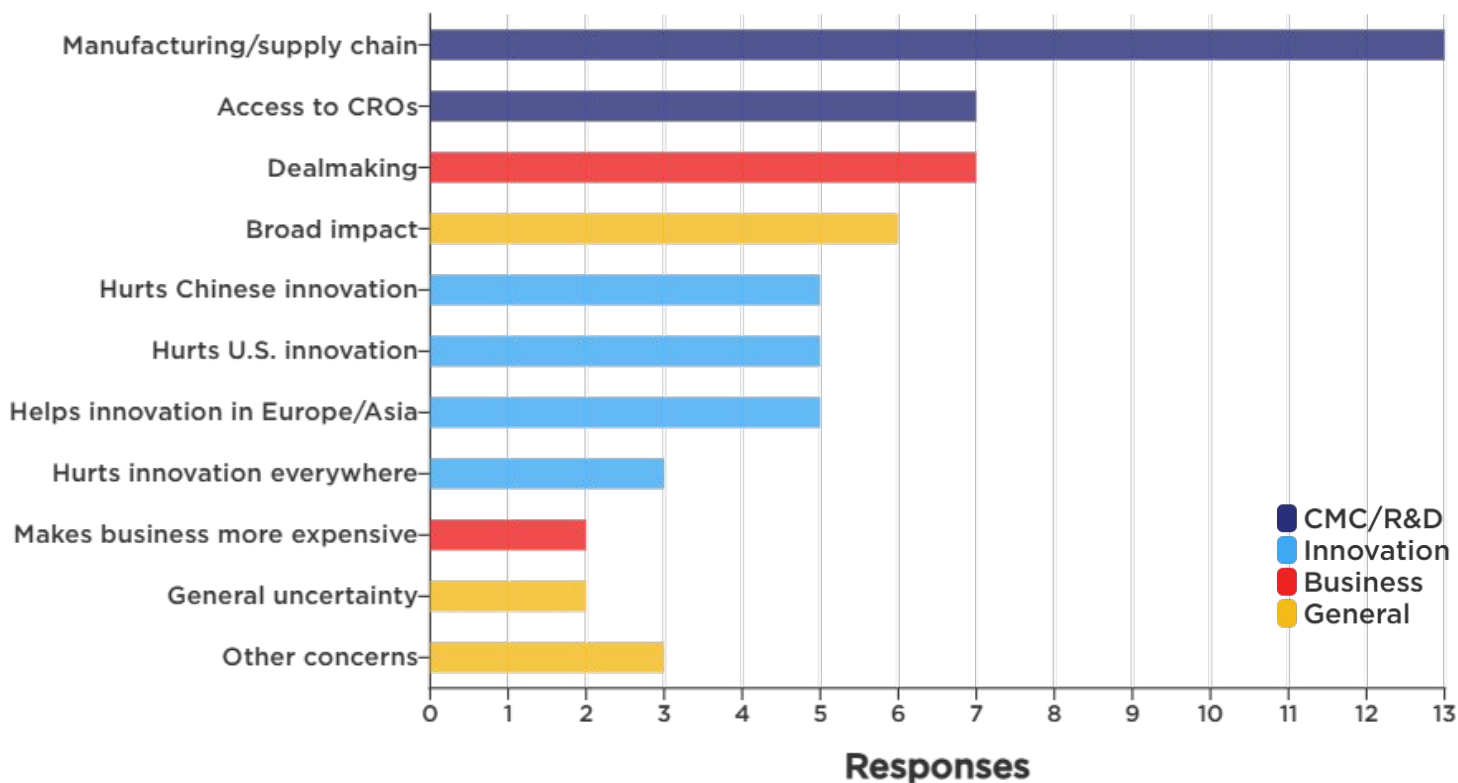
- Across all respondents, a large majority see disruption to drug development from souring of U.S.-China relations
- Commercial biopharmas are the most alarmed, with 96% of those who answered in the “yes” group
  - 83% of clinical; 89% of preclinical answered yes
  - 80% of investors answered “yes”
- Non-biopharmas were the least worried, but still had 78% “yes” responses

*Note: there were not enough responses from China to make definitive statements about the sentiment from that sector*

