Smart Pharma
CONSULTING

The Global Pharma Market

2025 – 2030 perspectives

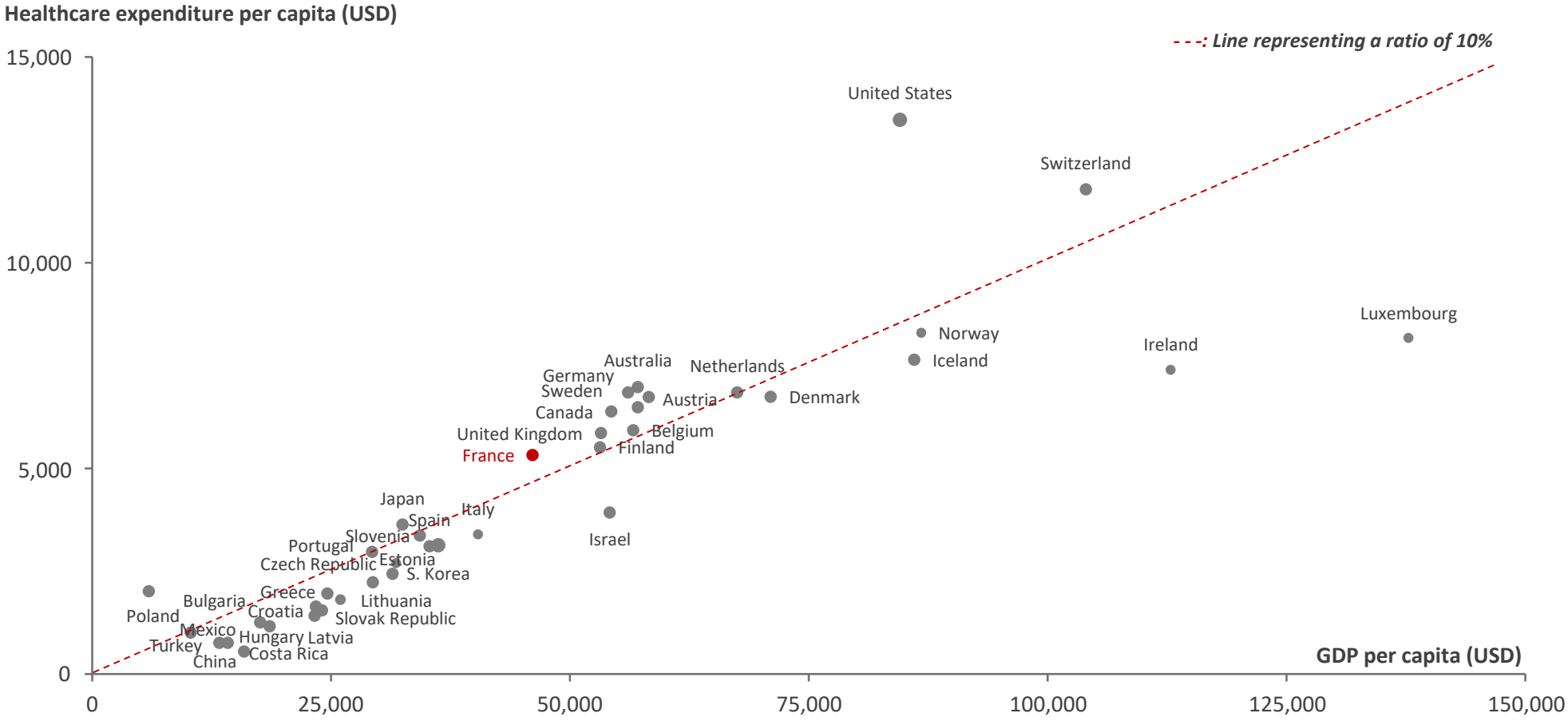
"Despite considerable turbulence, the market should sustain its momentum with limited profit impact"

Position Paper APRIL 2026

38, avenue Félix Faure – 75015 Paris – France – Tel. +33 6 11 96 33 78
Email: jmpeny@smart-pharma.com – Website: www.smart-pharma.com

Healthcare expenditure and GDP[1] per capita are highly related and show the relative importance of healthcare between countries

Healthcare expenditure and GDP relationship (2024[2])



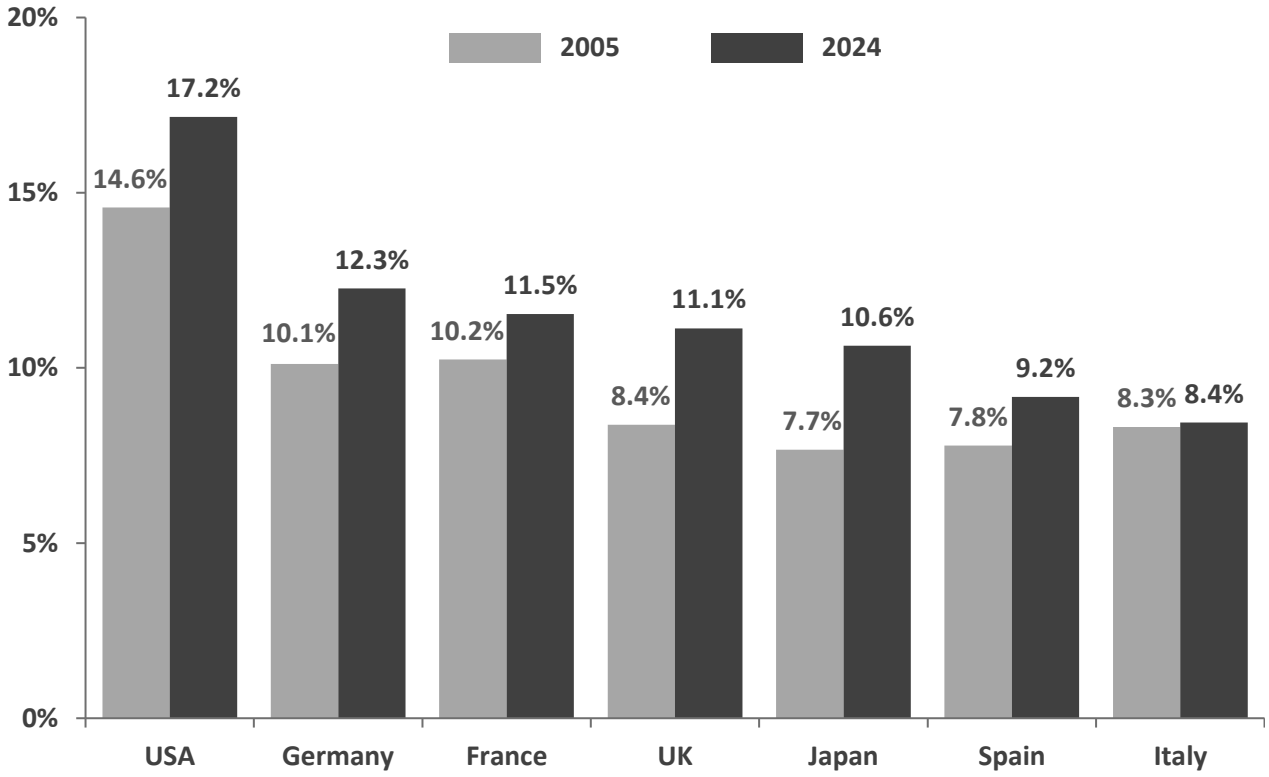
Sources: World Bank database (April 2026) – Smart Pharma Consulting analyses

