

# The Pharmaceutical Industry in Figures

Key Data \* 2020



# THE PHARMACEUTICAL INDUSTRY: A KEY ASSET TO SCIENTIFIC AND MEDICAL PROGRESS

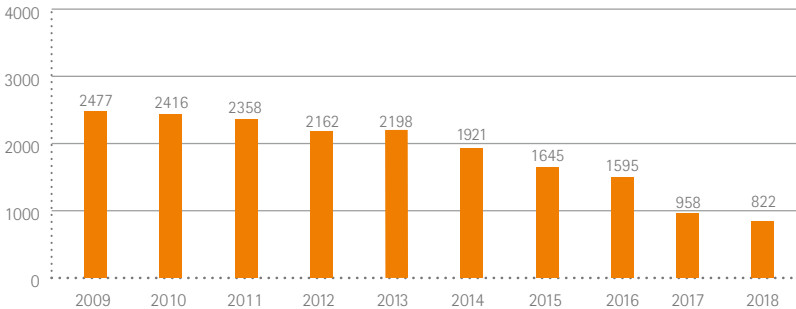
Thanks to advances in science and technology, the research-based pharmaceutical industry is entering an exciting new era in medicines development. Research methods are evolving and we have many promising prospects on the horizon – from the possibilities offered by personalised medicines, to the potential offered by harnessing the power of big data. The innovative pharmaceutical industry is driven by, and drives, medical progress. It aims to turn fundamental research into innovative treatments that are widely available and accessible to patients.

Already, the industry has contributed to significant improvements in patient well-being. Today's European citizens can expect to live up to 30 years longer than they did a century ago. Some major steps in biopharmaceutical research, complimented by many smaller steps, have allowed for reductions in mortality, for instance from HIV/AIDS-related causes and a number of cancers. High blood pressure and cardiovascular diseases can be controlled with antihypertensive and cholesterol-lowering medicines; knee or hip replacements prevent patients from immobility; and some cancers

can be controlled – or even cured – with the help of new targeted treatments. European citizens can expect not only to live longer, but to live better quality lives. Yet major hurdles remain, including Alzheimer's, Multiple Sclerosis, many cancers, and orphan diseases.



## TOTAL NUMBER OF DEATHS AMONG AIDS CASES IN EUROPE (TOTAL EU/EEA)



Source: HIV/AIDS surveillance in Europe 2019, WHO Regional Office for Europe & European Centre for Disease Prevention and Control (ECDC), November 2019








# THE PHARMACEUTICAL INDUSTRY: A KEY ASSET TO THE EUROPEAN ECONOMY

As well as driving medical progress by researching, developing and bringing new medicines that improve health and quality of life for patients around the

world, the research-based pharmaceutical industry is a key asset of the European economy. It is one of Europe's top performing high-technology sectors.



## INDUSTRY (EFPIA total)

	2000	2010	2018	2019
 Production	127,504	199,730	259,857	275,000 (e)
 Exports (1) (2)	90,935	276,357	435,300	475,000 (e)
 Imports	68,841	204,824	313,269	335,000 (e)
 Trade balance	22,094	71,533	122,031	140,000 (e)
 R&D expenditure	17,849	27,920	36,312	37,500 (e)
 Employment (units)	554,186	670,088	793,111	795,000 (e)
 R&D employment (units)	88,397	116,253	115,792	118,000 (e)
 Total pharmaceutical market value at ex-factory prices	89,449	153,684	213,358	228,200 (e)
 Payment for pharmaceuticals by statutory health insurance systems (ambulatory care only)	76,909	129,464	135,485	140,900 (e)

Values in € million unless otherwise stated

(1) Data relate to EU-27, Norway and Switzerland since 2005 (EU-15 before 2005); Croatia and Serbia included since 2010; Turkey included since 2011; Russia included since 2013

(2) Data relating to total exports and total imports include EU-28 intra-trade (double counting in some cases)

Source: EFPIA member associations (official figures) - (e): EFPIA estimate; Eurostat (EU-28 trade data 2000-2019)

## MAIN TRENDS

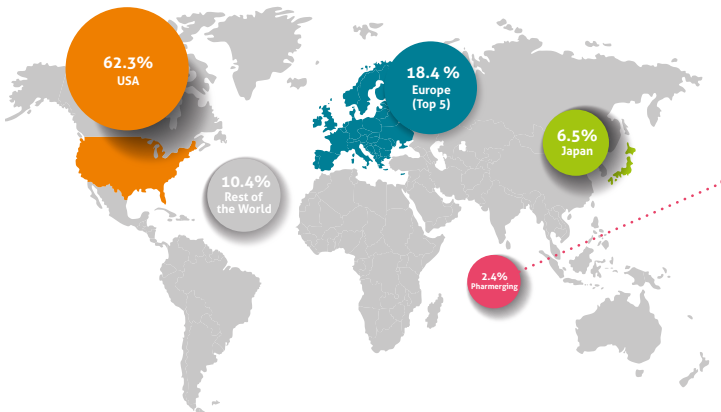
The research-based pharmaceutical industry can play a critical role in restoring Europe to growth and ensuring future competitiveness in an advancing global economy. In 2019 it invested an estimated € 37,500 million in R&D in Europe. It directly employs some 795,000 people and generates about three times more employment indirectly – upstream and downstream – than it does directly (PwC, Economic and societal footprint of the pharmaceutical industry in Europe, June 2019). However, the sector faces real challenges. Besides the additional regulatory hurdles and escalating R&D costs, the sector has been severely hit by the impact of fiscal austerity measures introduced by governments across much of Europe since 2010.

\* There is rapid growth in the market and research environment in emerging economies such as Brazil, China and India, leading to a gradual migration of economic and research activities from Europe to these fast-growing markets. During

the period 2014-2019 the Brazilian, Chinese and Indian markets grew by 11.2%, 6.9% and 11.1% respectively compared to an average market growth of 5.4% for the top 5 European Union markets and 6.1% for the US market (source: IQVIA MIDAS, May 2020).

- \* In 2019 North America accounted for 48.7% of world pharmaceutical sales compared with 22.9% for Europe. According to IQVIA (MIDAS May 2020), 62.3% of sales of new medicines launched during the period 2014-2019 were on the US market, compared with 18.4% on the European market (top 5 markets).
- \* The fragmentation of the EU pharmaceutical market has resulted in a lucrative parallel trade. This benefits neither social security nor patients and deprives the industry of additional resources to fund R&D. Parallel trade was estimated to amount to € 5,471 million (value at ex-factory prices) in 2018.

