



MAXIMISING THE VALUE OF PHARMACEUTICAL SPENDING

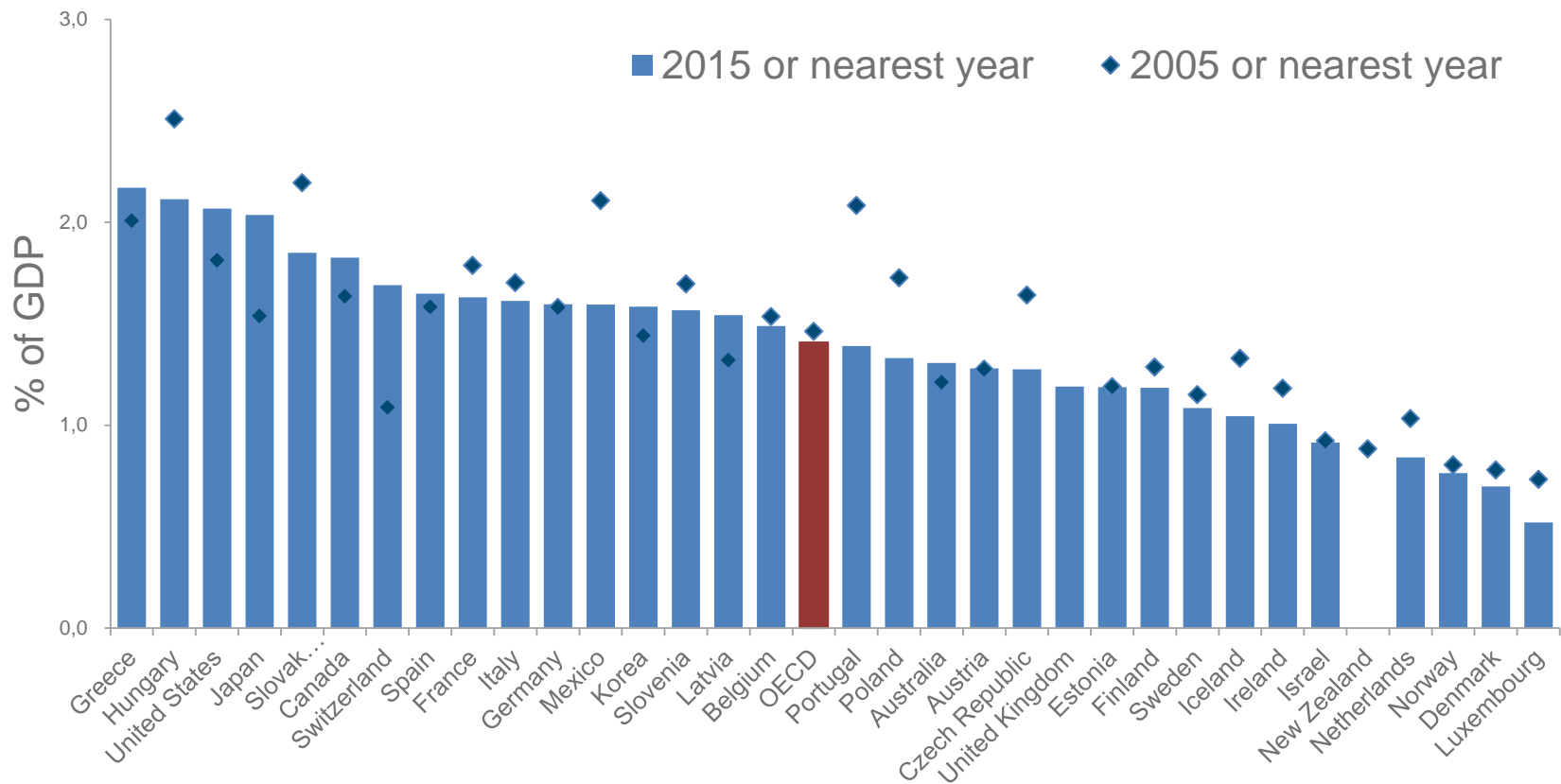
Rabia Khan

“Health as the Real Winner:
Presidency Conference on Options to Provide Better
Medicines for All”
6 March 2018



Retail pharmaceutical spending as a share of GDP in most OECD countries has declined or remained stable

