2015 global life sciences sector outlook

Deloitte Touche Tohmatsu Limited's yearly look at the topics, trends, and issues regarding the global life sciences sector.

**Global life sciences**

Market size: $1.23 trillion

Growth: 5.2% annually to 2018

% of GDP spent on health care globally: 8.1%—7.7% by 2018

What's life science growth expected?

- **Biotech**
  - Market size: $364 billion
  - Growth: 4.6% annually to 2018

- **Med tech**
  - Market size: $289 billion
  - Growth: 8.7% annually to 2018

- **Pharma**
  - Market size: $342 billion
  - Growth: 4.6% annually to 2018

- **Life sciences**
  - Market size: $1.23 trillion
  - Growth: 5.2% annually to 2018

**Drivers**

- **Talent**
  - Emerging market competition
  - Life sciences companies are expected to continue expanding their presence in emerging markets through acquisitions
  - The ‘next’ emerging markets
  - The alignment of science, education, technology, and medicine will lead to a future of health care decision-making

- **Regulatory**
  - Drug and device safety
  - Security and privacy

- **Biotechnological property protection**
  - Intellectual property protection

- **Supply chain**
  - Fragmentation
  - A turnaround may be under way: "important"—only bringing the most promising pipeline surging

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  - Pharma: $342 billion

**Searching for innovation and growth**

Companies continue to look for opportunities to replicate Kaplan, later innovation, and establish a sustainable lead. A vital aspect of this strategy is the breakthrough relationship with the provider of choice.

- **R&D**
  - "Increased global activity"—Specialty pharma
  - "Restructuring R&D to focus on value"—NME approvals rising

- **Phase III approvals**
  - "Increasing"—Phase III approvals increasing

- **Marketing and sales**
  - "Marketing and sales outlays, and general operating cost increases can exert pressure on gross margins."

- **Compliance**
  - "Compliance risks are increasing."

- **Patents**
  - "Patent expirations effects of slowing competition are impacting..."

- **Pricing**
  - "...Patent expirations effects of slowing competition are impacting..."

**Preserving and building shareholder value**

- **Use of intellectual property**
  - "The use of intellectual property..."

- **M&A transactions**
  - "Global becoming a driving force for increased M&A activity in the pharmaceutical sector."

- **Biotech and Med tech**
  - "Biotech and Med tech are in similar growth areas."

**Preventing the ‘next wars’**

- **Learn how to understand and control supply chain operations at “arm’s length”**—www.deloitte.com/2015lifesciencesoutlook

**Potential for growth**

- **Marketing programs**
  - "Marketing programs."

- **Advocacy**
  - "Advocacy in areas such as...

**Drug and device safety**

- **Drug safety**
  - "Drug safety in the health care industry has become a core topic."

- **Medical devices, mHealth, cloud systems**
  - "Medical devices, mHealth, cloud systems..."

**Health care's digitization and the proliferation of EMRs, networked systems**

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**Security and privacy**

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  - "The need to protect sensitive information..."

**The changing roles and influence of stakeholders along the care continuum**

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**The alignment of science, education, technology, and medicine**

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**Life sciences companies are competing**

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**Supply chain**

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  - "The supply chain..."

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**R&D investments**

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  - "R&D investments..."