### GEOGRAPHICAL BREAKDOWN (BY MAIN MARKETS) OF SALES OF NEW MEDICINES LAUNCHED DURING THE PERIOD 2014–2019



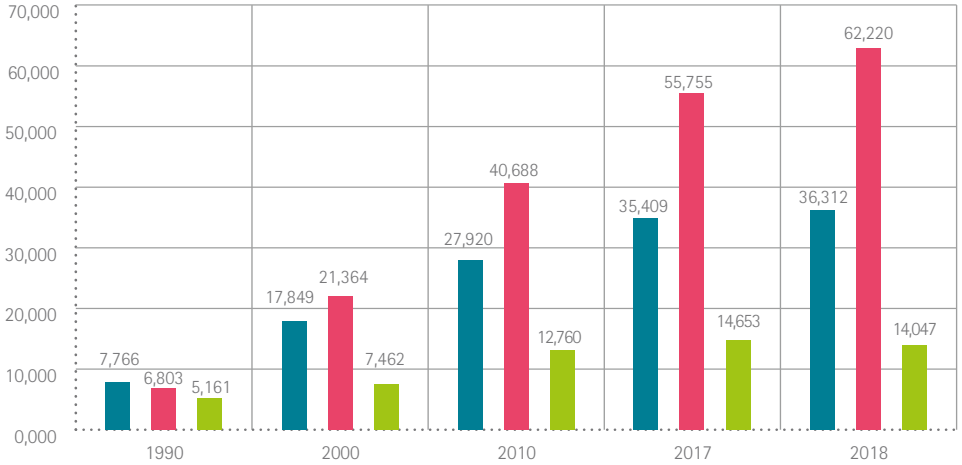
*Note:*  
New medicines cover all new active ingredients marketed for the first time on the world market during the period 2014-2019

Europe (Top 5) comprises Germany, France, Italy, Spain and United Kingdom

Pharmerging comprises 21 countries ranked by IQVIA as high-growth pharmaceutical markets (Algeria, Argentina, Bangladesh, Brazil, Colombia, Chile, China, Egypt, India, Indonesia, Kazakhstan, Mexico, Nigeria, Pakistan, Philippines, Poland, Russia, Saudi Arabia, South Africa, Turkey and Vietnam)

Source: IQVIA (MIDAS May 2020)

**PHARMACEUTICAL R&D EXPENDITURE IN EUROPE, USA AND JAPAN  
(MILLION OF NATIONAL CURRENCY UNITS\*), 1990–2018**

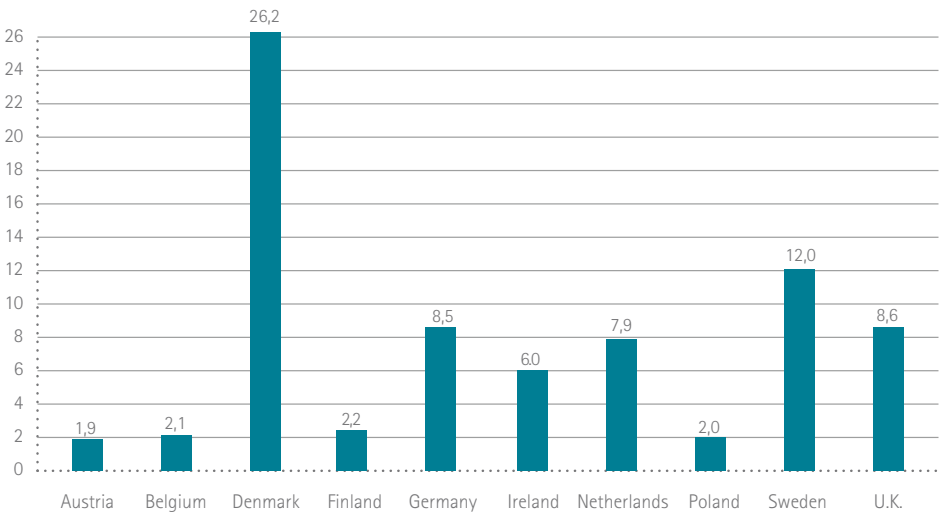


\* Note: Europe: € million; USA: \$ million; Japan: ¥ million x 100

Source: EFPIA member associations, PhRMA, JPMA



**SHARE OF PARALLEL IMPORTS IN PHARMACY MARKET SALES (%) – 2018**



Note: U.K.: in % of pharmacy market sales at reimbursement prices

Source: EFPIA member associations (estimate)

# PHARMACEUTICAL INDUSTRY RESEARCH AND DEVELOPMENT IN EUROPE

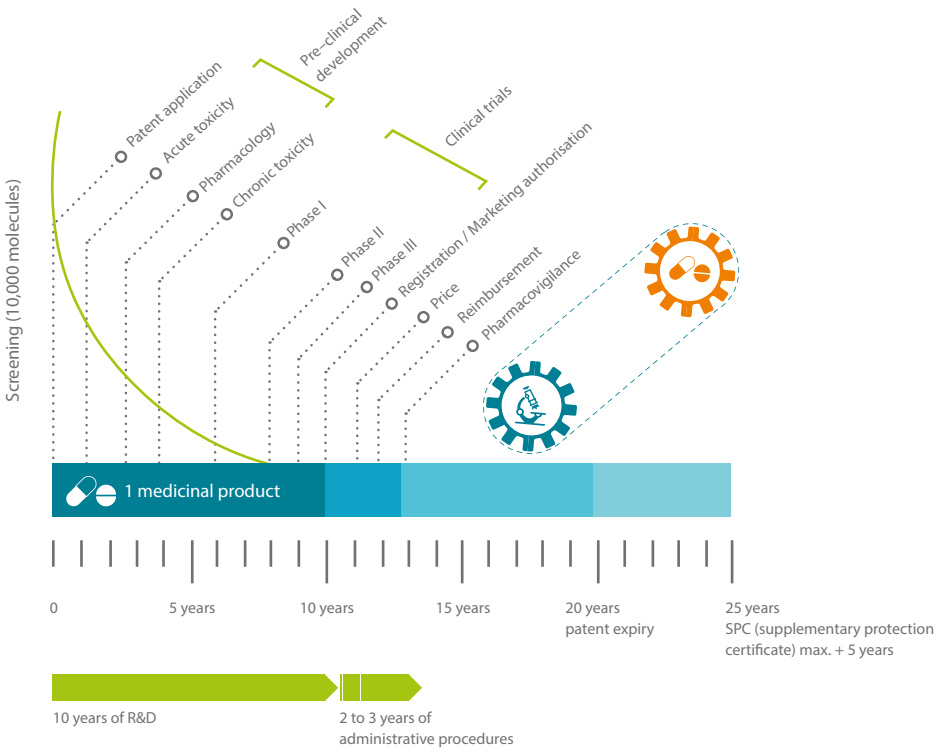
All new medicines introduced into the market are the result of lengthy, costly and risky research and development (R&D) conducted by pharmaceutical companies:

\* By the time a medicinal product reaches the market, an average of 12-13 years will have elapsed since the first synthesis of the new active substance;

\* The cost of researching and developing a new chemical or biological entity was estimated at € 1,926 million (\$ 2,558 million in year 2013 dollars) in 2014 (DiMasi et al, Journal of Health Economics, January 2016);

\* On average, only one to two of every 10,000 substances synthesised in laboratories will successfully pass all stages of development required to become a marketable medicine.

## PHASES OF THE RESEARCH AND DEVELOPMENT PROCESS



## PHARMACEUTICAL INDUSTRY RESEARCH AND DEVELOPMENT IN EUROPE

EFPIA 2018	€ million		€ million
Austria	278	Latvia	n.a
Belgium	3,570	Lithuania	n.a
Bulgaria	91	Malta	n.a
Croatia	40	Netherlands	642
Cyprus	85	Norway	126
Czech Rep.	36	Poland	356
Denmark	1,629	Portugal	116
Estonia	n.a	Romania	80
Finland	216	Russia	944
France	4,451	Slovakia	n.a
Germany	7,815	Slovenia	180
Greece	51	Spain	1,147
Hungary	242	Sweden	1,104
Iceland	n.a	Switzerland	6,010
Ireland	305	Turkey	103
Italy	1,650	U.K.	5,045
<b>TOTAL</b>			<b>36,312</b>

### Note:

The figures relate to the R&D carried out in each country.