[1] Gross Domestic Product – [2] Or the latest data available

Healthcare expenditure should keep on growing faster than national economies due to demographic factors and willingness of citizens to have better access to healthcare

Healthcare expenditure as a percentage of GDP (2024[1])

Total healthcare expenditure as a % of GDP (Local currency)



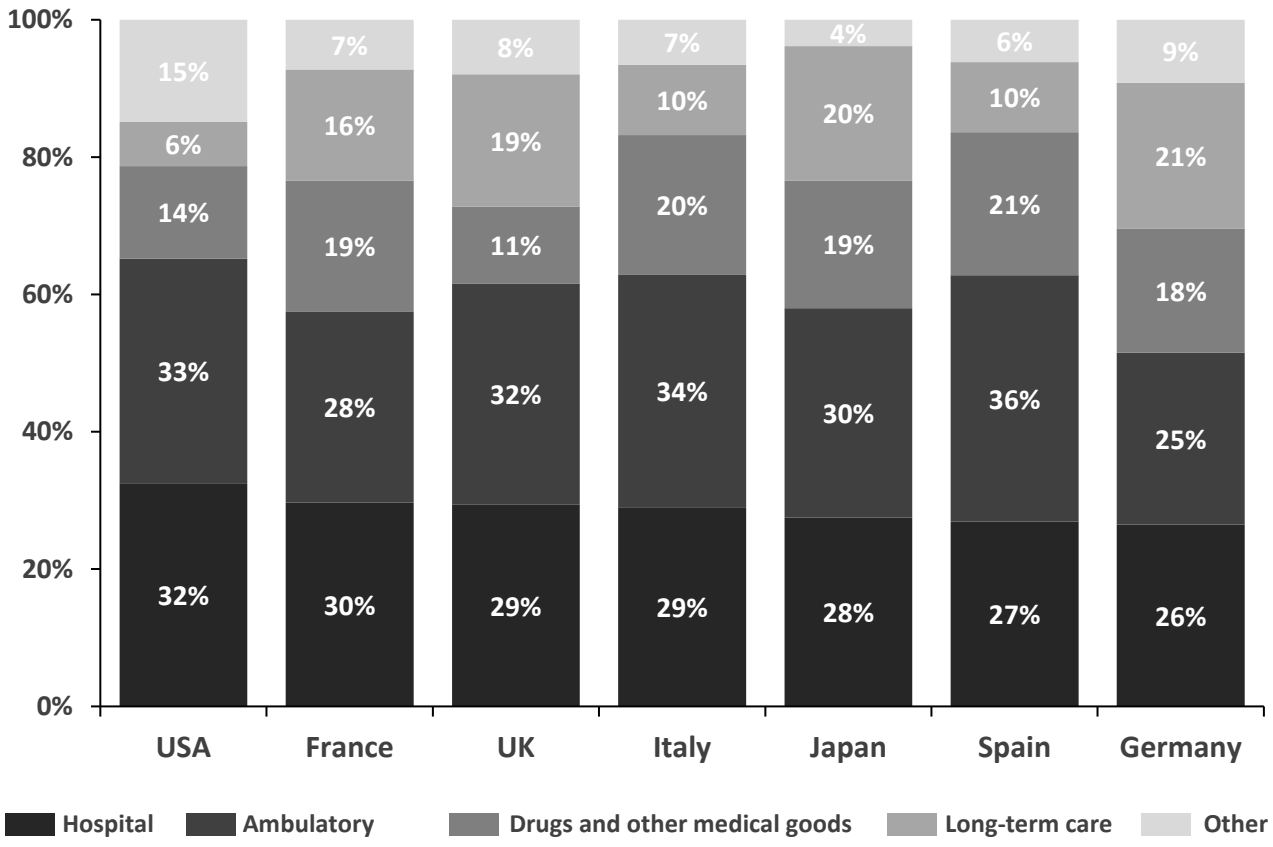
- Healthcare expenditure represents the **2nd largest public spending item**[2] in France, as it is the case in most developed countries
- At best, governments and payers will manage to **slow down** the **rise** of healthcare expenditure as a percentage of GDP but **not to stop it**
- There is **no optimal ratio** of healthcare expenditure over GDP, it is a **strategic decision** in terms **of resource allocation** at national, as well as at individual level
- This ratio primarily results from:
  - **National** economies
  - **Public health** conditions
  - **Governments'** investment prioritization
  - **Citizens'** willingness to seek for care
  - **Healthcare cost**

Sources: OECD database (April 2026) – Smart Pharma Consulting analyses

[1] Or the latest data available – [2] After social protection

While being the 3rd largest source of healthcare costs, drugs are nonetheless the payer's priority to contain expenditure's increase, because it is technically and politically easier to control