# Manufacturing, CRO disruption top the China concerns

Impacts on innovation across regions feature prominently

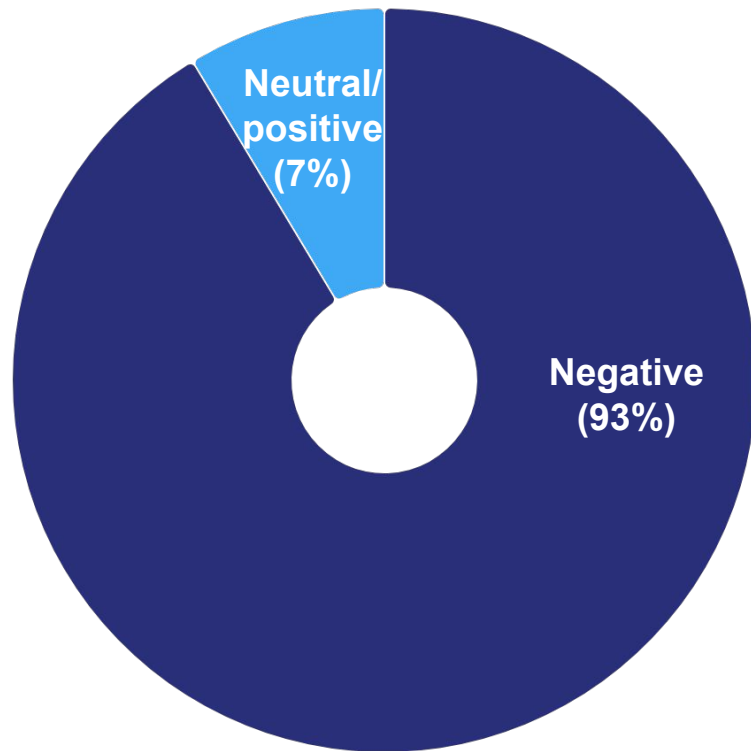
Are you concerned that U.S.-China relations will affect your ability to develop biomedical products? (write-in box)



- CMC concerns rise to the top of the disruptions cited from U.S.-China geopolitics
- Collectively, the next biggest concern is that the souring of U.S.-China relations will hurt innovation
- Business issues such as dealmaking, increasing expenses also cited among concerns