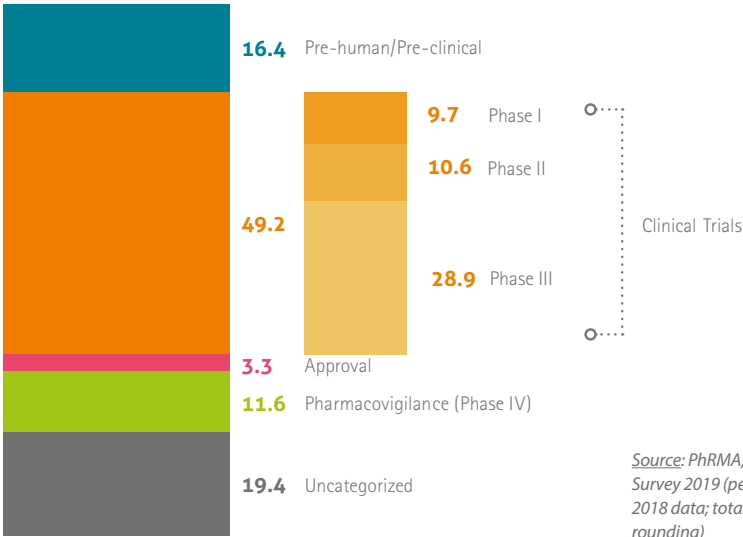
Bulgaria, France, Germany, Spain: 2017 data; Slovenia: 2016 data; Norway, Sweden: 2015 data; Cyprus, Ireland: 2013 data; Croatia, Netherlands: 2011 data

Belgium, Croatia, Denmark, France, Germany, Greece, Ireland, Italy, Netherlands, Norway (LMI members), Poland, Romania, Slovenia, Sweden (LIF members), Switzerland (Interpharma members), Turkey: estimate

Source: EFPIA member associations (official figures)

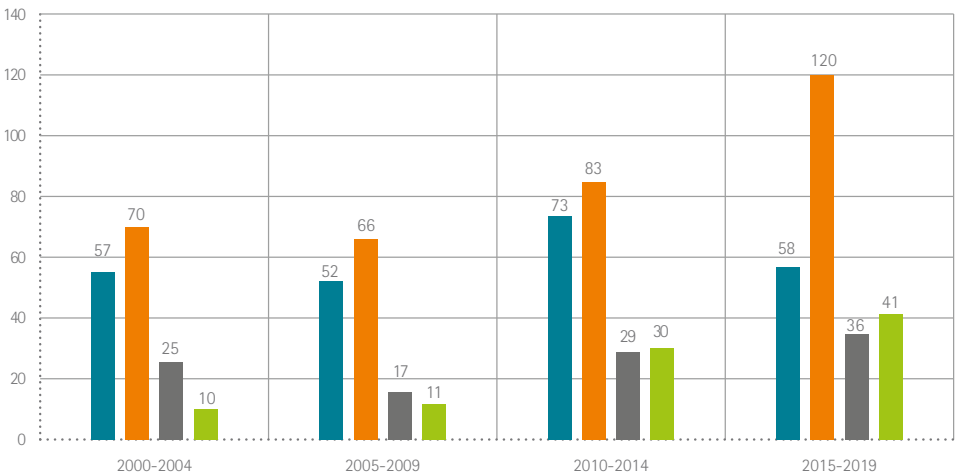


ALLOCATION OF R&D INVESTMENTS BY FUNCTION (%)



Source: PhRMA, Annual Membership Survey 2019 (percentages calculated from 2018 data; total values may be affected by rounding)

NUMBER OF NEW CHEMICAL AND BIOLOGICAL ENTITIES (2000-2019)



Source: SCRIP – EFPIA calculations (according to nationality of mother company)

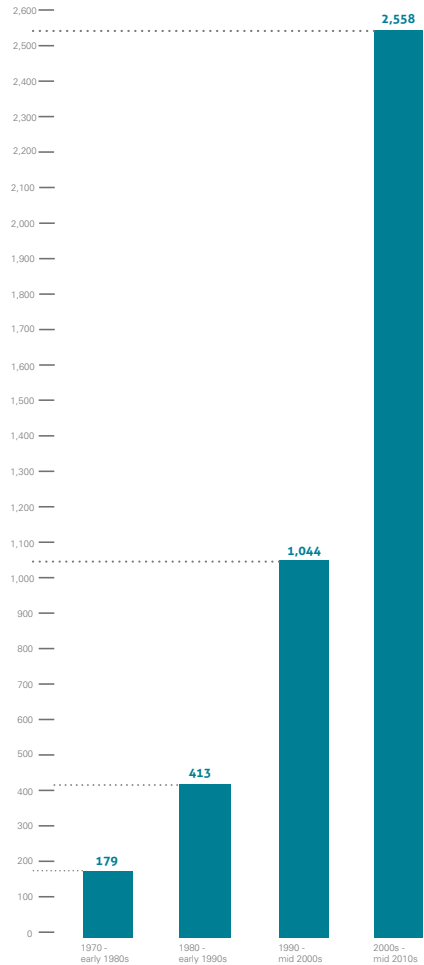


# IMPORTANCE OF PHARMACEUTICAL R&D

In 2018 the pharmaceutical industry invested more than € 36,300 million in R&D in Europe. A decade of strong US market dominance led to a significant shift of economic and research activity towards the US during the period 1995-2005. Additionally, Europe is now facing increasing competition from emerging economies: rapid growth in the market and research environments in countries such as Brazil and China are contributing to the move of economic and research activities to non-European markets. The geographical balance of the pharmaceutical market – and ultimately the R&D base – is likely to shift gradually towards emerging economies.

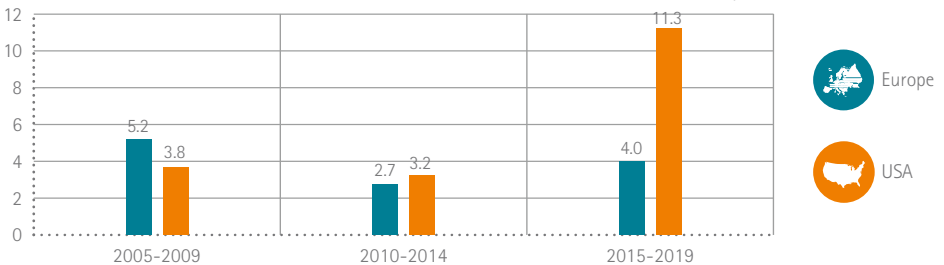
## ESTIMATED FULL COST OF BRINGING A NEW CHEMICAL OR BIOLOGICAL ENTITY TO MARKET (\$ MILLION – YEAR 2013 \$)

Source: Joseph. A. DiMasi, Henry G. Grabowski, Ronald W.Hansen, *Innovation in the pharmaceutical industry: New estimates of R&D costs*, *Journal of Health Economics*, 47 (2016), 20-33

