Novotech CEO On Flexible Trial Solutions Amid Tariff, Geopolitical Tensions

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Novotech's CEO talks about rising interest for trials in regions with “regulatory agility” and “strategic insulation” from geopolitical complexity, especially among emerging and mid-sized biotech sponsors. Operational "reassessment” among some sponsors on exposure to China-based CROs/CRDMOs is another area he discussed.

Supply chain volatility amid geopolitical tensions and tit-for-tat tariffs may be the new normal and isn’t good news for any industry, including pharma, given its potential to cascade through the ecosystem.

Tariffs, experts say, could raise trial-related costs, straining budgets of small and emerging biopharma and potentially requiring large sponsors to fine tune the allocation of resources, all of which may have implications for clinical research organizations (CRO).

Dr John Moller

Dr John Moller, CEO of Novotech, indicated that investigational products often have “a relatively low tariffable value” in relation to the total cost of clinical trials, but depending on the type of trial, consumables and electronic monitoring devices will also need to be considered.

“While pharmaceuticals remain exempt for now, we are closely monitoring the potential for expanded tariffs on pharma imports,” the CEO of the full-service CRO told *Scrip*.

US President Donald Trump’s on-and-off comments pertaining to pharma have kept industry guessing on what may be coming its way, though for now the US has effected a 90-day tariff pause for trade partners (except China against which tariffs are currently at 145%). There are, however, signs of a softening stance by the Trump administration, though China which retaliated with 125% tariffs, is reported to have called for a rollback of US unilateral tariff measures if it wants to resolve the issue.

Moller said that while Novotech recognizes that any disruption in global trade policy, particularly involving the US, can create “operational friction”, its diversified, multi-regional footprint across North America, the Asia-Pacific, and Europe provides sponsors with flexible trial solutions that can adapt to evolving trade environments.

“Rather than a disruption, we believe this shift could present an opportunity for CROs with established infrastructure beyond a single market to provide risk-mitigated alternatives for sponsors needing regional agility and supply continuity,” he maintained.

Sponsors Navigating Uncertainties

The overall geopolitical turbulence also appears to be nudging sponsors to consider redirecting trial activity to other countries amid uncertainties in key markets like the US. Large sponsors may also be re-evaluating their exposure to China, currently at the fulcrum of the raging tariff war with the US, though things could potentially change if the two sides reach some mid-way deal (see box below).

Moller indicated that Novotech was seeing increased interest in conducting clinical trials across regions that offer “regulatory agility, cost-efficiency, and strategic insulation” from geopolitical complexity.

Global Sponsors Reviewing China Exposure?

While the proposed US BIOSECURE Act had last year cast a shadow on the prospects of China-based integrated CROs/CRDMOs, the tariff war has added further uncertainty and complexity to the mix.

The BIOSECURE Act, was in December last year, left out in the final House-Senate negotiated language for the National Defense Authorization Act and analysts at Height Securities see

Beijing "positioning to decrease the likelihood that Congress takes up the BIOSECURE Act in 2025".

Dr John Moller, CEO of Novotech, said that while China remains an essential market for innovation, sponsors are also seeking geographic diversity in their clinical development strategies to manage risk.

"We are aware of the geopolitical and operational reassessment taking place among some global sponsors regarding exposure to China-based CROs and CRDMOs," he said.

Novotech, he asserted, with its regional expertise across Asia-Pacific, including China, but with global coordination, regulatory knowledge, and operational excellence across continents, provides value for sponsors.

On how the CRO generally stacks versus China-based peers, the CEO maintained that Novotech's edge lies in its "regional diversification, deep biotech and small to mid-size pharma specialization, regulatory agility, and a client-centric operating model that enables speed without compromising quality".

Moller also clarified that the Chinese Ministry of Commerce's recent export control list which references a company named Novotech, Inc is not affiliated with Novotech CRO or any of its global operations. Novotech, Inc. is a separate company involved in the production of wide-spectrum optical crystals.

"Unfortunately, it appears that this listing has led to some confusion or misidentification with Novotech CRO, which provides clinical research and related services across the globe. Novotech CRO is not included in any export control list, and there is no impact to our operations or the services we provide to our customers worldwide," the CEO underlined.

"This interest is particularly strong among emerging and mid-sized biotech sponsors that are navigating today's uncertainties, including evolving trade policies and global realignments, while continuing to advance cutting-edge therapies," he explained.

