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ASIA EDITION

Turbulence in Pharma: A Wave of Layoffs Sweeps Through the Industry

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April 2024 sees major job cuts across Pharma and Biotech sectors due to restructuring and market pressures



The pharmaceutical and biotechnology industries are undergoing a significant upheaval, with a series of layoffs announced in April 2024 affecting numerous leading companies and hundreds of employees. These job cuts span a spectrum of reasons, from strategic realignment and cost-cutting measures to the fallout from unsuccessful drug trials and competitive market dynamics. This article explores the major layoffs that have unfolded, delving into the reasons behind them and their potential long-term impact on the industry.

Carisma Therapeutics

On April 1, 2024, Carisma Therapeutics disclosed its decision to lay off an undisclosed number of employees as part of a strategic shift away from its clinical CAR-M program to focus on a second, unspecified candidate. This pivot highlights the volatile nature of biotech development, where promising research avenues can abruptly change based on trial results and strategic reassessments.

Amylyx Pharmaceuticals

Amylyx Pharmaceuticals announced on April 4 that it would be conducting layoffs following the withdrawal of Relyvrio, its treatment for ALS. The company cited the need for restructuring to streamline operations and reallocate resources toward more promising projects.

Boehringer Ingelheim

On April 6, Boehringer Ingelheim revealed plans to reduce its sales force due to lagging sales of its Humira biosimilar. This decision underscores the competitive challenges within the biosimilar market, particularly in gaining market share against established brands.

Thermo Fisher Scientific

Thermo Fisher Scientific announced on April 10 the closure of its Carlsbad DNA manufacturing site, which had been operational for less than three years. This closure is part of a broader industry trend where companies are consolidating operations to reduce costs and improve efficiency.

Sanofi and Novartis

Both Sanofi and Novartis announced layoffs this month, with Sanofi cutting jobs on April 5 and Novartis on April 9. For Sanofi, the layoffs are part of an ongoing efficiency drive, while Novartis is reducing its workforce in response to cost pressures and the need to streamline its operations.

Genentech and Pfizer

Genentech and Pfizer also joined the list of companies reducing their workforce, with Genentech announcing cuts on April 10 and Pfizer on April 22. These layoffs are part of each company's strategy to adapt to changing market conditions and focus on core areas of growth.

Vedanta Biosciences

On April 16, Vedanta Biosciences announced layoffs as part of a strategic realignment. The company is adjusting its focus in response to evolving market demands and internal project outcomes.

Ultimovacs

Ultimovacs reported on April 17 that it would lay off 40 employees following a failed Phase 2 trial of its cancer vaccine. This setback reflects the high-risk nature of biotech research, where promising early results may not always lead to successful outcomes.

BenevolentAI

On April 23, BenevolentAI announced a reduction of 30 staff members and the closure of its US site amid a funding gap. This illustrates the challenges faced by AI-driven biotech companies in securing continuous investment, especially in a tightening economic environment.

Fujifilm

Fujifilm disclosed on April 16 that it would be laying off 67 employees in the Research Triangle area. The decision is part of an operational efficiency drive and reflects broader industry trends towards optimizing research and development expenditures.

Bristol Myers Squibb

On April 25, Bristol Myers Squibb announced significant layoffs as part of a restructuring effort aimed at achieving cost savings. This move highlights the ongoing pressures on large pharmaceutical companies to maintain profitability while continuing to invest in new drug development.

Tessera Therapeutics

Tessera Therapeutics, on April 23, decided to cut jobs as it shifts resources towards clinical development. This shift is indicative of the strategic pivots companies may need to make as they transition from research and development phases into clinical trials.

CureVac

CureVac announced on April 24 that it would undergo restructuring, including layoffs, due to the reevaluation of its avian flu vaccine project. This decision reflects the challenges in vaccine development and the need for companies to constantly assess the viability of their projects.

Emerging Patterns

The pattern emerging from these layoffs is clear: the pharmaceutical and biotech industries are facing a period of intense volatility and restructuring. Companies are increasingly forced to make tough decisions about which projects to fund and

which areas of their operations to scale back on. This trend is likely to continue as the industry grapples with economic pressures, regulatory challenges, and the ever-evolving competitive landscape.

As these companies navigate through these turbulent times, the hope is that restructuring will lead to greater focus and investment in innovative treatments that can meet the health challenges of the future. However, the immediate impact on those laid off cannot be understated, adding personal hardships to the broader economic impacts of these decisions.

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