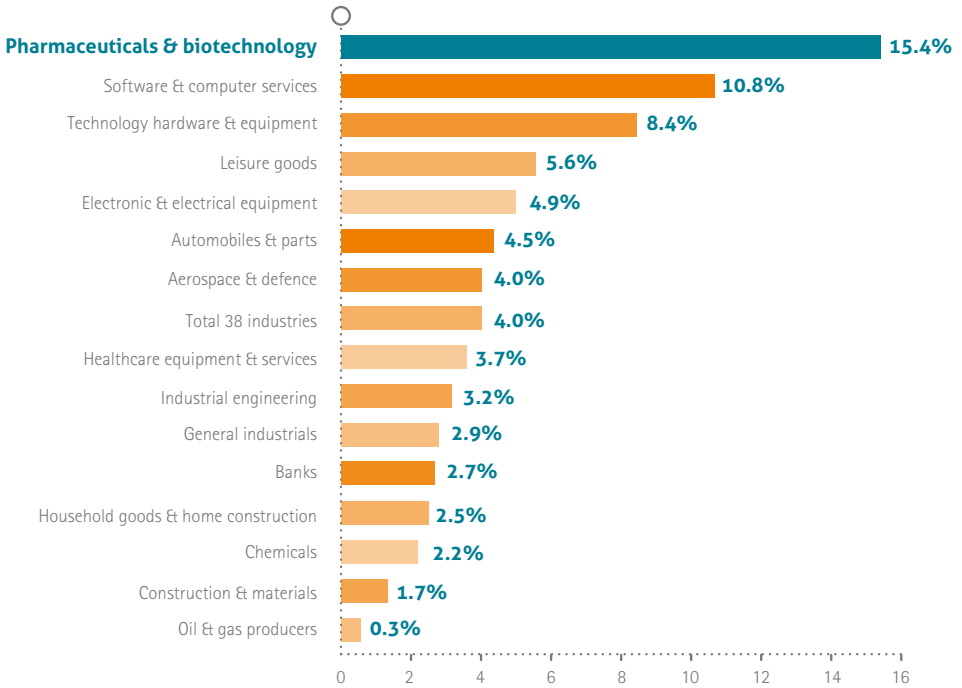


## PHARMACEUTICAL R&D EXPENDITURE – ANNUAL GROWTH RATE (%)

Note: USA: data relating to period 2014-2018  
Source: EFPIA, PhRMA



**RANKING OF INDUSTRIAL SECTORS BY OVERALL SECTOR R&D INTENSITY  
(R&D AS PERCENTAGE OF NET SALES – 2019)**



**Note:**

Data relate to the top 2,500 companies with registered offices in the EU (551), Japan (318), the US (769), China (507) and the Rest of the World (355), ranked by total worldwide R&D investment (with investment in R&D above € 30 million).

Source: The 2019 EU Industrial R&D Investment Scoreboard, European Commission, JRC/DG RTD

According to EUROSTAT data, the pharmaceutical industry is the high technology sector with the highest added-value per person employed, significantly higher than the average value for high-tech and manufacturing industries. The pharmaceutical industry is also the sector with the highest ratio of R&D investment to net sales.

According to the 2019 EU Industrial R&D Investment Scoreboard the pharmaceutical and biotechnology sector amounts to 18.7% of total business R&D expenditure worldwide.

# PHARMACEUTICAL PRODUCTION

EFPIA 2018	€ million		€ million
Austria	2,775	Latvia	157
Belgium	13,312	Lithuania	n.a
Bulgaria	121	Malta	n.a
Croatia	588	Netherlands	6,180
Cyprus	180	Norway	1,072
Czech Rep.	858	Poland	2,465
Denmark	14,391	Portugal	1,514
Estonia	n.a	Romania	655
Finland	1,773	Russia	4,537
France	23,213	Slovakia	356
Germany	32,905	Slovenia	2,010
Greece	996	Spain	14,970
Hungary	3,284	Sweden	8,153
Iceland	89	Switzerland	45,885
Ireland	19,305	Turkey	2,874
Italy	32,200	U.K.	23,039
<b>TOTAL</b>			<b>259,857</b>

Note:

All data based on SITC 54

Denmark, Latvia, Slovakia, Spain: 2017 data; Iceland: 2016 data; Bulgaria: 2015 data; Ireland: 2014 data; Romania: 2013 data; Cyprus, Netherlands: 2010 data

Croatia, Denmark, France, Ireland, Italy, Netherlands, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland: estimate  
Bulgaria, Croatia, Cyprus, France, Hungary, Ireland, Latvia, Norway, Poland, Portugal, Romania, Slovenia, Sweden: veterinary products excluded

Source: EFPIA member associations (official figures)



## EMPLOYMENT IN THE PHARMACEUTICAL INDUSTRY

EFPIA 2018	Units		Units
Austria	15,411	Latvia	2,154
Belgium	37,073	Lithuania	1,220
Bulgaria	12,000	Malta	1,057
Croatia	5,220	Netherlands	15,000
Cyprus	1,140	Norway	4,000
Czech Rep.	18,000	Poland	29,873
Denmark	24,875	Portugal	7,900
Estonia	380	Romania	32,000
Finland	4,715	Russia	n.a
France	98,528	Slovakia	2,287
Germany	119,535	Slovenia	10,573
Greece	21,739	Spain	42,653
Hungary	30,700	Sweden	11,012
Iceland	500	Switzerland	46,800
Ireland	29,766	Turkey	38,000
Italy	66,500	U.K.	62,500
<b>TOTAL</b>			<b>793,111</b>

*Note:*

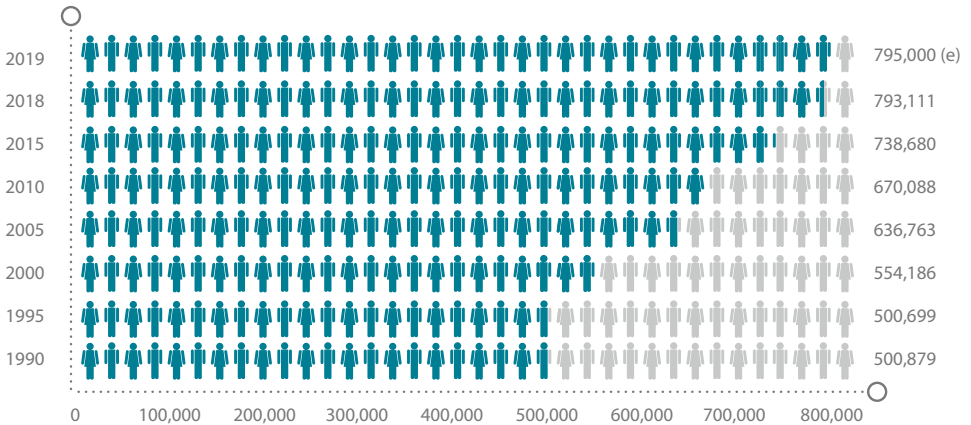
Latvia, Malta, Spain: 2017 data; Estonia: 2016 data; Sweden: 2014 data; Lithuania: 2013 data; Cyprus: 2007 data  
Belgium, Bulgaria, Croatia, Estonia, France, Ireland, Italy, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Sweden, Switzerland, Turkey, United Kingdom: estimate

*Source:* EFPIA member associations (official figures)

The research-based pharmaceutical industry is one of Europe’s major high-technology industrial employers. Recent studies in some countries showed that the research-based pharmaceutical industry generates about three times more employment indirectly – upstream and downstream – than it does directly (PwC, Economic and societal

footprint of the pharmaceutical industry in Europe, June 2019). Furthermore, a significant proportion of these are valuable skilled jobs, for instance in the fields of academia or clinical science, which can help maintain a high-level knowledge base and prevent a European “brain drain”.

