

## Italy's pharma industry value to drop to \$18.6 bn by 2020

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The pharmaceutical industry in Italy is set to decline from \$21.3 billion in 2016 to \$18.6 billion by 2020, at a negative compound annual growth rate of 3.3%, primarily due to the country's struggling economy, according to research and consulting firm GlobalData.

The company's latest report states that the strict pricing of drugs through negotiations and external and internal reference pricing is a barrier to the launch of innovative molecules, and that sales of generics and over-the-counter drugs will increase over the forecast period.

Mr Adam Dion, GlobalData's Senior Industry Analyst, explains: "The pharmaceutical industry in Italy will face a number of challenges over the next few years. An increase in the Italian government's debt relative to GDP, and the country's poor growth record, will decrease cash flow in the country, meaning the industry will stagnate."

The Italian economy is also vulnerable to fluctuations in the demand and supply of goods and services in other countries.

The Eurozone crisis is likely to result in lower demand for Italian products from other European countries, reducing exports and engendering a hostile environment for innovation or investment. India and China also present a threat as they have an edge in the generics market, and may usurp sales away from Italy's domestic pharmaceutical space.

Mr Dion concludes: "Despite the tough economic environment faced by those operating within the Italian pharmaceutical industry, GlobalData believes there will be a number of opportunities to counteract declining sales, including efficient patent policies, E-Health programs, and government reforms to reduce public debt. Indeed, more companies will be interested in research and development after the Italian Patent and Trademark Office has created efficient patent policies to protect them."