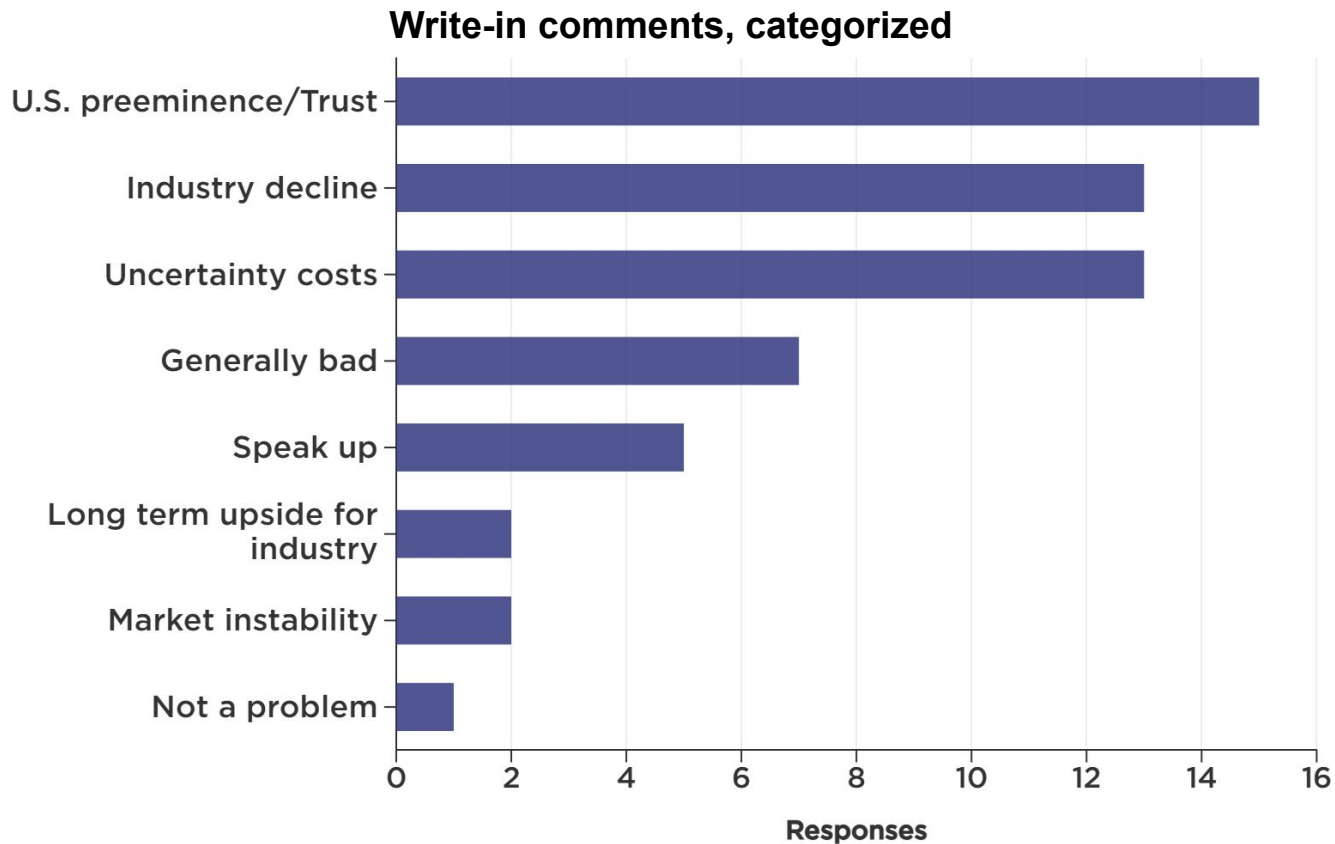
# Negative outlook pervades responses

General tone of sentiment in comments



- Negative comments range from ones linking Trump's policies directly with the demise of biotech, to ones focused on the consequences of long-term uncertainty
- Responses indicate some hold a firm belief that biopharma is a global enterprise, and stronger for global connections. The tariffs and other geopolitical stresses will interrupt that dynamic, with negative consequences long term for the industry
- There is also a fear for the innovation ecosystem that is built on NIH-funded research; a couple see opportunities for Europe, but most who cite this see global consequences from the defunding of U.S. research
- Positive comments include the concept that less regulation will benefit clinical research and reduce costs and timelines, and efficiencies in drug development and hospitals and clinics will improve in the long run

# Loss of U.S. preeminence, industry decline biggest fears



- The most common concern is that the Trump administration's policies will lead to a loss of U.S. preeminence, which several respondents linked to severing of trust caused by international policies
- Decline of the industry – in and beyond the U.S. – is the expected outcome of lack of investment in NIH and research broadly, as well as degradation of FDA
- Uncertainty is among the biggest concerns, with its costs seen in the market collapse, and a threat to the industry's future
- There were several calls for more industry leaders to speak up
- Conversely, a few said the policies would lead to benefits for the industry in the long term

# In their own words

## U.S. preeminence / Trust

“The chaotic operations of the current US administration have reset credibility and reliability of the US and the damage is irreversible.”

## Uncertainty costs

“The longer uncertainty remains, the more challenging the environment becomes. Some of the damage being done today will be very difficult to recover from.”

## Industry decline

“We are looking at some existential threats to the long term competitiveness of this industry. We can't stay silent.”

## Speak up

“The pharma industry needs to stand up for what is right – against Trump. At some point values need to drive decisions and now is the time for that.”

## Generally bad

“Nuclear winter.”

## Market instability

“I’m concerned about the downstream effects of turbulence and cuts leading to overall slowness in the sector, lack of clarity and reduced medicines development and ultimately hurting patients.”

## Long-term upside

“Though a lot of these policy changes look negative, we believe lots of them will have a positive impact in the long run. People will start thinking about the Drug Development process and hospital/clinic cost efficiencies.”





# BioCentury Intelligence Platform

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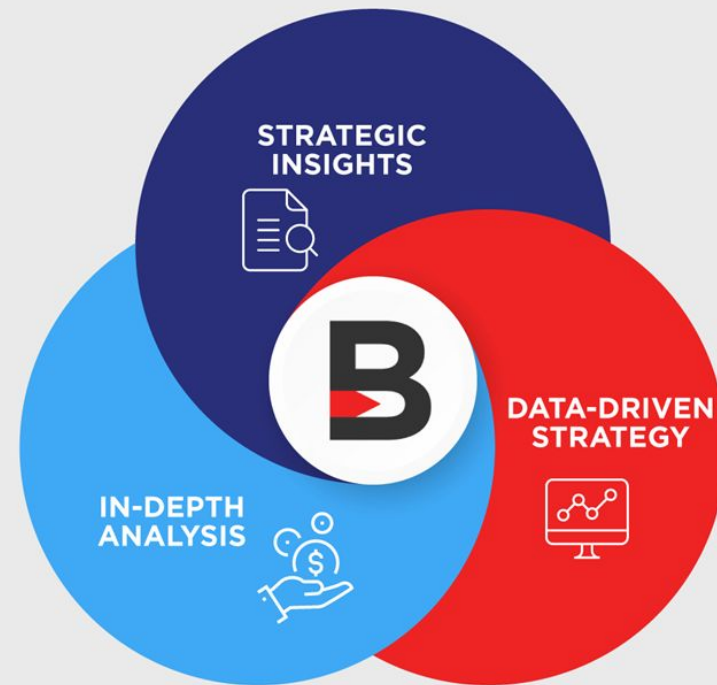
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