## EMPLOYMENT IN THE PHARMACEUTICAL INDUSTRY (1990-2019)

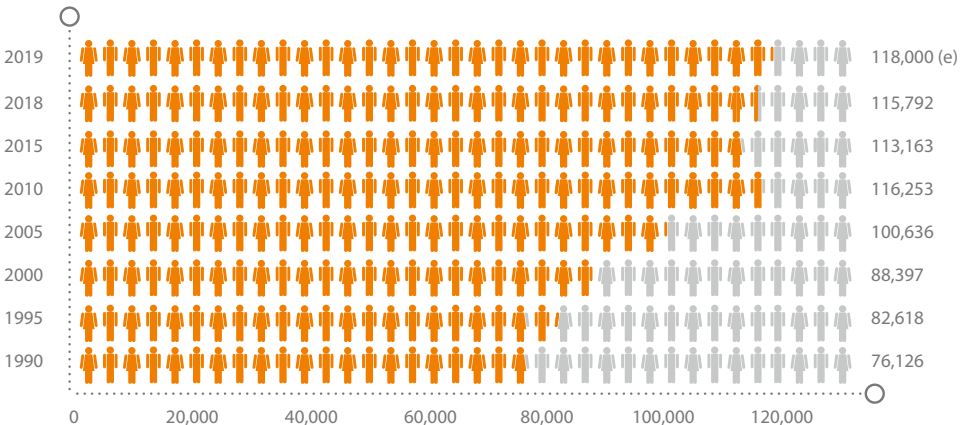


**Note:**

Data includes Iceland (since 2017), Turkey (since 2011), Croatia and Lithuania (since 2010), Bulgaria, Estonia and Hungary (since 2009), Czech Republic (since 2008), Cyprus (since 2007), Latvia, Romania & Slovakia (since 2005), Malta, Poland and Slovenia (since 2004)

Source: EFPIA member associations (official figures) - (e): EFPIA estimate

## EMPLOYMENT IN PHARMACEUTICAL R&D (1990-2019)



**Note:**

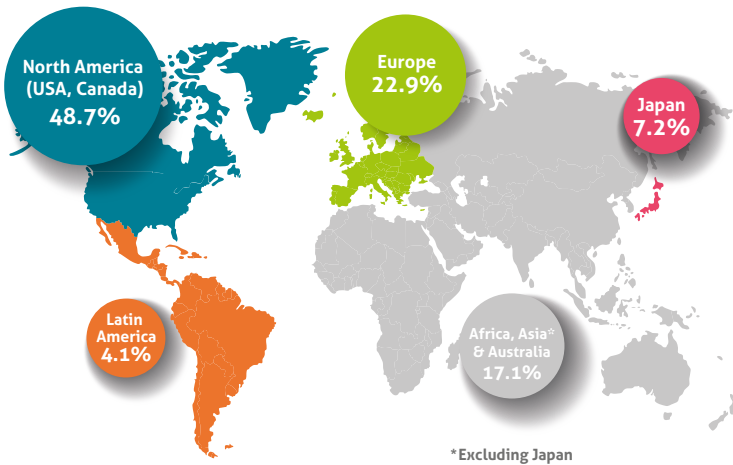
Data includes Iceland (since 2017), Greece & Lithuania (since 2013), Bulgaria and Turkey (since 2012), Poland (since 2010), Czech Republic, Estonia and Hungary (since 2009), Romania (since 2005) and Slovenia (since 2004)  
Croatia, Cyprus, Latvia, Malta, Serbia, Slovakia: data not available

Source: EFPIA member associations – (e): EFPIA estimate

## PHARMACEUTICAL SALES

The world pharmaceutical market was worth an estimated € 949,462 million (\$ 1,062,923 million) at ex-factory prices in 2019. The North American market (USA & Canada) remained the world's largest market with a 48.7% share, well ahead of Europe and Japan.

### BREAKDOWN OF THE WORLD PHARMACEUTICAL MARKET – 2019 SALES



*Note:*  
Europe includes Turkey and Russia; percentages might not add up due to rounding

*Source:* IQVIA (MIDAS), May 2020 (data relate to the 2019 audited global retail and hospital pharmaceutical market at ex-factory prices)

## PRICE STRUCTURE

Distribution margins, which are generally fixed by governments, and VAT rates differ significantly from country to country in Europe. On average, approximately one third of the retail price of a medicine reverts to distributors (pharmacists and wholesalers) and the State.

### BREAKDOWN OF THE RETAIL PRICE OF A MEDICINE, 2018 (%)



*Note:*  
Non-weighted average for Europe (average estimate for 25 countries)

*Source:* EFPIA member associations

# PHARMACEUTICAL MARKET VALUE (at ex–factory prices)

EFPIA 2018	€ million		€ million
Austria	4,393	Lithuania	694
Belgium	5,407	Malta	77
Bulgaria	1,188	Netherlands	5,358
Croatia	835	Norway	2,416
Cyprus	177	Poland	6,840
Czech Rep.	2,763	Portugal	3,230
Denmark	2,807	Romania	2,826
Estonia	325	Russia	15,106
Finland	2,570	Serbia	652
France	28,897	Slovakia	1,336
Germany	38,531	Slovenia	651
Greece	4,806	Spain	16,375
Hungary	2,437	Sweden	4,137
Iceland	147	Switzerland	5,170
Ireland	2,137	Turkey	5,881
Italy	23,769	U.K.	21,151
Latvia	269		
<b>TOTAL</b>			<b>213,358</b>

Note:

Medicinal products as defined by Directive 2001/83/EEC

Cyprus, Denmark, Finland, Iceland, Latvia, Lithuania, Norway, Russia, Slovenia, Sweden: pharmaceutical market value at pharmacy purchasing prices

Serbia: 2017 data; Malta: 2007 data

Belgium, France, Germany, Ireland, Italy, Malta, Norway, Spain, United Kingdom: estimate

Source:

EFPIA member associations (official figures) – Latvia: IQVIA

The figures above are for pharmaceutical sales, at ex–factory prices, through all distribution channels (pharmacies, hospitals, dispensing doctors, supermarkets, etc.), whether dispensed on prescription or at the patient's request. Sales of veterinary medicines are excluded.



## VAT RATES APPLICABLE TO MEDICINES

The table below shows the VAT rates applied to medicines in European countries as of 1 January 2020.

Country	Standard VAT rate (%)	VAT rates applied to medicines	
		Prescription (%)	OTC (%)
Austria	20,0	10,0	10,0
Belgium	21,0	6,0	6,0
Bulgaria	20,0	20,0	20,0
Croatia	25,0	5,0	5,0
Cyprus	19,0	5,0	5,0
Czech Rep.	21,0	10,0	10,0
Denmark	25,0	25,0	25,0
Estonia	20,0	9,0	9,0
Finland	24,0	10,0	10,0
France (1)	20,0	2,1	10,0
Germany	19,0	19,0	19,0
Greece	24,0	6,0	6,0-13,0
Hungary	27,0	5,0	5,0
Iceland	24,0	24,0	24,0
Ireland (2)	23,0	0-23,0	0-23,0
Italy	22,0	10,0	10,0
Latvia	21,0	12,0	12,0
Lithuania (3)	21,0	5,0	21,0
Luxembourg	17,0	3,0	3,0
Malta	18,0	0,0	0,0
Netherlands	21,0	9,0	9,0
Norway	25,0	25,0	25,0
Poland	23,0	8,0	8,0
Portugal	23,0	6,0	6,0
Romania	19,0	9,0	19,0
Russia	20,0	10,0	10,0
Serbia	20,0	10,0	10,0
Slovakia	20,0	10,0	20,0
Slovenia	22,0	9,5	9,5
Spain	21,0	4,0	4,0
Sweden	25,0	0,0	25,0
Switzerland	7,7	2,5	2,5
Turkey	18,0	8,0	8,0
U.K.	20,0	0,0	20,0

(1) France: reimbursable medicines 2.1%; non-reimbursable medicines 10.0% (2) Ireland: oral medication 0%; other medication 23%