Healthcare expenditure breakdown per country (2024[1])



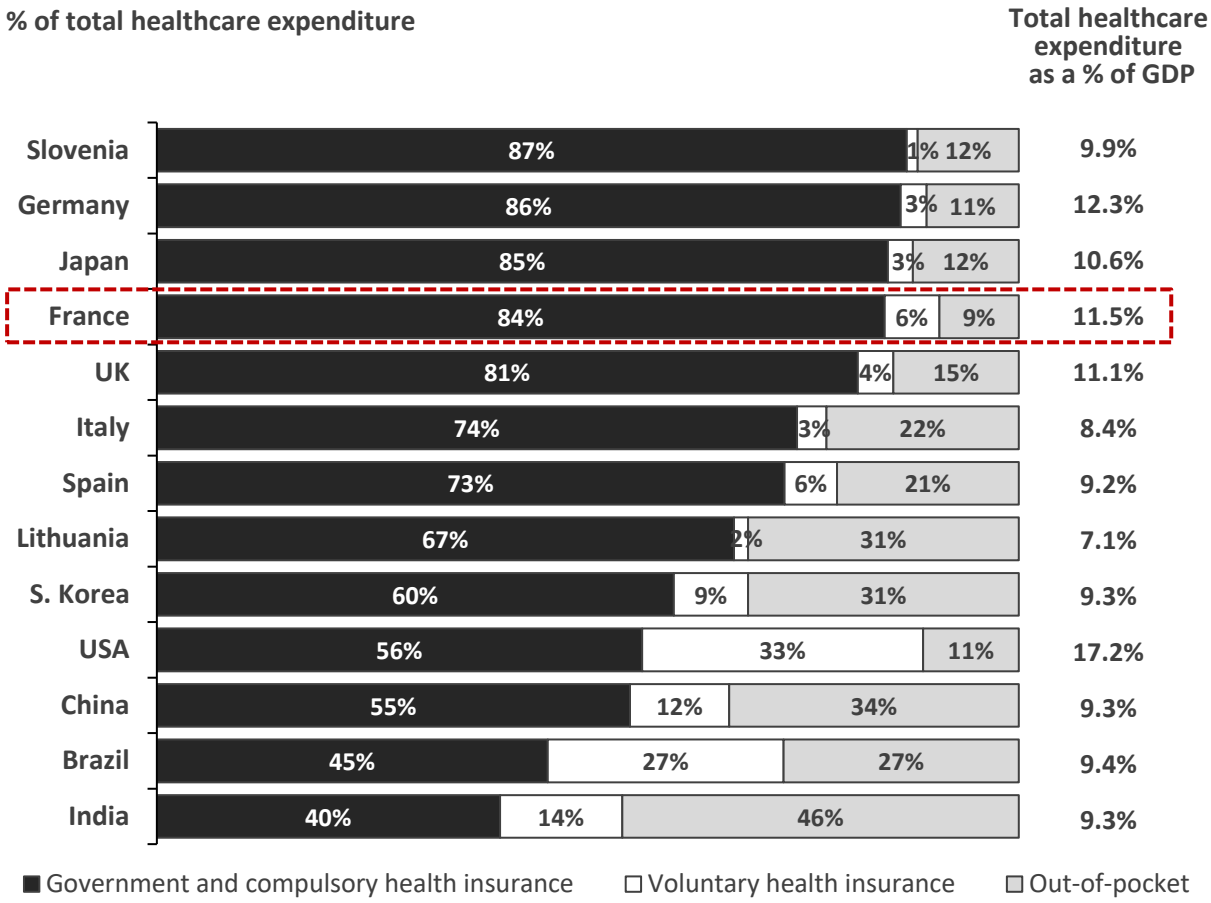
- Drugs represent the **3rd largest source** of healthcare expenditure in most major developed countries
- Drugs are typically the **easiest segment** to apply cost-containment measures on, as decisions are:
  - **Made by payers** (either public and/or private), with a limited bargaining power of suppliers
  - Much **better accepted** by citizens **than restriction** measures **on** the **other segments**
- However, to significantly contain the raise of total healthcare costs, governments need to apply **cost-optimization measures** on all healthcare segments, irrespective of their relative importance

Sources: OECD database (April 2026) – National Health Expenditure Fact Sheet, CMS.gov (April 2026) – Smart Pharma Consulting analyses

[1] Or the latest data available

France is one of the OECD countries where the percentage of "out-of-pocket" spending to cover the healthcare expenditure is the lowest

Share of public spending in healthcare expenditure (2024[1])



- With 11.5% of its GDP spent in healthcare, **France** belongs to the countries allocating the **largest share of their resources**
- Its level of **public spending** on healthcare is **amongst the highest**, showing a **highly protective healthcare system**
- **All the French citizens** benefit from a **public health insurance** and **95%** of them have a **complementary** healthcare insurance, which is compulsory since the 1st of January 2016, for all employees, irrespective of the size of their company
- As a result, "out-of-pocket" spending represents only 9% of total healthcare expenditure…
- … contrary to some countries where out-of-pocket represents more than a third of total expenditure (e.g., China, India)

Sources: OECD database (April 2026) – National Health Expenditure Fact Sheet, CMS.gov (April 2026) – Smart Pharma Consulting analyses

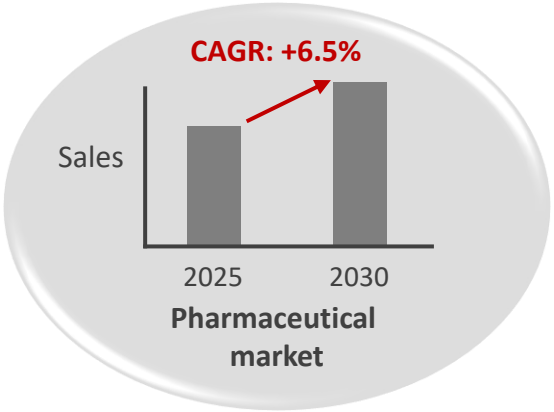
[1] Or the latest data available

The key drivers and limiters of the global pharmaceutical market by the end of 2030, as well as their likely impact on sales trends, are well identified and should remain stable

