



# Biotech Daily

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*Daily news on ASX-listed biotechnology companies*

## Editorial: US President Trump & Australian Biotechnology

Biotech Daily has been asked about the impact of US President Donald Trump on Australian biotechnology.

In the immortal words of Douglas Adams: "Don't Panic".

Australia's greatest asset is that it is not Canada, Mexico or China. Last week, Adalta announced it was licencing Chinese assets to develop and sell to "the West", namely Europe and North America. Every challenge is an opportunity.

The tariffs on aluminium and steel may increase prices on some items, but they might also increase the incentive for Australian companies to manufacture both more affordably.

### **What we know, so far**

The imminent confirmation of Robert F Kennedy Junior as the head of US health is a concern. Not just because he is known as an anti-vaxxer and has joined lawsuits against pharmaceutical companies, but that he is as unpredictable as his President.

There was a possibility that the new Republican US Government might be 'libertarian', but all the statements so far indicate that it will be interventionist and protectionist.

Instead of letting everything through the US Food and Drug Administration, we might find greater restrictions on approvals, especially pharmaceuticals.

That could affect a number of companies including CSL, Telix and Neuren, but most other Australian drug developers are years from final FDA applications - most likely long after the Trump administration has completed its term.

## **NIH cuts**

There has been concern over the cuts announced at the US National Institutes of Health (NIH). The NIH said that last year, \$US9 billion of the \$US35 billion granted for research was for administrative overheads, known as “indirect costs”.

From February 7, 2025, the NIH lowered the maximum indirect cost rate to 15 percent “above what many major foundations allow and much lower than the 60 percent plus that some institutions charge the government today”.

“This change will save more than \$US4 billion a year effective immediately,” the NIH said.

The NIH said that of 72 universities surveyed “67 were willing to accept research grants that had zero percent indirect cost coverage” while Harvard required 15 percent and the California Institute of Technology required 20 percent and three universities, “refused to accept indirect cost rates lower than their Federal indirect rate”.

We shall have to wait and see what develops, but the current outlook is that the Trump administration will have little or no impact on Australian biotechnology.

In 2015, a US investment organization subscribed to Biotech Daily. When asked the firm’s interest in Australian biotechnology, the response was illuminative: “You guys fail phase II at the same rate as American companies ... but you do it 10 to 90 percent cheaper.”

**David Langsam**  
**Editor**