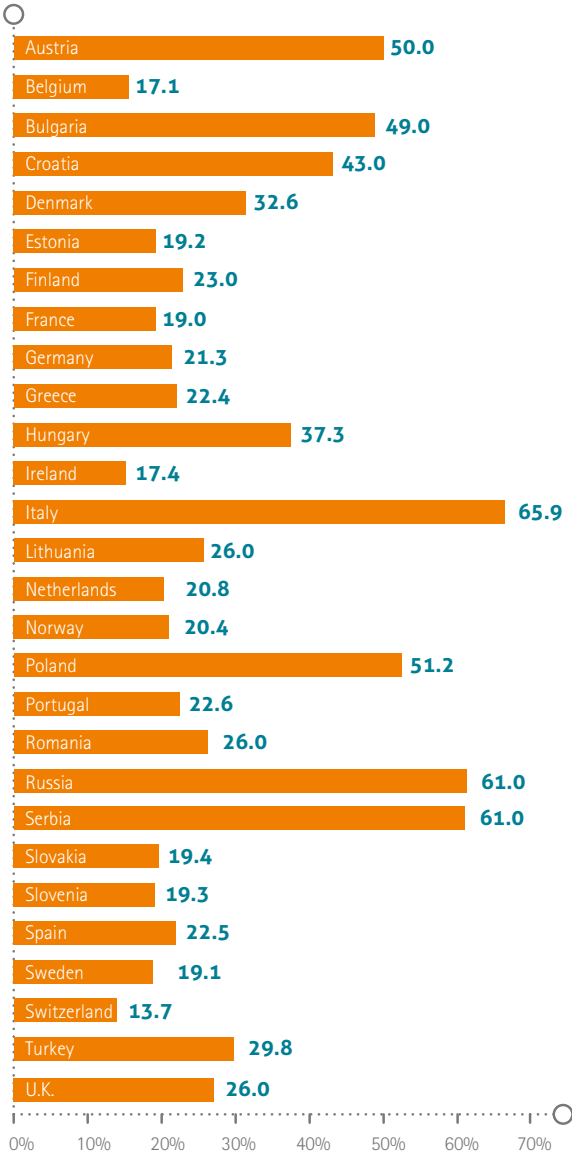
(3) Lithuania: reimbursable medicines 5.0%; non-reimbursable medicines 21.0%



# GENERICIS

The term 'generic' is widely used but its definition is not always consistent between countries. Generics are usually produced by a manufacturer who is

not the inventor of the original product, and are marketed when intellectual property protection rights are exhausted.



**SHARE (ESTIMATE - IN %) ACCOUNTED FOR BY GENERICS IN PHARMACEUTICAL MARKET SALES VALUE (AT EX-FACTORY PRICES), 2018**

Note:

Bulgaria, Croatia, Denmark, Estonia, Finland, Greece, Ireland, Hungary, U.K.: share of generics in pharmacy market sales  
Austria, Belgium, France, Germany, Italy, Netherlands, Portugal, Slovenia, Spain: share of generics in reimbursable pharmacy market sales

Lithuania, Norway, Poland, Romania, Russia, Serbia, Slovakia, Sweden, Switzerland, Turkey: share of generics in total market sales  
Cyprus, Czech Republic, Iceland, Latvia, Malta: 2018 data not available

France: data relate only to those active substances listed on the official list of medicines

Definition: 'generic' means a medicine based on an active substance that is out of patent and which is marketed under a different name from that of the original branded medicine.

Source: EFPIA member associations

## PHARMACEUTICAL EXPORTS

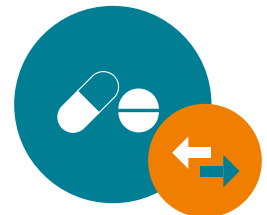
EFPIA 2018	€ million		€ million
Austria	9,363	Lithuania	723
Belgium	42,801	Luxembourg	268
Bulgaria	935	Malta	299
Croatia	926	Netherlands	38,633
Cyprus	317	Norway	790
Czech Republic	2,538	Poland	3,302
Denmark	13,489	Portugal	979
Estonia	92	Romania	770
Finland	740	Russia	440
France	29,450	Slovakia	408
Germany	82,609	Slovenia	3,092
Greece	1,475	Spain	10,478
Hungary	5,533	Sweden	7,987
Ireland	46,199	Switzerland	77,688
Italy	24,906	Turkey	1,014
Latvia	458	United Kingdom	26,598
<b>TOTAL</b>			<b>435,300</b>

*Note:*

All data based on SITC 54

*Source:* Eurostat (COMEXT database – May 2020)

Norway, OECD, Harmonised System Chapter 30, 2019/5; Russia: Clifar Import/Export, 2018; Switzerland: Swiss Federal Customs Administration; Turkey: Turkish Statistical Institute



# PHARMACEUTICAL IMPORTS

EFPIA 2018	€ million		€ million
Austria	9,036	Lithuania	1,011
Belgium	36,169	Luxembourg	475
Bulgaria	1,386	Malta	256
Croatia	1,168	Netherlands	25,259
Cyprus	269	Norway	2,022
Czech Republic	4,443	Poland	6,597
Denmark	4,020	Portugal	2,635
Estonia	494	Romania	3,067
Finland	1,973	Russia	10,294
France	24,831	Slovakia	1,733
Germany	49,398	Slovenia	1,733
Greece	3,209	Spain	14,088
Hungary	4,686	Sweden	3,970
Ireland	11,963	Switzerland	30,661
Italy	25,563	Turkey	4,021
Latvia	609	United Kingdom	26,230
<b>TOTAL</b>			<b>313,269</b>

*Note:*

All data based on SITC 54

*Source:* Eurostat (COMEXT database – May 2020)

Norway: OECD, Harmonised System Chapter 30, 2019/5; Russia: Clifar Import/Export, 2018; Switzerland: Swiss Federal Customs Administration; Turkey: Turkish Statistical Institute



## PHARMACEUTICAL TRADE BALANCE

EFPIA 2018	€ million		€ million
Austria	327	Lithuania	-288
Belgium	6,632	Luxembourg	-207
Bulgaria	-451	Malta	43
Croatia	-242	Netherlands	13,374
Cyprus	48	Norway	-1,232
Czech Republic	-1,905	Poland	-3,295
Denmark	9,469	Portugal	-1,656
Estonia	-402	Romania	-2,297
Finland	-1,233	Russia	-9,854
France	4,619	Slovakia	-1,325
Germany	33,211	Slovenia	1,359
Greece	-1,734	Spain	-3,610
Hungary	847	Sweden	4,017
Ireland	34,236	Switzerland	47,027
Italy	-657	Turkey	-3,007
Latvia	-151	United Kingdom	368
<b>TOTAL</b>			<b>122,031</b>

Note:

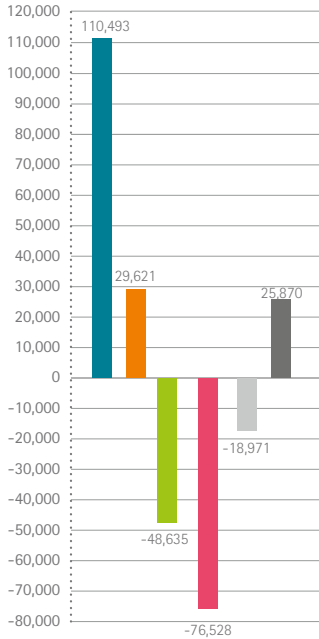
All data based on SITC 54

Source: Eurostat (COMEXT database – May 2020)

Norway, OECD, Harmonised System Chapter 30, 2019/5; Russia: Clifar Import/Export, 2018; Switzerland: Swiss Federal Customs Administration; Turkey: Turkish Statistical Institute



