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The Year Ahead

IN THIS SPECIAL ISSUE OF PHARMAVOICE, MORE THAN 150 EXECUTIVES GAZED INTO THEIR PERSONAL CRYSTAL BALLS TO PROVIDE THEIR PREDICTIONS AS TO WHAT'S HOT FOR 2013 AND BEYOND. Throughout this issue, which is broken down by the



various "pressure points" — business strategies, R&D, global, and marketing — our experts from all types of companies and disciplines discuss the shifts that are taking place throughout the industry, including the increasing influence of payers and consumers, increased regulations, innovative research trends, the need to forge new types of partnerships, new technologies in R&D, social media, and marketing and public relations.

To manage the intersecting confluence of market changers, industry experts agree one of the most important characteristics required for pharmaceutical leaders in the near future is the ability to think strategically, which means planning for how healthcare will be delivered, and understanding the needs of the different stakeholders. Fostering stakeholder connectivity and ensuring internal agility will be the keys to success.

To kick off this special issue, thanks to our friends at IMS Health, here are some key drivers to watch in the coming year and beyond.

- Health systems in developed economies will experience slow growth in medicine spending — from \$60 billion to \$70 billion by 2016. Despite the highest number of patent expiries in history, spending in the United States will grow by \$35 billion to \$45 billion over the next five years.

- Health systems in pharmerging markets will almost double their medicine spending in five years — from \$194 billion last year to as much as \$375 billion by 2016, or \$91 in drug spending per capita. The increase will be driven by rising incomes, continued demand for low-cost drugs, and government-sponsored programs designed to increase access to treatments. Generics and other products, including over-the-counter medicines, diagnostics, and nontherapeutics, will account for about 83% of the increase.

- The market for branded medicines will experience flat to 3% annual growth through 2016 to \$645 billion, compared with \$596 billion in 2011. In the major developed markets, branded medicine growth will be severely constrained at only \$10 billion over the five-year period due to patent expiries, increased cost-containment actions by payers, and modest spending on newly launched products. Global generic spending is expected to increase from \$242 billion in 2011 to \$400 to \$430 billion by 2016, fueled by volume growth in pharmerging markets and the ongoing transition to generics in developed nations.

- Biologics are expected to account for about 17% of total global spending on medicines by 2016, as important clinical advances continue to emerge from research. Seven of the top 10 global medicines by spending will be a biologic within five years.

Regards,

Taren Grom
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Their Word...

DENISE MYSHKO
Managing Editor



Innovation in R&D has to go beyond the science to the tools, the processes, technologies and operating models.

ROBIN ROBINSON
Senior Editor



Without a doubt, digital technology has begun to affect every part of the drugmaking business, and its impact will gain ground in 2013 and beyond.

KIM RIBBINK
Features Editor



Global markets will continue to influence the life-sciences industry on all fronts.

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- > TeleHealth
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- > Accountable Care Organizations
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