BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

Pharma giants to refocus on novel antibiotics market with $1B venture fund

July 9, 2020 | News

The new $1 billion for-profit venture aims to acquire or invest in small antibiotic companies and their nascent products



On 9 July 2020, a group of pharmaceutical companies along with Pfizer, Merck (KGaA and the American Merck), Eli Lilly, Novo Nordisk, Boehringer Ingelheim, Bayer Pharmaceuticals and GSK announced a new partnership to bring novel “Pro antibiotics” to the market. With a $1bn fund, the “Antibiotic Innovation Challenge” will acquire or invest in small biotech firms developing antibiotics.

These group of pharmaceutical companies will be assisted by the World Health Organisation and the European Investment Bank. Government officials from Germany, Sweden, France and the UK, as well as representatives from Wellcome Trust and Pew Charitable Trusts joined these companies for announcement.

The global pipeline of novel antibiotics running dry, antibiotic resistance could kill 10m people a year by 2050, up from 700,000 today—unless action is taken. One study suggested the cost from antibiotic failure could rival that of the financial crisis of 2007-09. The initiative is welcome, but seems unlikely to fix the lack of market incentives that created the problem in the first place. A long-term solution will require health insurers and governments to pay more for these essential medicines.