## EU-28 TRADE BALANCE – HIGH TECHNOLOGY SECTORS (€ MILLION) – 2019

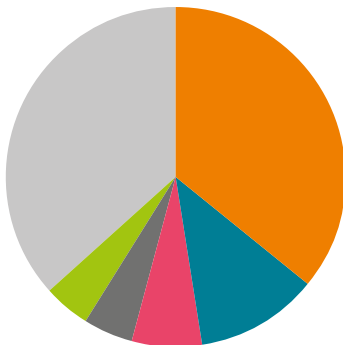


- SITC 54 Pharmaceutical products
- SITC 71 Power generating machinery and equipment
- SITC 75 Office machines and computers
- SITC 76 Telecommunication, sound, TV, video
- SITC 77 Electrical machinery
- SITC 87 Professional, scientific, controlling material

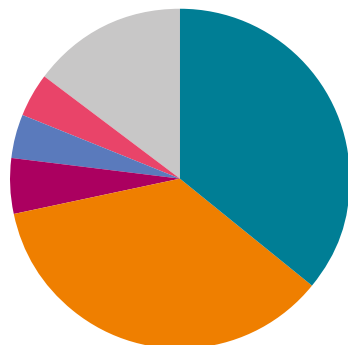
Source: Eurostat, COMEXT database, May 2020

## THE EUROPEAN UNION'S TOP 5 PHARMACEUTICAL TRADING PARTNERS – 2019

	USA	Switzerland	China	Japan	Russia	Singapore	Israel	Others
EU exports	36.0%	11.5%	6.8%	4.6%	4.7%	-	-	36.4%
EU imports	35.7%	36.1%	4.1%	-	-	5.2%	4.2%	14.7%



EU exports



EU imports

Source: Eurostat, COMEXT database, May 2020

## TOTAL SPENDING (PUBLIC AND PRIVATE) ON HEALTHCARE AS A PERCENTAGE OF GDP AT MARKET PRICES

Country	1980	1990	2000	2010	2015	2018
Austria	7.0	7.7	9.2	10.2	10.4	10.3
Belgium	6.1	7.1	7.9	10.0	10.3	10.4
Czech Republic	-	3.7	5.7	6.9	7.2	7.5
Denmark	8.4	8.0	8.1	10.3	10.2	10.5
Estonia	-	-	5.2	6.3	6.4	6.4
Finland	5.9	7.2	6.8	8.9	9.7	9.1
France	6.8	8.0	9.6	11.2	11.5	11.2
Germany	8.1	8.0	9.8	11.0	11.1	11.2
Greece	-	6.1	7.2	9.6	8.1	7.8
Hungary	-	-	6.8	7.5	7.0	6.6
Iceland	5.9	7.4	9.0	8.5	8.1	8.3
Ireland	7.5	5.6	5.9	10.5	7.3	7.1
Italy	-	7.0	7.6	9.0	9.0	8.8
Latvia	-	-	5.4	6.1	5.7	5.9
Luxembourg	4.6	5.1	5.9	7.0	5.5	5.4
Netherlands	6.5	7.0	7.7	10.2	10.3	9.9
Norway	5.4	7.1	7.7	8.9	10.1	10.2
Poland	-	4.3	5.3	6.4	6.3	6.3
Portugal	4.8	5.5	8.4	9.8	9.0	9.1
Slovakia	-	-	5.3	7.8	6.8	6.7
Slovenia	-	-	7.8	8.6	8.5	7.9
Spain	5.0	6.1	6.8	9.0	9.1	8.9
Sweden	7.8	7.2	7.4	8.5	11.0	11.0
Switzerland	6.6	7.9	9.8	10.7	11.9	12.2
Turkey	2.4	2.5	4.6	5.1	4.1	4.2
United Kingdom	5.1	5.1	6.0	8.4	9.7	9.8
Europe	6.1	6.4	7.2	8.6	8.5	8.5
USA	8.2	11.3	12.5	16.4	16.7	16.9
Japan	6.2	5.8	7.2	9.2	10.9	10.9

*Note: Europe: non-weighted average (27 countries) – EFPIA calculations*

*Source: OECD Health Statistics 2019, May 2020*

# PAYMENT FOR PHARMACEUTICALS BY COMPULSORY HEALTH INSURANCE SYSTEMS AND NATIONAL HEALTH SERVICES (ambulatory care only)

EFPIA 2018	€ million		€ million
Austria	2,895	Lithuania	271
Belgium	4,481	Malta	n.a.
Bulgaria	420	Netherlands	3,104
Croatia	382	Norway	1,216
Cyprus	108	Poland	2,057
Czech Rep.	1,290	Portugal	1,255
Denmark	758	Romania	1,439
Estonia	149	Russia	1,440
Finland	1,460	Serbia	273
France	24,020	Slovakia	1,198
Germany	38,669	Slovenia	327
Greece	1,945	Spain	10,482
Hungary	1,129	Sweden	2,286
Iceland	66	Switzerland	6,084
Ireland	1,700	Turkey	5,456
Italy	7,691	U.K.	11,287
Latvia	147		
<b>TOTAL</b>			<b>135,485</b>

*Note:*

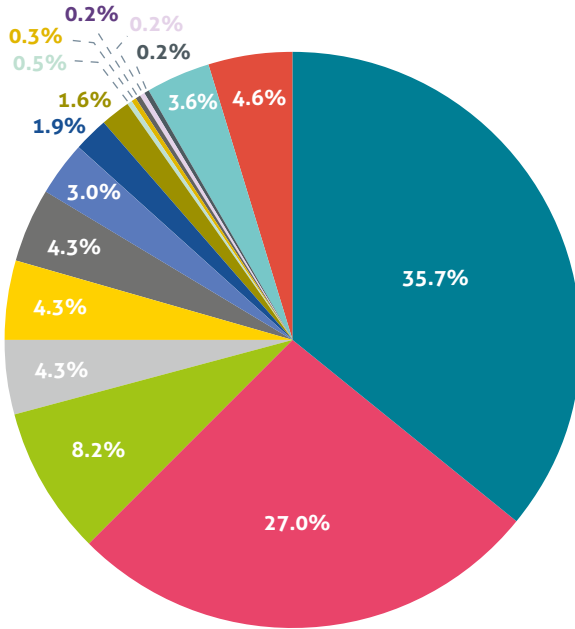
Latvia: 2017 data; Croatia: 2016 data

France, Ireland, Netherlands, Norway, Sweden, U.K.: estimate

Source: EFPIA member associations (official figures)



# CAUSES OF DEATH BY MAJOR DISEASE AREAS IN EUROPE (EU-28)

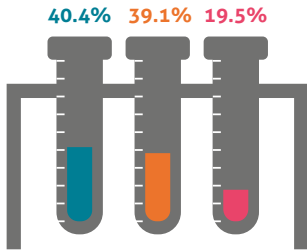


- Diseases of the circulatory system
- Neoplasms
- Diseases of the respiratory system
- Diseases of the digestive system
- Mental and behavioural disorders
- Diseases of the nervous system and the sense organs
- Endocrine, nutritional and metabolic diseases
- Diseases of the genitourinary system
- Certain infectious and parasitic diseases
- Diseases of the musculoskeletal system and connective tissues
- Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism
- Diseases of the skin and subcutaneous tissue
- Certain conditions originating in the perinatal period
- Congenital malformations, deformations and chromosomal abnormalities
- Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified
- External cause of morbidity and mortality

*Data Source: Eurostat, data relate to year 2016 (non-disease directly related causes of deaths: EFPIA calculations), May 2020*



**BREAKDOWN OF TOTAL HEALTH EXPENDITURE  
IN EUROPE – 2017**



In-patient care (hospital)