Market drivers and limiters (2024 – 2029)

DRIVERS

1. **Population increase** and **ageing**
2. Strong **increase** of **lifestyle diseases** (e.g., cancer, coronary heart diseases, obesity, diabetes)
3. Strong demand from **patients** / **PAGs** for more effective and better tolerated new drugs
4. Better **access** to **medicines** in **emerging markets** (e.g., Brazil, India, Mexico, Turkey) because of an increasing **GDP per capita**
5. Strong development of **generics** market (access to a larger number of people, especially in lower income countries)



LIMITERS

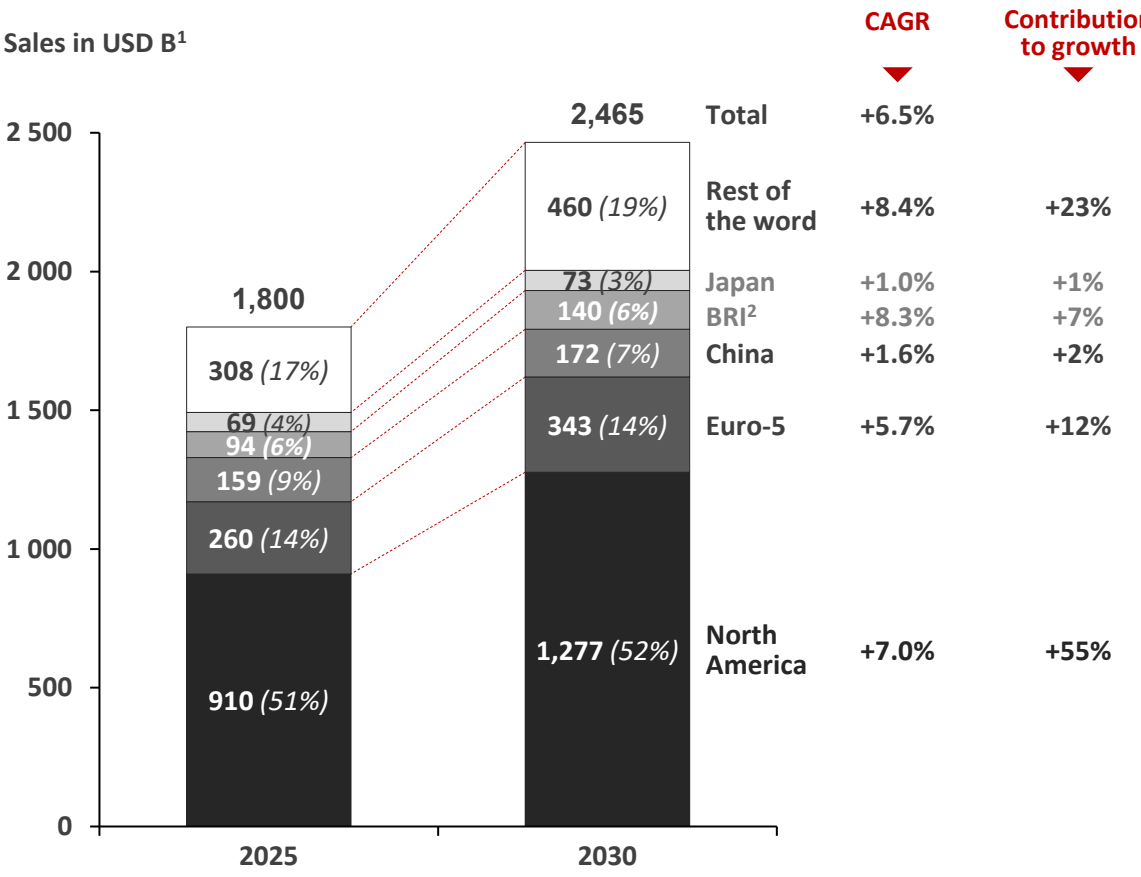
1. Decreasing **R&D productivity** of pharma companies re. breakthrough innovations
2. Increasing **barriers** to **market access** and **stronger pressure** on **price** from payers (governments, HMOs[1], patients, etc.), exacerbated by a **tougher economic environment** and a **bargaining strategy** implemented **by the US Government**
3. Increasing **price sensitivity** of **customers** for **drugs, either reimbursed or not**
4. Intensification of **competition** from **generic** and **biosimilar** drugs

Sources: Global Medicine Use Trends, IQVIA Institute (February 2026) – Smart Pharma Consulting analyses and estimates

[1] *Health Maintenance Organizations*

Sales of Euro-5 countries should grow from 2025 to 2030 at an average 5.7% p.a., despite cost containment measures imposed by Governments, due to launches of highly innovative drugs

Market size and growth by geographic area (2025 – 2030)



- The **global pharma market** is expected to grow with a **+6.5% CAGR** between **2025** and **2030**, based on gross prices estimates
- **Euro-5 countries** accounted together for **14%** of the global pharma market in **2025**:
  - Germany: 4.1% - France: 2.8% - Italy: 2.7%
  - UK: 2.7% - Spain: 2.1%

  and should see their weight remain **quite stable** by **2030** despite high price pressure
- The **USA** (**49%** of **2025 sales**) should account for **50%** of the global market in **2030**, contributing to **53%** of the **global pharma market growth** between 2025 and 2030
- In **2025**, the **USA** generated **~80%** of the total pharma industry **profits**, compared to **~1.5%** for **France**
- In **2030**, the **French market** should **not** account for **more than 1.3%** of the **total contribution** due to **higher price pressure** and **taxes** compared to other major countries
- The measures introduced by the **US Government** might **reduce** the profit contribution of the USA and possibly increase the one of other countries like France

Sources: Global Medicine Use Trends, IQVIA Institute (February 2026) – Smart Pharma Consulting analyses and estimates

[1] Ex-factory price before rebates – [2] Brazil, Russia, India – [3] The USA and Canada, representing 49% and 2% respectively of the worldwide pharma market in 2025