Retail Pharmaceutical Spending as a % of GDP, 2005 vs 2015 or nearest year

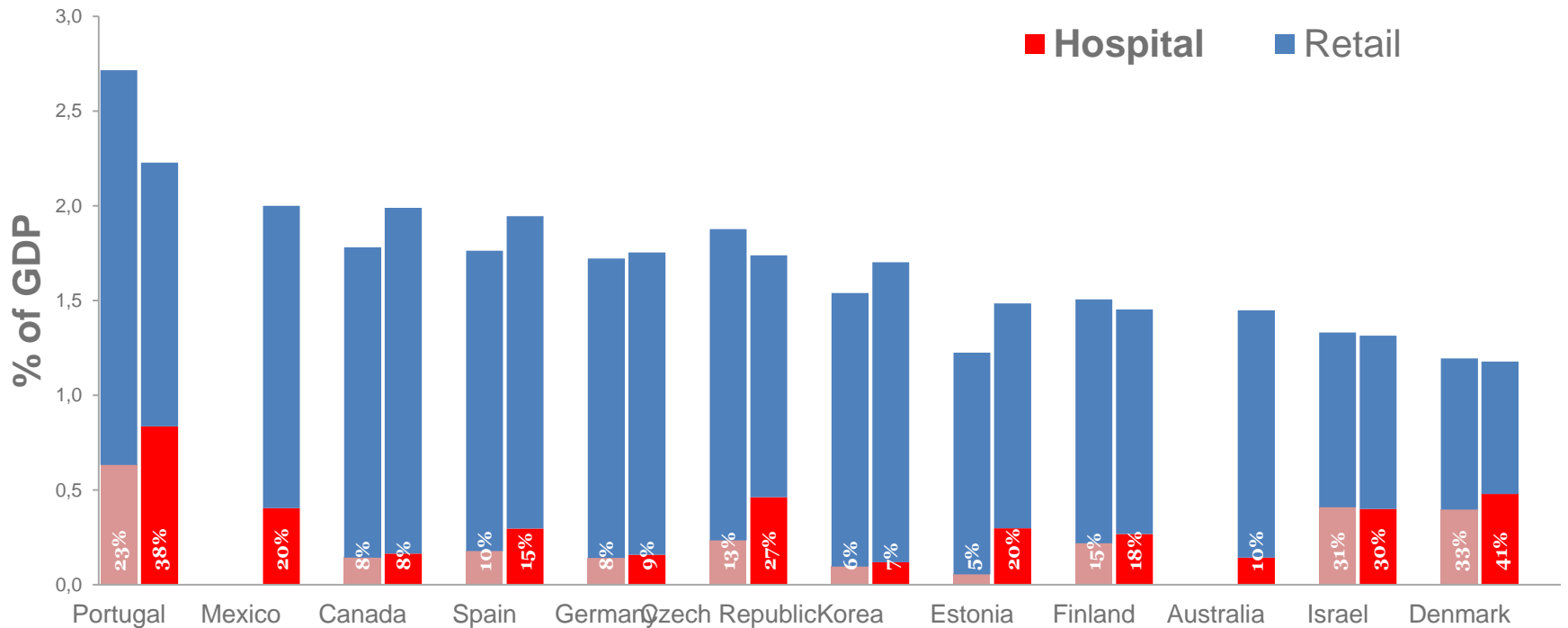


Source: OECD Health Statistics 2017.



Hospital Pharmaceutical Spending is increasing in some OECD countries

Hospital Pharmaceutical Spending as a % of GDP, 2005 vs 2015 or nearest year



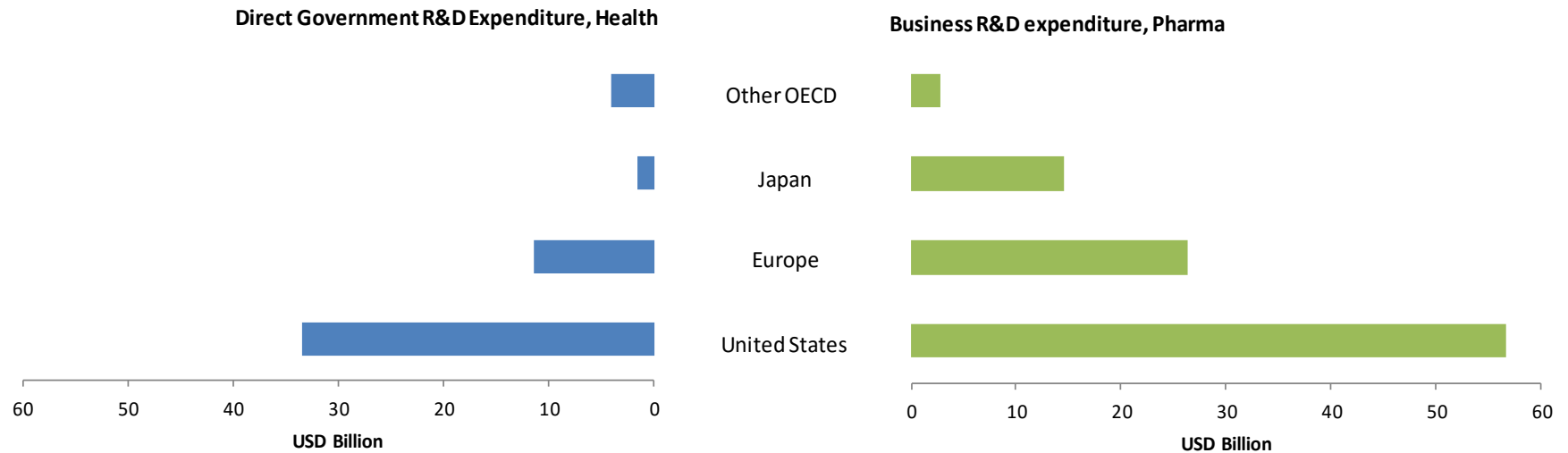
Note: 2005 on the left, 2015 or nearest year on the right

Source: OECD Health Statistics 2017.