Outpatient care & others



Medical goods (including pharmaceuticals)

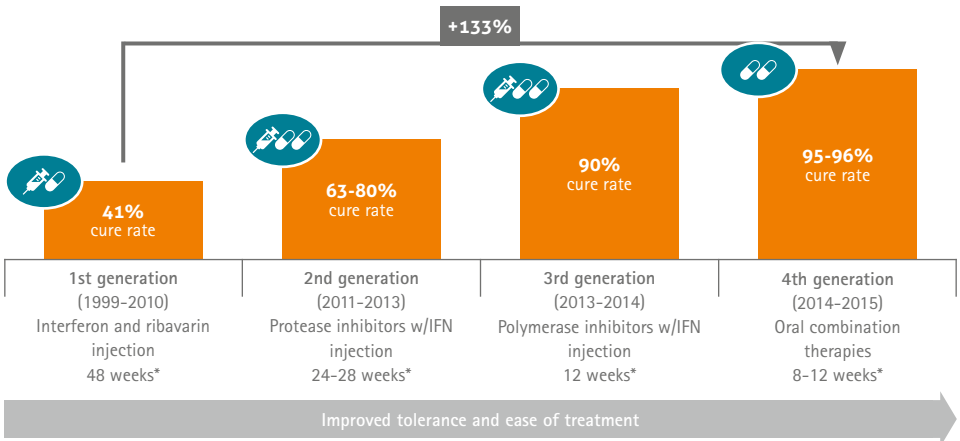
**THE ADDED VALUE OF  
MEDICINES IN HEALTHCARE**

Medicines constitute the smallest part of healthcare costs with, on average, 19.5% of total health expenditure in Europe being spent on pharmaceuticals and other medical goods. In costly diseases such as cancer and rheumatoid arthritis, medicines account for even less than 10% of the total disease costs. Medicines can also generate additional savings, for example by substantially reducing costs in other areas of healthcare, including hospital stays and long-term care costs.

*Source: OECD Health Statistics 2019, May 2020 – EFPIA calculations (non-weighted average for 26 EU & EFTA countries and Turkey)*

**CHRONOLOGY OF HEPATITIS C TREATMENT (1999–2015)**

\* Hepatitis C is the leading cause of liver transplants and the reason liver cancer is on the rise



\* Treatment duration, INF=interferon;

*Source: PhRMA, 'Prescription Medicines: International Costs in Context' (2017)*

## EFPIA MEMBER ASSOCIATIONS

### Austria

Fachverband der Chemischen Industrie Österreichs (FCIO)

### Belgium

Association Générale de l'Industrie du Médicament (pharma.be)

### Denmark

Laegemiddelindustriforeningen

The Danish Association of the Pharmaceutical Industry (Lif)

### Finland

Lääketeollisuus ry

Pharma Industry Finland (PIF)

### France

Les Entreprises du Médicament (LEEM)

### Germany

Verband Forschender Arzneimittelhersteller (VfA)

### Greece

Hellenic Association of Pharmaceutical Companies (SFEE)

### Ireland

Irish Pharmaceutical Healthcare Association (IPHA)

### Italy

Associazione delle Imprese del Farmaco (Farmindustria)

### Netherlands

Vereniging Innovatieve Geneesmiddelen

### Norway

Legemiddelindustrien

Norwegian Association of Pharmaceutical Manufacturers (LMI)

### Poland

Employers Union of Innovative Pharmaceutical Companies (Infarma)

### Portugal

Associação Portuguesa da Indústria Farmacêutica (Apifarma)

### Russia

Association of International Pharmaceutical Manufacturers (AIPM)

### Spain

Asociación Nacional Empresarial de la Industria Farmacéutica (Farmaindustria)

### Sweden

Läkemedelsindustriföreningen

The Swedish Association of the Pharmaceutical Industry (LIF)

### Switzerland

Verband der forschender pharmazeutischen Firmen der Schweiz (Interpharma)

### Turkey

Araştırmacı İlaç Fimaları Derneği (AİFD)

### United Kingdom

The Association of the British Pharmaceutical Industry (ABPI)

## ASSOCIATIONS WITH LIAISON STATUS

**Bosnia-Herzegovina:** Association of Research-based Medicine Producers (UIPL)

**Bulgaria:** Association of Research-based Pharmaceutical Manufacturers in Bulgaria (ARPharM)

**Croatia:** Innovative Pharmaceutical Initiative (iFI)

**Cyprus:** Cyprus Association of Pharmaceutical Companies (KEFEA)

**Czech Republic:** Association of Innovative Pharmaceutical Industry (AIFP)

**Estonia:** Association of Pharmaceutical Manufacturers in Estonia (APME)

**Hungary:** Association of Innovative Pharmaceutical Manufacturers (AIPM)

**Iceland:** Icelandic Association of the Pharmaceutical Industry (FRUMTÖK)

**Latvia:** Association of International Research-based Pharmaceutical Manufacturers (SIFFA)

**Lithuania:** The Innovative Pharmaceutical Industry Association (IFPA)

**Malta:** Maltese Pharmaceutical Association (PRIMA)

**North Macedonia:** Association of Foreign Innovative Pharmaceutical Manufacturers (HOBA)

**Romania:** Association of International Medicines Manufacturers (ARPIM)

**Serbia:** Innovative Drug Manufacturers' Association (INOVIA)

**Slovakia:** Slovak Association of Innovative Pharmaceutical Industry (AIFP)

**Slovenia:** Forum of International Research and Development Pharmaceutical Industries (EIG)

**Ukraine:** Association of Pharmaceutical Research and Development (APRaD)

# MEMBER COMPANIES

## \* Full Members

AbbVie  
Almirall  
Amgen  
Astellas  
AstraZeneca  
Bayer  
Biogen  
Boehringer Ingelheim  
Bristol-Myers Squibb  
Chiesi  
Daiichi-Sankyo  
Gilead  
GlaxoSmithKline  
Grünenthal  
Ipsen  
Johnson & Johnson

LEO Pharma  
Lilly  
Menarini  
Merck  
Merck Sharp & Dohme (MSD)  
Novartis  
Novo Nordisk  
Pfizer  
Pierre Fabre  
Roche  
Sanofi  
Servier  
Takeda  
Teva  
UCB

## \* Affiliate Members

Bial  
Eisai  
Esteve  
Lundbeck  
Otsuka  
Rovi  
Stallergenes  
Vifor Pharma





European Federation of Pharmaceutical  
Industries and Associations

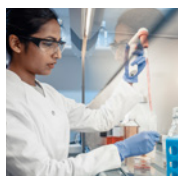
## EFPIA (The European Federation of Pharmaceutical Industries and Associations) represents the research-based pharmaceutical industry operating in Europe.

Founded in 1978, its members comprise **36** national pharmaceutical industry associations and **39** leading pharmaceutical companies undertaking research, development and manufacturing of medicinal products in Europe for human use.

EFPIA aims to create an environment that enables its members to innovate, discover, develop and deliver new therapies and vaccines for people across Europe, as well as contribute to the European economy. EFPIA's vision is for a healthier future for Europe. A future based on prevention, innovation, access to new treatments and better outcomes for patients.

Through its membership, EFPIA represents the common views of about 1,900 large, medium and small companies including the entire European research-based pharmaceutical sector whose interests also include a significant part of the generics and biosimilars segments. Vaccines Europe (VE) is the specialised vaccine industry group within EFPIA. It represents major innovative research-based global vaccine companies as well as small and medium sized enterprises operating in Europe.

Further details about the Federation and its activities can be obtained from:



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