By 2030, the French Pharma market should step back from 5th to 7th position worldwide, and from 2nd to 4th position in Europe, due to a more aggressive price pressure imposed by the Government

Market size ranking by country[1] (2020 – 2025 – 2030)

Rank	2020	2025	2030	CAGR 25-30
1	USA	USA	USA	+++
2	China	China	China	+
3	Japan	Germany	Germany	++
4	Germany	Japan	Japan	+
5	France	France	UK	+++
6	Italy	Italy	Italy	+++
7	UK	UK	France	++
8	Spain	Spain	Brazil	++++
9	Canada	Brazil	Spain	+++
10	Brazil	Canada	Canada	+++
11	India	India	India	+++
12	Russia	Russia	Russia	++++
13	South Korea	South Korea	Poland	++++
14	Australia	Australia	South Korea	++
15	Mexico	Poland	Australia	+++
16	Poland	Argentina	Saudi Arabia	++++
17	Argentina	Saudi Arabia	Mexico	+++
18	Saudi Arabia	Mexico	Argentina	+
19	Turkey	Turkey	Turkey	+++
20	Netherlands	Belgium	Belgium	+++

CAGR 2025-2030

++++ → ≥8%

+++ → 6 – 7,9%

++ → 3 – 5,9%

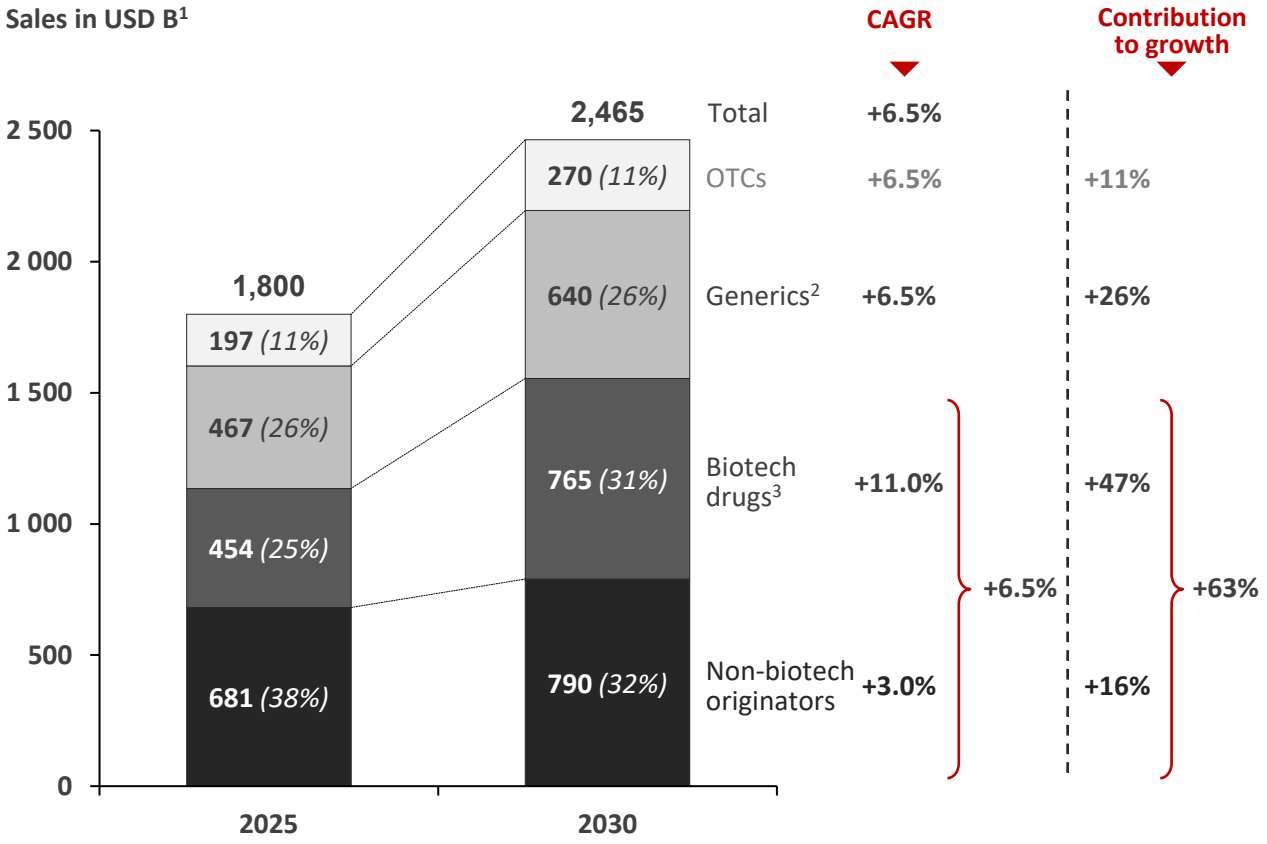
+ → <0 – 2,9%

Sources: Global Medicine Use Trends, IQVIA Institute (February 2026) – Smart Pharma Consulting analyses and estimates

[1] *In 2025 USD, at constant exchange rate*

47% of the 2025 – 2030 growth of the global pharma market should be driven by biological products, including biosimilars which should account for ~10% of that segment

Market size and growth by strategic segment (2025 – 2030)