Especially attractive in this context is the Asia-Pacific region, he pointed out, though there's also increasing interest in selected European countries which offer "efficient trial start-up timelines, high investigator engagement, and robust clinical trial infrastructure", particularly valuable for sponsors seeking to diversify their development footprint.

The UK (though not in the EU fold) for instance, recently announced plans to accelerate clinical trial set-up times, lowering the average to 150 days by March 2026 versus an average of over 250 days per 2022 data, though Moller didn't specifically refer to the country. The British government aims to deliver on this intent by cutting bureaucracy and standardizing contracts at a national rather than local level.

"These shifts align with broader global conversations, including those raised by the [US] National Security Commission on Emerging Biotechnology (NSCEB), which recently reinforced the importance

of securing and diversifying critical innovation ecosystems, including biotechnology," Moller maintained.

Earlier this month, the NSCEB introduced a bill to bolster US biotechnology innovation. The bipartisan legislation promotes federal coordination on biotechnology including by establishing a National Biotechnology Coordination Office (NBCO) within the executive office of the President to lead and coordinate federal biotechnology efforts and aims to streamline regulatory structures that may be inhibiting biotech innovation.

NSCEB Chair Senator Todd Young, at the time, pointed out that the US had long been a leader in biotechnology but now risks losing its edge to China. "Our legislation will provide a long-term strategy to make federal agencies work together — with greater efficiency — to support American biotechnology," he stated.

Moller emphasized that Novotech's presence across "strategically aligned" APAC and European jurisdictions positions it to support sponsors looking to de-risk operations, accelerate development, and remain globally competitive.

Novotech, which initially operated predominantly in Australia, New Zealand and some parts of Asia, now has a global presence across more than 30 offices. Headquartered in Singapore, its footprint extends across the Asia-Pacific region, North America and Europe and is buttressed by partnerships with over 5,000 trial sites.

The CRO recently shared key insights on the trial landscape in idiopathic pulmonary fibrosis (IPF), highlighting opportunities in the APAC region, where it boasts a "commanding presence". Over 800 industry-sponsored IPF clinical trials were launched globally since 2020, with the APAC region (primarily driven by activity in Mainland China) accounting for the largest share of the trials at 44%, followed by North America (led by the US) with 23%, while Europe and the rest of the world contributed 21% and 12% respectively.

Notably, the APAC region has lower competing trial risk with a trial density about seven times lower than that of North America and five times lower than that of Europe. This reflects a relatively lower level of trial activity in the APAC, the report said, highlighting the potential for increased research involvement.

"Novotech is committed to supporting global biotech sponsors through a model that values scientific excellence, geographic agility, and partnership-based delivery, helping ensure that innovative therapies continue to reach patients worldwide," the CEO asserted.

Flexible Models Tailored To EBP Pressures

Moller also touched upon how Novotech was enabling continued partnering with the emerging biopharma segment, amid fluctuating funding flows that has forced many firms to tighten spending, which in turn could impact CROs.

At the outset, though, the CEO underlined that while funding in the emerging biopharma segment has experienced cycles of tightening, including in early 2025, high-quality innovation in "exciting therapeutic areas" continues to receive funding.

Novotech, he said, offers a range of flexible, scalable engagement models tailored to the "unique pressures" and opportunities facing emerging biotech. These include a range of "equity-participation" models, an efficient operating model using industry leading systems and data tools, and "our approach to country and region selection that allow sponsors to preserve capital while maximizing recruitment and advancing high-quality data".

"With over 60% of the industry pipeline driven by this segment, we are committed to being not just a service provider—but a strategic partner in drug development," he declared.

Macroeconomic pressures, interest rates, geopolitics and regulatory shifts have impacted investor confidence and biopharma valuations, though specialist investors continue to back innovative ideas for drug discovery and development. Earlier this year, experts at the J.P. Morgan Healthcare Conference and parallel Biotech Showcase had signaled investor interest in obesity, targeted cancer therapeutics, neuroscience and immunology in 2025 as well as for China-sourced technologies and drug candidates.

Interestingly, earlier this this year Novotech itself garnered new investment from GIC, Temasek, and existing investor TPG, which is expected fuel the CRO's plans for further organic growth and transformative M&A opportunities.

Moller declined to disclose specifics regarding investment strategies, or potential deal-making activities, when asked whether valuations were perhaps turning attractive given that things are expected to stay volatile in the near future globally.

"We constantly look at acquisition opportunities that provide the scale and therapeutic expertise that our clients seek and remain focused on delivering long-term value through strategic growth initiatives that align with the evolving needs of our biotech clients globally," he stated.