



Market Watch

Pharma Fact sheet

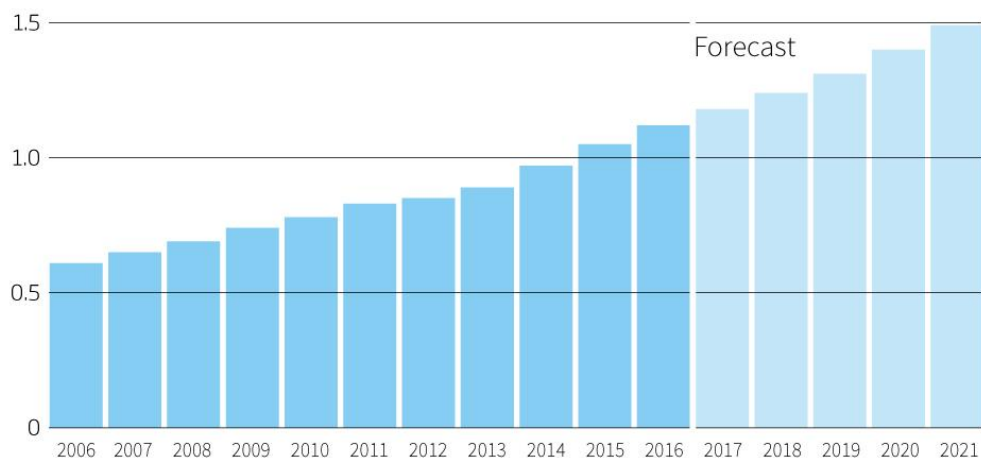
How drug makers face global push-back on high prices

Pharmaceutical companies are under fire around the world as a wave of new treatments for cancer and other serious conditions reach the market at ever rising prices, and the pressure looks set to increase. Next week the debate on drug pricing - a particularly heated topic in the United States - will move to Amsterdam as the Dutch government hosts a forum for World Health Organization (WHO) member states to promote "fair pricing". [Read More](#)

Global medicines bill

Medicine spending on invoice price basis, at constant exchange rate dollars based on Q2, 2016.

\$ billion



Source: QuintilesIMS Institute

C. Hughes, 03/05/2017

REUTERS

Generic Drug Industry Headwinds Lead to Moat Downgrades

The generic drug industry has recently faced a number of challenges thanks to greater-than-expected pricing pressure, unfortunate capital-allocation decisions, increasing financial leverage, and concerns about collusion charges. Although fewer small-molecule patent expirations, increased competition in complex product categories, and increased consortium buying power are likely to make historical growth and profitability difficult to sustain, we think the recent accelerated pace of price erosion will diminish as the Food and Drug Administration backlog normalizes.

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