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Pharmaceutical Industry

Perfect combination of tradition, innovation, and attractive costs

Germany is the best international location for the research, production, and distribution of pharmaceuticals at an exceptionally high level. Direct access to internationally renowned scientists, outstanding research units, and major pharmaceutical markets make Germany a unique business location. The development of the world's population structure is creating new challenges and is leading to increased demand for pharmaceuticals. This, together with significant advancements in medical biotechnology research, is giving the pharmaceutical industry new impetus worldwide.

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The Pharmaceutical Industry in Germany | © GTAI

The Pharmaceutical Industry in Germany

Germany offers the perfect location for the development, production and sale of world-class pharmaceuticals.

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The German Consumer Healthcare (OTC) Market

The Industry in Numbers

- The German pharmaceutical market is the largest in Europe and the fourth largest in the world. The annual sales of medicinal products total more than EUR 41.5 (2017) and this figure continues to experience sustained growth (+5% in 2017 vs. previous year).
- 1170 pharmaceutical and biotechnology companies with more than 128,000 workers (2015) operate in Germany. In addition to globally successful enterprises, the industry composed of more than 800 medium-sized businesses and young biotech companies.

- German companies invest EUR 6.2 billion (2016) annually in research and development.
- Top 10 of the most important indications on the statutory health insurance market in terms of sales (2016):

Top 10 of the most important indications (ATC-3) on the statutory health insurance market in terms of sales (2016)

Indication areas (ATC-3)	EURO in mil.	% vs. previous year	% share of total sales	% share of total quantity
Total	38,676.60	3.13	100.00	100.00
L04B Anti-TNF products	2,127.5	8.15	5.50	0.07
N07A Multiple sclerosis Product	1,730.90	- 0.91	4.48	0.08
A10C Human insulin and ana- logues	1,394.70	1.15	3.61	1.76
L01H Antineoplastic protein ki- nase inhibitors	1,385.20	15.61	3.58	0.04
B01F Direct factor-Xa inhibitors	1,070.90	32.09	2.77	0.65
N02A Analgesics, Anaesthetic agents	1,061,70	3.18	2.75	1.18
J05B Virostatic agents, not for HIV	961.80	- 35.71	2.49	0.16
J05C Virostatic agents for HIV	961.50	3.68	2.49	0.09
L04X Other immunosuppressants	899.00	11.90	2.32	0.24
T02D Diabetes tests	833.50	- 1.97	2.15	3.66

Source: BPI 2017

Self-medication Market

Within Europe, Germany is the leading market for non-prescription medicines, so-called OTC (over-the-counter) products. OTC refers to medicinal products which may be sold only in pharmacies but for which no prescription is required.

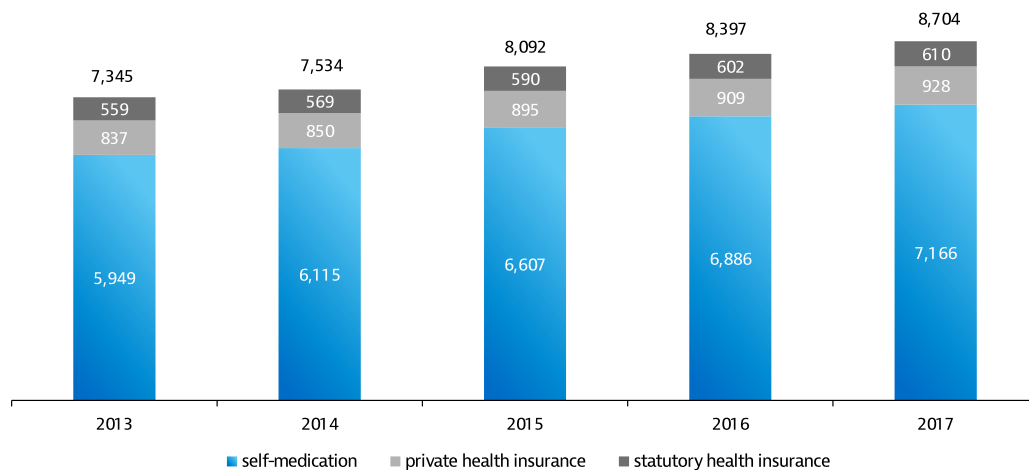
The annual sales of non-prescription medicinal products total more than EUR 8.7 billion (2017, with growth of +3.7% vs. previous year). The largest share of self-medication products is accounted for by pharmacies with

69% (EUR 7.2 billion), followed by drug stores, supermarkets, and mail-order pharmacies. The three best-selling product groups include cold remedies, analgesics, and skin products.

Over-the-Counter (OTC) Medicine

Sales of OTC medicinal and health products by pharmacies increased by 3.7% from 2016 to 2017

OTC sales of medicinal products and health products in Germany by source of financing 2013 - 2017 (in EUR million)



Note: Sales figures are based on sales by pharmacies, including mail-order pharmacies.
Source: IMS Health 2018

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Over the Counter (OTC) Medicine | © IMS Health 2018

Pharmaceutical Production

The pharmaceutical industry in Germany manufactures pharmaceutical products worth over EUR 29 billion annually (2016).

Infrastructural Benefits

In addition to its central location in the heart of Europe, Germany offers an excellent, well-developed, nationwide infrastructure. The most modern transportation networks work in coordination with a high-quality communication and energy infrastructure. Hundreds of thousands of highly qualified workers from the areas of medical technology, pharmaceutical technology, and mechanical engineering enable companies to implement efficient and complex production processes. Pharmaceutical companies in Germany also benefit from the close proximity to leading machine and plant manufacturers. This ensures continuous production processes and reduces downtime. Germany accounts for approximately 37 % of the total production of machinery and plants in Europe.

Research and Development

Germany has become one of the world's most important countries for clinical studies. Germany is the leader in industry-initiated clinical studies in Europe and second worldwide. The dense network of universities and faculties as well as a variety of research institutions not affiliated to universities speak in favor of Germany as a business location.

References

Dr. Hagen Pfundner, CEO Roche Pharma AG and Managing Director Roche Deutschland Holding GmbH



Dr. Hagen Pfundner, CEO Roche Pharma AG and Managing Director Roche Deutschland Holding GmbH | © Roche Deutschland Holding GmbH

"The availability of a highly trained labor force, a secure legal framework, the company's own long tradition in Germany, and a proven record in biopharmaceutical production were determining factors for the site expansion."

Associations

The pharmaceutical industry is represented by several associations:

German Association of Research-based Pharmaceutical Companies (vfa): The vfa represents the interests of 44 global leaders in research-based pharmaceutical companies and more than 100 subsidiaries and affiliated companies in healthcare, research, and economic policy.

- [Official Homepage](#) ▶

German Association for the Pharmaceutical Industry (BPI): The BPI represents approx. 240 companies. This includes traditional pharmaceutical companies, pharmaceutical service providers, and companies in the fields of biotechnology, herbal medicine and homeopathy/anthroposophy.

- [Official Homepage \(only in German\)](#) ▶

German Association of Pharmaceutical Producers (BAH): With more than 450 members, the BAH has the most members among the pharmaceutical industry associations in Germany. Its members are primarily pharmaceutical producers, but also pharmacists, lawyers, publishers, agencies, as well as market and opinion research institutes in the healthcare field.

- [Official Homepage](#) ▶

Pro Generika: Pro Generika is the association of companies that manufacture generic and biosimilar products in Germany. Pro Generika has 16 member companies in Germany. Companies manufacturing generic and biosimilar products together cover over 75 percent of the medicinal drugs required by the statutory health insurance funds.

- [Official Homepage \(only in German\)](#) ▶



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