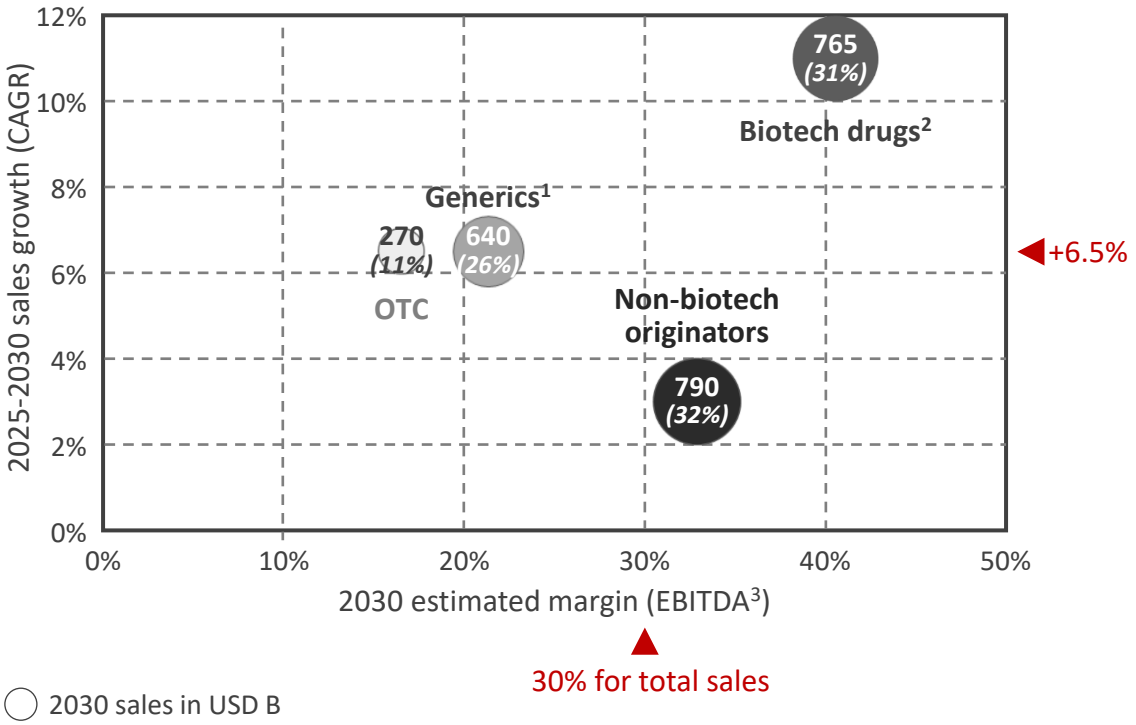
- Despite patients becoming more sensitive to economic conditions, the **OTC** segment is **expected** to continue **growing**, as waiting times to obtain prescriptions will lengthen **due to the shortage of family physicians**
- Despite an intensified price pressure, the **Generics** market should continue to **grow in volume due to patent losses**
- The **Biotech drug** segment which **includes biosimilars**, will remain **strongly driven by innovation**. The **biosimilar share within the segment**, in value terms, should **grow from ~8% in 2025** to **~10% in 2030**
- **Non-biotech originators** growth is **limited** due to **generics competition** and the **maturity** of most of the brands

Sources: Global Medicine Use Trends, IQVIA Institute (February 2026) – Smart Pharma Consulting analyses and estimates

[1] Ex-factory price before rebates – [2] Including branded and unbranded generics and excluding OTC – [3] Including biosimilars

By 2030, the sales growth of the pharma market should be essentially driven by biotech drugs and generics, while the average profitability of pharma companies should lose two points

Market attractiveness by strategic segment (2025 – 2030)



- **By 2030**, the global **pharma market** should reach **USD 2,465 B** and **grow** at a pace of **+6.5% per year**, i.e., **3.4 points** of percentage **above** the **forecasted worldwide economic growth**, estimated at +3.1%
- The **average EBITDA** of the **pharma industry** should **decrease from ~32%** in 2025 **to ~30%** in 2030, mainly **due to increasing price pressure**
- **In 2030**, the average **profitability of pharma companies** should remain **almost 2 times higher than** the **average** of all **other business sectors**
- The **biotech** segment will **remain very attractive** but **biosimilar competition will ramp up**
- The **OTC segment** will remain **the least attractive**

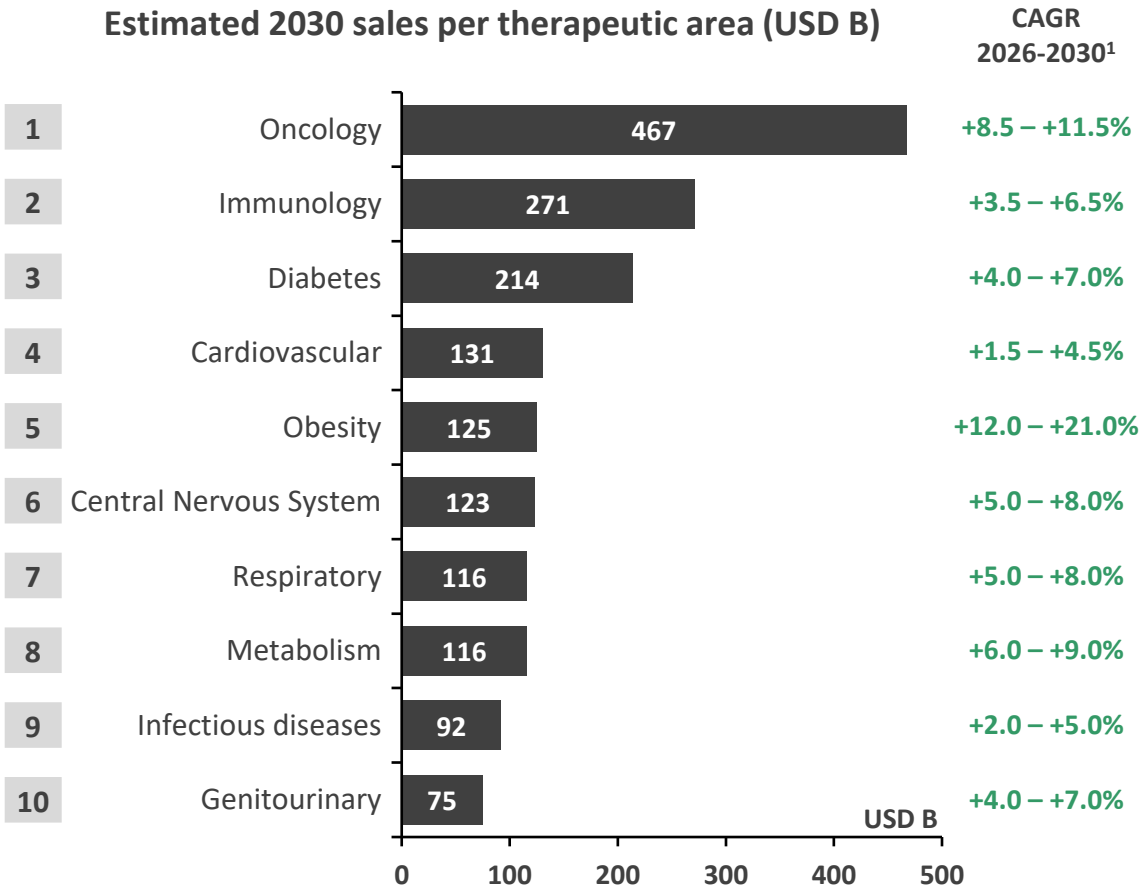
Worldwide economic growth – CAGR 2025-2030: +3.1%

