



Biotech Investors Sound the Alarm on Policy Uncertainty

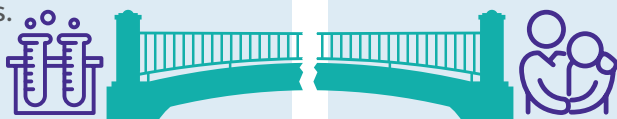


The science driving medical innovation is advancing at a breathtaking pace, bringing hope to patients in the United States and worldwide. However, a new BIO survey finds that policy instability is undermining investor confidence in U.S. biotech. Investors cite FDA budget cuts, unpredictable regulations, and tariffs as major deterrents to funding lifesaving innovation. Meanwhile, China is surging ahead with a coordinated national strategy to dominate the life sciences sector. Without a policy course correction, the United States risks losing its biotech edge — and with it, the next generation of cures.

Surveyed investors worry about:

Tariffs

67% of investors have reduced investment due to tariff-related supply chain risks.



Budget cuts

64% of investors have reduced investment due to FDA budget cuts.



An uncertain ecosystem

41% of investors consistently emphasized the need for clear, stable regulatory frameworks.

Over half (**53%**) of investors anticipate difficulties in securing new venture funds, citing regulatory uncertainty (35%).



China

81% of investors view Chinese biotech as a growing competitive threat — and only 24% believe U.S. policies adequately address IP protection concerns related to China.

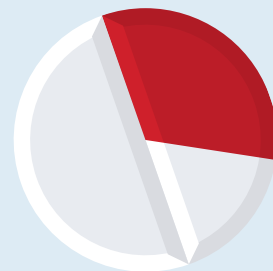
35% believe China may overtake the United States in biotech innovation within the next decade.



The Inflation Reduction Act's pill penalty

The Inflation Reduction Act's pill penalty subjects small molecule drugs (often in pill form) to price controls after just 9 years, instead of the 13 years afforded to biologics.

33% of investors have adopted more conservative valuations for small molecules, while 19% now explicitly favor biologics.



To fuel and maintain U.S. biotech prowess, policymakers must:

- ✓ Ensure policy predictability and restore confidence in regulatory frameworks.
- ✓ Protect and incentivize both early-stage innovation and a skilled biotech workforce via targeted federal funding and incentives.
- ✓ Support IP enforcement and fair trade practices globally.



**Methodology: Based on in-depth interviews with 58 investment decision-makers at private biopharma investment firms. The survey was designed to capture both quantitative data on investment preferences and qualitative insights on strategic decision-making processes.*