

Mercator: Data Shows Netherlands Best Base for International Pharmaceutical Companies

The Netherlands has been identified as the best jurisdiction to base pharma-industry entities when taking into account cost and time efficiencies, according to data compiled by the global entity portfolio management (GEPM) leader Mercator® by Citco, in its Pharmaceutical GEPM: Special Report.

The pandemic has accelerated the way pharmaceutical companies streamline their operations and Mercator's granular data found that most of the businesses it looked at were organizationally agile with robust business continuity plans in place.

The figures show the United States is the most efficient jurisdiction for the timely completion of tasks and Luxembourg the most cost effective but, when combining these factors together, the Netherlands had the best metrics on cost and completion time.

The country's status as a European financial center and its historic links to international trade have created an environment that allows multinational pharmaceutical companies to manage entities there with relative ease.

Singapore and Belgium both scored highly when combining the two characteristics, while Brazil, South Korea and China had the lowest ranking overall.

Europe remains the hub for a significant portion of pharmaceutical companies outside of North America, primarily led by renowned life sciences hubs in Switzerland, Germany and France – with India performing a similar role within the APAC

region.

Kariem Abdellatif, Head of Mercator, said: "The world is a global village, but this report shows that there are still huge differences between countries. However, the insights revealed by this report are not a recommendation of where pharmaceutical multinationals should base their entities or subsidiaries as that will always be driven by demand and necessity. Rather, it is an exercise in setting expectations and providing pharmaceutical General Counsels and Company Secretaries with foresight on the relative cost and time it takes to manage entities and their activities in each jurisdiction.

"It is interesting to see the Netherlands top the rankings in this instance, but forward-thinking multinational companies should be embracing technology platforms that let them do business seamlessly across borders and jurisdictions."

Many of the projects Mercator helped facilitate for its pharma clients over the past two years have involved high-impact corporate initiatives to optimize value chains, minimize the commercial impacts of the ongoing disruptions and control costs.

This report follows the Mercator Entity Management (MEM) Report which outlined the challenges that multinationals across a variety of sectors face when managing a global portfolio of entities.

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