

# THE IMPACT OF GLOBAL INSTABILITY

With the world facing economic and political turmoil, not to mention soaring energy prices, the pharmaceutical industry is – in contrast to usual – feeling negative effects as much as other sectors. From R&D operations to manufacturing efforts, this infographic examines how the pharma sector is being affected by current global instability

## THE COST OF R&D IS RISING RAPIDLY

### The problem



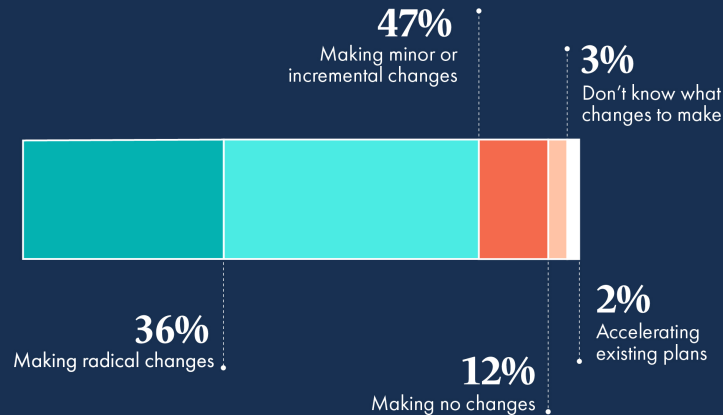
Cost of R&D rising in line with rocketing energy prices

**77%** of pharma companies expect to be affected by rising energy costs

**72%** is the average for all other sectors

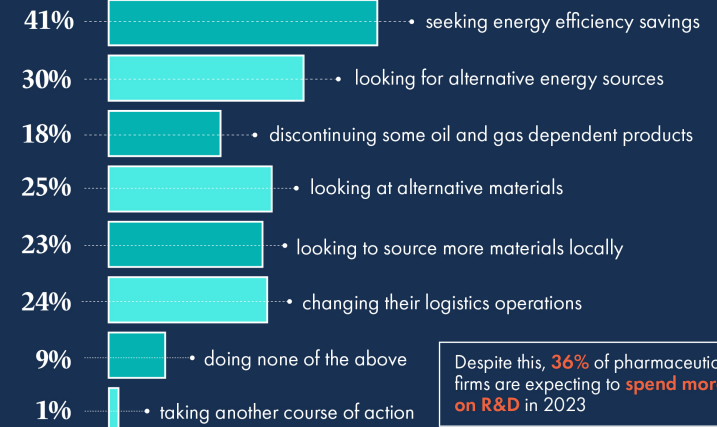
### The response

Companies are taking varying degrees action



### The solutions

Companies are choosing different methods to tackle the issue



Despite this, **36%** of pharmaceutical firms are expecting to **spend more on R&D** in 2023

Source: Ayming, 2022

## DECLINE IN CLINICAL TRIALS IN UKRAINE AND RUSSIA

January 2022



Clinical trial recruiting sites in **Ukraine** have fallen by **48%**

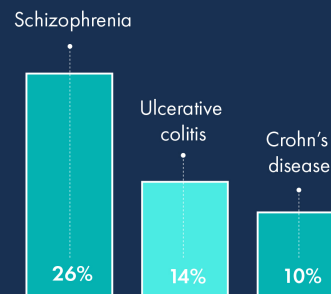
October 2022



Clinical trial recruiting sites in **Russia** have fallen by **52%**



Main diseases affected by the decline:



% = percentage of trials that take place in Ukraine and Russia

**Poland** has filled some of the gaps in **clinical development** caused by the war by increasing the number of its recruiting investigator sites by **10%**

Source: PHESI, 2022

## FINANCIAL SQUEEZE ON GENERICS MANUFACTURERS



For the last **10 years**, off-patent medicines have represented **70%** of dispensed medicines in the European Union

However, companies have been contending with:



- Price regulations
- Budget austerity measures
- Lowest-price tender rules

This has been exacerbated by the COVID-19 crisis and the war in Ukraine as raw material costs have increased by between:



50%



160%

This is a **huge issue** for generics manufacturers as they can't pass **higher costs** onto customers as they risk losing them to cheaper brands

Source: EURACTIV, 2022