

Navigating Economic, Geopolitical, and Regulatory Uncertainty in the Life Sciences Industry

April 2023: Complimentary Abstract / Table of Contents



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Abhishek A.K., Practice Director

Gokul Janardhan, Senior Analyst

Introduction

An introduction to the themes explored in this report

The life sciences industry has always been resilient to global macroeconomic, geopolitical, and regulatory changes. With COVID-19 and the demand for vaccines, the clinical trials and R&D spend of top biopharmas have been bullish. Enterprises have adopted innovative ways of conducting clinical trials (such as decentralized clinical trials). The regulators have also evolved with the changing times by adopting virtual/hybrid audits to meet the demand for daily doses.

The latest macroeconomic trends such as rising inflation and high-interest rates have had a significant impact on the life sciences industry. The ongoing Russia-Ukraine war has compounded recessionary concerns. The US, in particular, faces further tests with the implementation of Inflation Reduction Act (IRA). Additionally, the pharmaceutical industry is expected to lose billions in the coming years due to impending patent cliffs.

In this report, we explore the expected impact that will be created by the beforementioned events on the overall life sciences market. We focus on:

- The deteriorating global macro trends and the impact on the life sciences industry
- Expected impact of the ongoing Russia-Ukraine war
- The impact of IRA and patent cliffs
- The implications for the life sciences industry

Scope of this report



Geography
Global



Industry
Life sciences



Services
Life sciences operations



Use cases
Publicly available information and
Everest Group resources

Overview and abbreviated summary of key messages

This report contains the major industry trends happening in life sciences in detail. This report also offers the key implications that both enterprises and providers can use to navigate through the current recessionary landscape.

Some of the findings in this report, among others, are:

Current life sciences landscape

- Life sciences has shown resilience for decades to global pressures, due to certain demand factors
- Past few years have witnessed increasing clinical trial activity and bullish R&D spends
- Pandemic has further provided a fillip to medicinal usage with evolving operating procedures for regulators regarding approvals

Macroeconomic, geopolitical, and regulatory factors will test the resilience of the life sciences industry

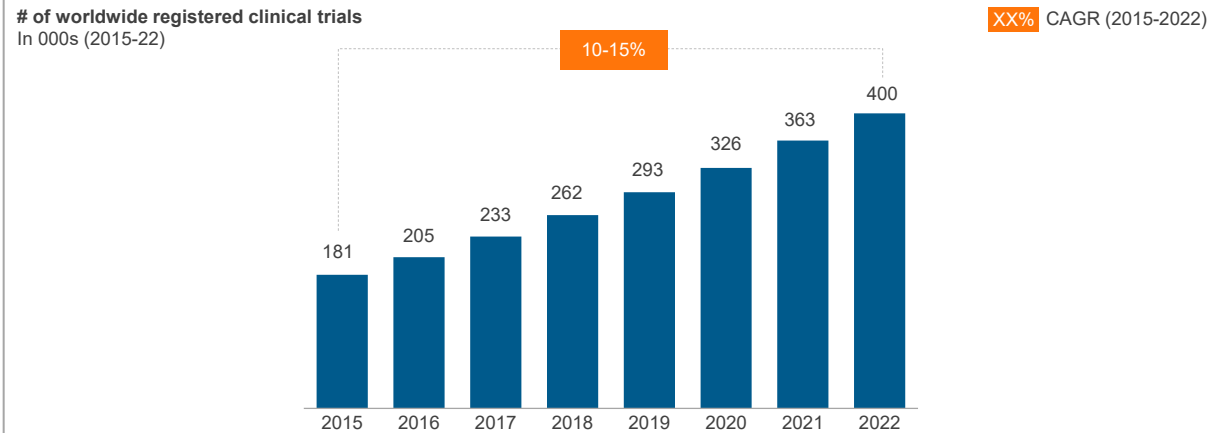
- Inflation rates are at record levels across US, EU, and UK
- Aggressive inflation curbs by raising interest rates have placed low confidence in short-term growth prospects. The impending recession might force life sciences enterprises to optimize R&D and manufacturing processes
- Ongoing Russia-Ukraine war has exacerbated clinical trials and caused supply chain disruptions
- Additionally, the life sciences enterprises will further face revenue squeeze from Inflation Reduction Act (IRA) and impending patent cliffs

Key implications for life sciences enterprises to navigate the current landscape

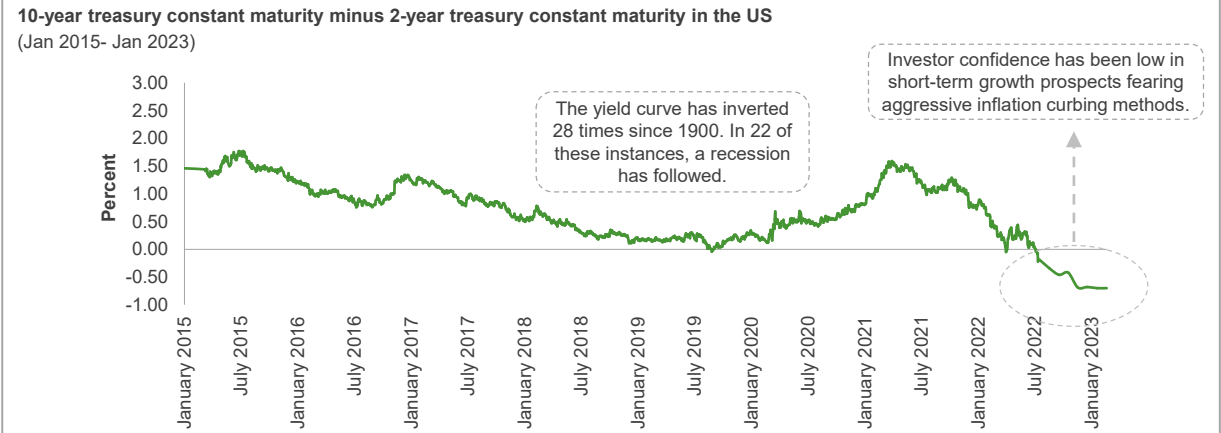
- With the introduction of Manufacture Discount Programs (MDP) in IRA and the impending patent cliffs, biopharmas will need to reexamine their R&D portfolio strategies
- Commercialization strategies will need to invigorate market access and drug launch effectiveness, while keeping patient centricity at the heart of go-to-market
- Cash-rich biopharmas will look to enhance their portfolios through mergers and acquisitions
- Pharma brands will also accelerate their pivot to digital operations strategy to realize enhanced efficiencies

