

Total worldwide drug sales forecast to fall as uncertainty hits pharma



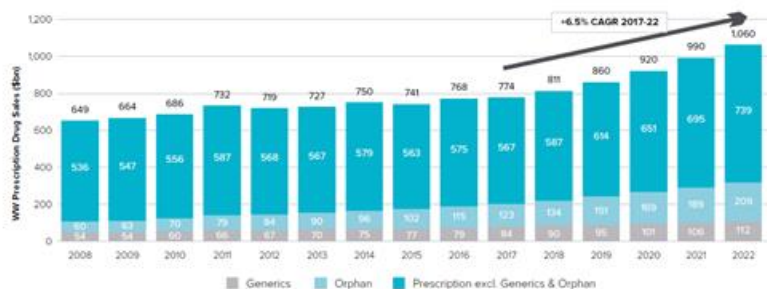
Lisa Urquhart

For the first time in a decade consensus forecasts for worldwide drug sales have fallen short of the previous year's total. Prescription sales in 2022 are expected to hit \$1.06trn, a drop from the \$1.12trn predicted in 2016, according to the *EvaluatePharma World Preview 2017*, [released today](#).

The US Presidential elections, Brexit, and weak global economic growth have all weighed in to help to dent forecasts for the industry, but the continued squeeze on pricing has to be a major contributing factor to the year-on-year fall in predicted pharmaceutical sales. Despite this revision in the total worth of the industry, the sector is set to see compounded annual growth of 6.5% between 2017 and 2022, helping it hit the new \$1.06trn target.

Worldwide Total Prescription Drug Sales (2008-2022)

Source: Evaluate, May 2017

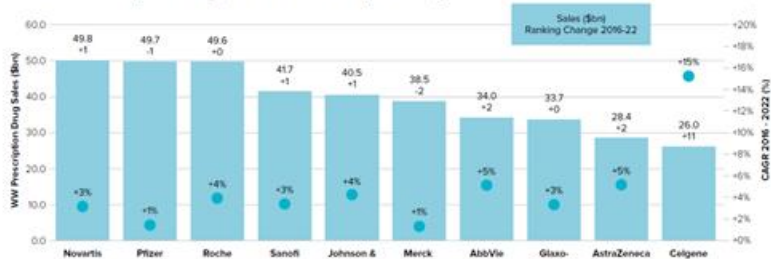


A lot of this sales growth is set to come from immunotherapy drugs like Opdivo and Keytruda, which according to the report will be the third and fourth-highest selling drugs in the world by 2022. Surprisingly, despite a multitude of biosimilar specialists developing their own versions of Abbvie's Humira, this rheumatoid arthritis drug is still expected to have sales of \$15.9bn in 2022 according to *EvaluatePharma*, helping it to retain its position as the industry's top-selling drug.

However, having some of the industry's biggest products drugs has not helped Merck, Abbvie or Bristol-Myers Squibb move up the company rankings. Instead Novartis is back on top as the biggest seller of prescription drugs in 2022, a spot it lost to Roche in last year's report. Once again there is only the thinnest of margins between the top companies, with expected sales for Novartis reaching \$49.8bn in 2022, compared with \$49.7bn for Pfizer and \$49.6bn for Roche.

Worldwide Prescription Drug Sales in 2022: Top 10 Companies

Source: Evaluate, May 2017

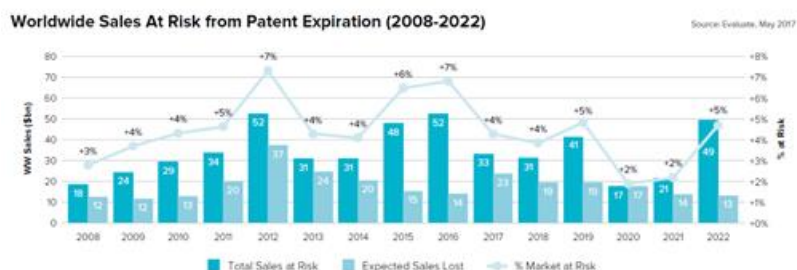


As such, it would take only one high-profile failure, such as Lilly's solanezumab, or a greater-than-expected impact from biosimilars, to change these rankings. Both Roche and Pfizer have heavy exposure to biosimilar threats, with Roche the most vulnerable due to former stars such as Avastin and Herceptin coming off patent in the next two years.

The Swiss group has, however, notched up pipeline wins with Tecentriq and Ocrevus, which are going some way to replacing lost sales, and Pfizer could pull off the transformational deal many argues it needs. But for now the top spot on the pharma leader border is likely to remain fluid.

Outside the top-five companies, once again it is Celgene and Shire showing their larger counterparts how it is done. The two repeat their feat of last year by standing out as the fastest-growing companies through to 2022, respectively chalking up annual compounded growth of 15% and 10%. Shire's acquisition of Baxalta has provided its future growth engine, while Celgene's Revlimid continues to help it outperform - newer products Otezla and Pomalyst are starting to pull their weight, but the company remains heavily reliant on Revlimid, increasing its risk profile.

Celgene, however, is not alone worrying about generic competition to its largest assets. One of the other potential brakes on growth in the industry that could affect the predictions in the report include the \$194bn worth of drug sales forecast to be at risk from generic competition over the next five years. What will be interesting is the rate and level of sales erosion of some of the industry's biggest biologics, which could, according to the report, create a second patent cliff.



But impending patent expiry is something the industry can to a certain extent plan for - what appears to have put pharma on the back foot over the past few years is its response to increased scrutiny over pricing. Politicians, payers and patients have all become increasingly vocal and, while the current US president has yet to intervene directly on US drug costs, the threat remains ever present.

While this has led some pharma companies to announce their own pre-emptive strikes, by publicly capping price hikes, the squeeze on pricing is likely to continue. Payer techniques of restricting access or scheduling payments based on outcomes are only set to become a larger and larger feature of the industry.

Download a free copy of the *EvaluatePharma World Preview 2017* [here](#).

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