Innovation is a result of both public and private investments

Business enterprise expenditure for pharmaceutical R&D and government budget outlays for health-related R&D, 2014 or nearest year available



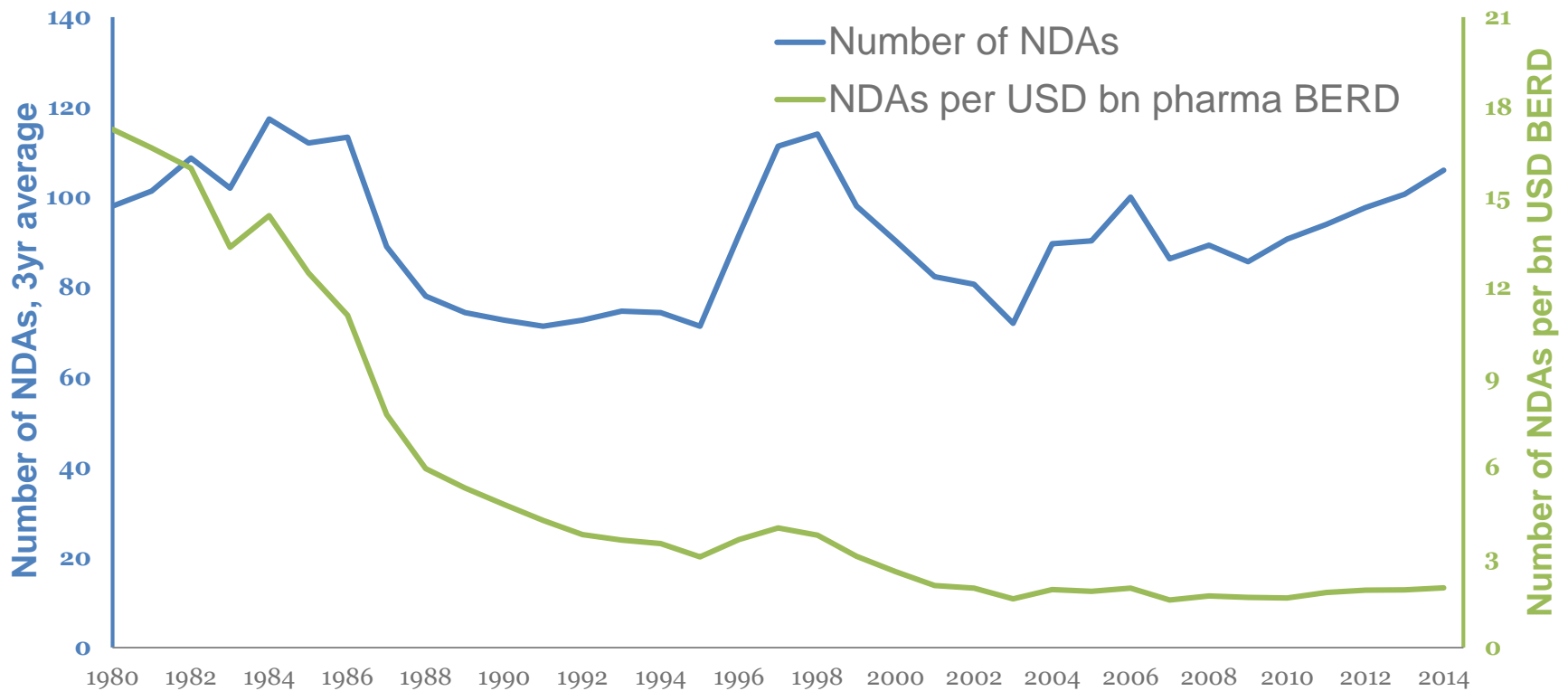
Note: This chart does not include:

- Health-related R&D spending by universities and NGOs
- Tax credits on R&D spending



The number of approvals per billion of R&D spend is declining

Annual FDA new drug approvals (NDAs) and NDAs per billion USD pharmaceutical business expenditure on R&D (BERD), 1980-2014, constant 2014 prices



Source: Pharmaceutical Research and Manufacturers of America (PhRMA);
Food and Drug Administration (FDA)



POLICY CHALLENGES



For more information



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