This study offers four distinct chapters providing a deep dive into key aspects of recession impact on life sciences; below are four charts illustrating the depth of the report

Adoption trends for IT, non-voice BPS, and voice-based BPS

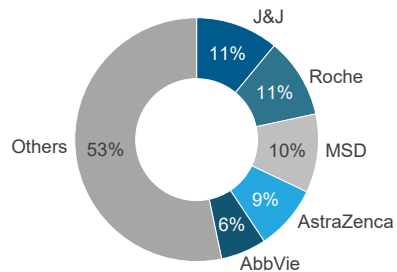


Technology building blocks for consumer banks



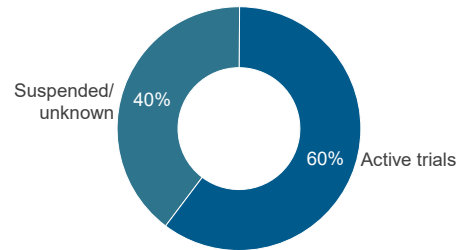
Mix of digital technology leveraged by consumer banks

Top biopharmas with ongoing trials as a percentage of the ~2,400 clinical trials in Ukraine



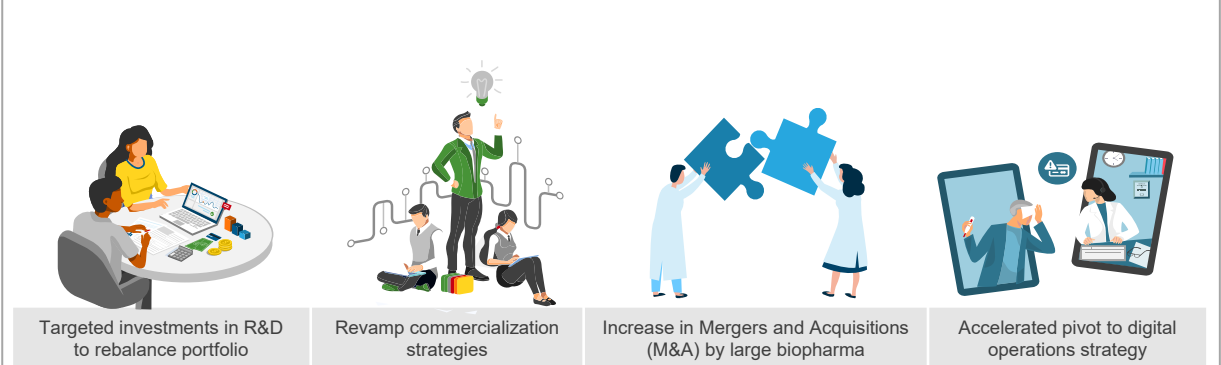
Post commencement of war, **27 clinical trials** have been suspended, withdrawn, or terminated and 171 trials are active but not recruiting or have an unknown status.

~40% of the ~6,150 clinical trials in Russia have been suspended or left unknown



In response to the ongoing war, top biopharmas such as J&J, AbbVie, Roche, MSD, Pfizer, Bayer, Sanofi etc. **have deferred new investments** in Russia.

AI elements actively explored by payers



Research calendar

Life sciences Business Process

Published Planned Current release

Reports title	Release date
MedTech - The Next Colossal Wave in Life Sciences Outsourcing	Q2 2022
Life Sciences Operations PEAK Matrix® Assessment 2022	Q2 2022
The Evolving Pharmacovigilance (PV) Landscape	Q2 2022
Life Sciences Operations – Provider Compendium 2022	Q3 2022
Navigating the Shift in the Pharma-CRO Engagement Model: Evolving Pharma Needs Signaling Change	Q1 2023
What's in a Label? The Evolving Landscape of Labeling and Artwork in the Life Sciences Industry	Q1 2023
Life Sciences Sales & Marketing Operations PEAK Matrix® Assessment 2023	Q1 2023
Navigating Economic, Geopolitical, and Regulatory Uncertainty in the Life Sciences Industry	April 2023
Life Sciences Enterprise Sourcing Considerations	Q2 2023
Life Sciences Sales & Marketing Operations Provider Profile Compendium 2023	Q2 2023
Life Sciences Sales and Marketing: State of the Market	Q3 2023
Evolution of Clinical Trial Operations	Q3 2023
Life Sciences Operations PEAK Matrix® Assessment 2023	Q3 2023
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Emerging Trends in Drug Discovery	Q1 2024

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Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475

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