Sources: Global Medicine Use Trends, IQVIA Institute (February 2026) – World Economic Outlook, IMF (October 2025) – Smart Pharma Consulting analyses and estimates

[1] Including branded and unbranded generics and excluding OTC – [2] Including biosimilars – [3] Earnings before interest, taxes, amortization and depreciation

Oncology, immunology and diabetes are expected to lead sales by 2030, while obesity therapies will be the fastest-growing segment

Top 10 therapeutic areas size and growth (2026 – 2030)



- By **2030**, forecasts confirm **continued growth** in **specialty drugs**, along with the recent **strong momentum** of **anti-obesity** treatments
- **Oncology** should remain the **leading therapeutic area**, driven by the expansion of **targeted therapies**, **precision medicine** and **CAR-T cell therapies**
- Demand for **anti-obesity** drugs is expected to increase significantly, fueled by the **global rise** in obesity and **growing awareness** among regulators, healthcare professionals and patients of the **disease** and its **associated risks**
- Similarly, **diabetes** prevalence is increasing and is expected to rank **among the top three** therapeutic areas by sales by 2030
- **Cardiovascular** treatments include a high share of **generics**, which should support broader patient access

Sources: Global Medicine Use Trends, IQVIA Institute (February 2026) – Smart Pharma Consulting analyses

[1] Range of CAGR

The top 10 selling products in 2030 should be dominated by metabolic diseases drugs, including anti-obesity drugs

Top 10 drugs (2030 estimates)

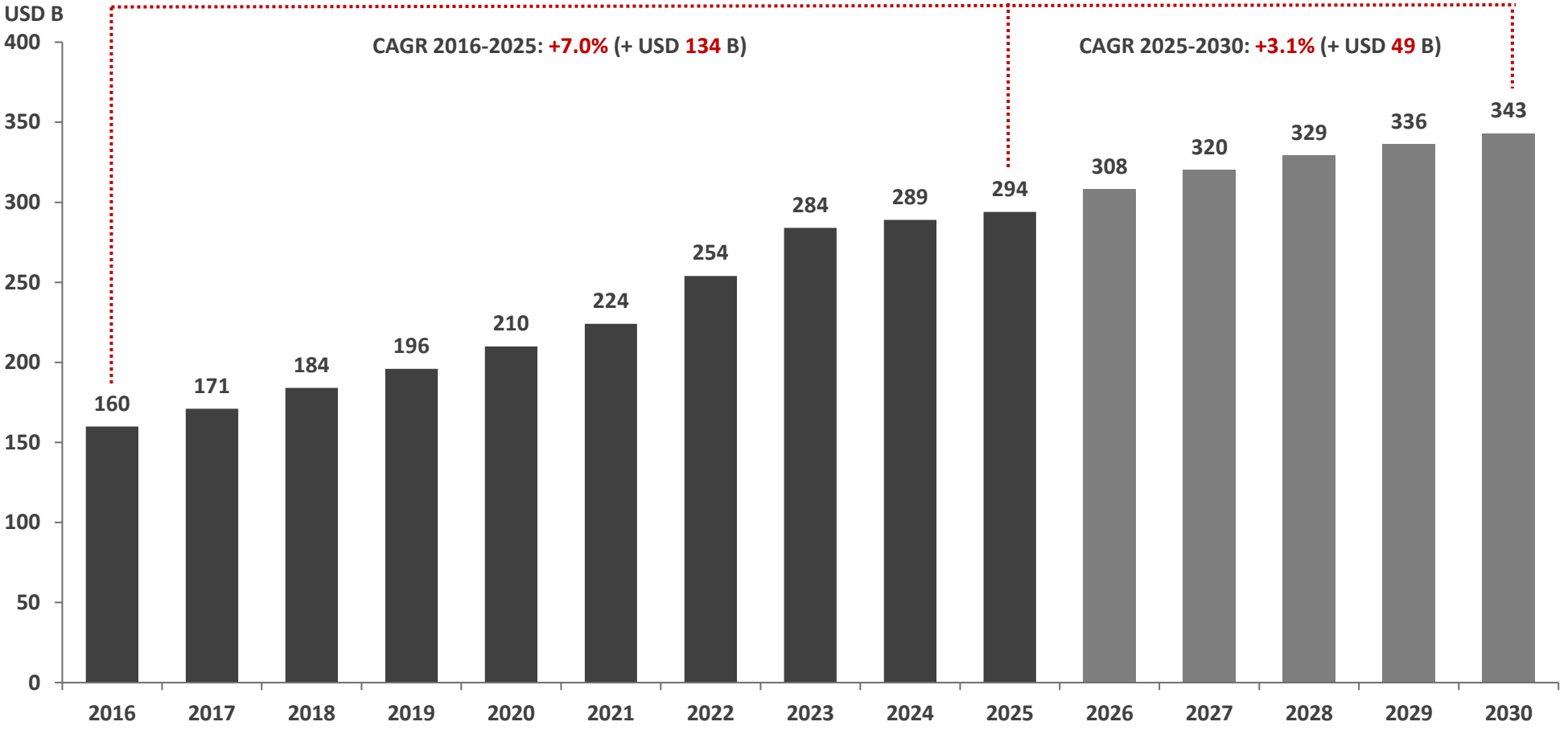
#	Brand	Molecule	Therapeutic Class	Company	WW Product Sales (USD B)			Market status in 2023
					2024	2030[2]	CAGR	
1	**Mounjaro**	Tirzepatide	Metabolic diseases	**Eli Lilly**	11.5	**36.2**	**+21.1%**	Marketed
2	**Skyrizi**	Risankizumab	Inflammatory diseases	**AbbVie**	11.7	**26.6**	**+14.7%**	Marketed
3	**Zepbound**	Tirzepatide	Metabolic diseases	**Eli Lilly**	4.9	**25.5**	**+31.6%**	Marketed
4	**Dupixent**	Dupilumab	Inflammatory diseases	**Sanofi + Regeneron**	14.1	**25.1**	**+10.1%**	Marketed
5	**Ozempic**	Semaglutide	Metabolic diseases	**Novo Nordisk**	17.5	**24.4**	**+5.7%**	Marketed
6	**Wegovy**	Semaglutide	Metabolic diseases	**Novo Nordisk**	8.4	**18.1**	**+13.6%**	Marketed
7	**Keytruda**	Pembrolizumab	Oncology	**MSD + Ono Pharmaceutical**	29.5	**16.9**	**-8.9%**	Marketed
8	**Darzalex**	Daratumumab	Oncology	**J&J + Genmab**	11.7	**16.6**	**+6.0%**	Marketed
9	**Biktarvy**	Bictegravir + emtricitabine + tenofovir alafenamide	HIV[1] disease	**Gilead + Yuhan**	13.5	**15.7**	**+2.5%**	Marketed
10	**Cagrisema**	Cagrilintide + semaglutide	Metabolic diseases	**Novo Nordisk**	0.0	**15.2**	*N/A*	Not marketed

