Promise of Immuno-Oncology Therapies Is Boosting R&D Funding and Alliances

BOSTON – March 8, 2016 – Investments in research and development for new immuno-oncology (I/O) drugs, along with dramatic improvements in complete response rates in trials for new I/O therapies, are helping to increase the number of alliances between pharmaceutical and biotech companies and university and cancer centers, a new analysis by the Tufts Center for the Study of Drug Development shows.

Currently, more than 130 biotech and 20 pharma companies are developing I/O therapies, according to Tufts CSDD. That activity, Tufts CSDD said, reflects—and is fueling—worldwide I/O product sales, with annual revenues expected to reach $25 billion to $40 billion by 2020, up from $2.5 billion in 2015.

"The I/O era is off to a promising start," said Ronald Evens, adjunct research professor at Tufts CSDD at Tufts University School of Medicine, who conducted the analysis. "The question is whether research partners can surmount what could be substantial obstacles to further clinical and commercial success."

Those challenges, according to Evens, include developers identifying validated biomarkers to increase the likelihood of clinical success and reduce development time and cost; the growing difficulty of recruiting enough volunteers for clinical trials; and cost-benefit metrics payers may adopt to guide reimbursement, which could limit market access and possibly returns to investors.

Among key findings from the analysis, reported in the March/April Tufts CSDD Impact Report, released today, are the following:

- I/O therapy development is a global enterprise, evidenced by pharma and biotech partners based in the six leading countries in pharma R&D (U.S., France, Germany, Japan, Switzerland, UK) currently working together.
- Thirteen university and cancer centers in the U.S. have announced research alliances with pharma and biotech companies.
- The number of I/O alliances between pharma/big biotech and small enterprises grew at a torrid pace, from 6 in 2013 to 58 in 2015, accounting for $39 billion in research commitments over the three years.
- In 2015, nine I/O companies garnered $1.3 billion of the $7.6 billion of venture capital invested in 400 biotech companies across all therapeutic areas.

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About the Tufts Center for the Study of Drug Development

The Tufts Center for the Study of Drug Development at Tufts University provides strategic information to help drug developers, regulators, and policy makers improve the quality and efficiency of pharmaceutical development, review, and utilization. Tufts CSDD, based in Boston, conducts a wide range of in-depth analyses on pharmaceutical issues and hosts symposia, workshops, and public forums, and publishes Tufts CSDD Impact Reports, a bi-monthly newsletter providing analysis and insight into critical drug development issues.

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