Sources: World Preview, Evaluate (July 2025) – Smart Pharma Consulting analyses and estimates

[1] Human Immunodeficiency Virus – [2] Estimates

The R&D spending is expected to increase until 2030 but at a slower pace (+3% CAGR) than over the 2016 – 2025 period, reflecting the more focused strategy of pharma companies

Pharmaceutical R&D spending (2016 – 2030)

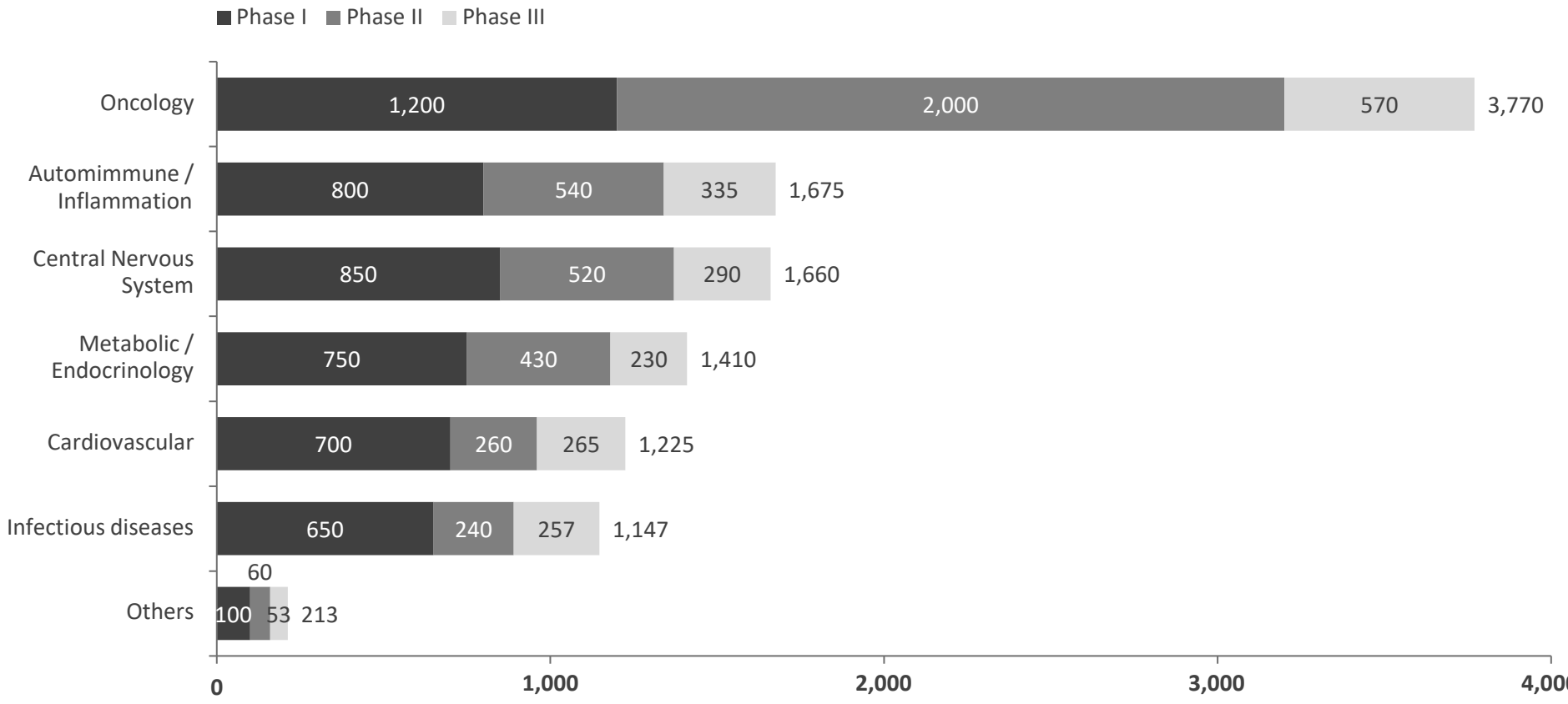


Sources: World Preview, Evaluate (July 2025) – Smart Pharma Consulting analyses

Oncology is by far the therapeutic area with the highest number of clinical trials, followed by autoimmune diseases and central nervous system disorders

Distribution of clinical trials by therapeutic area and phase (2024)

Distribution of industry-sponsored clinical trials completed by therapeutic area and phase



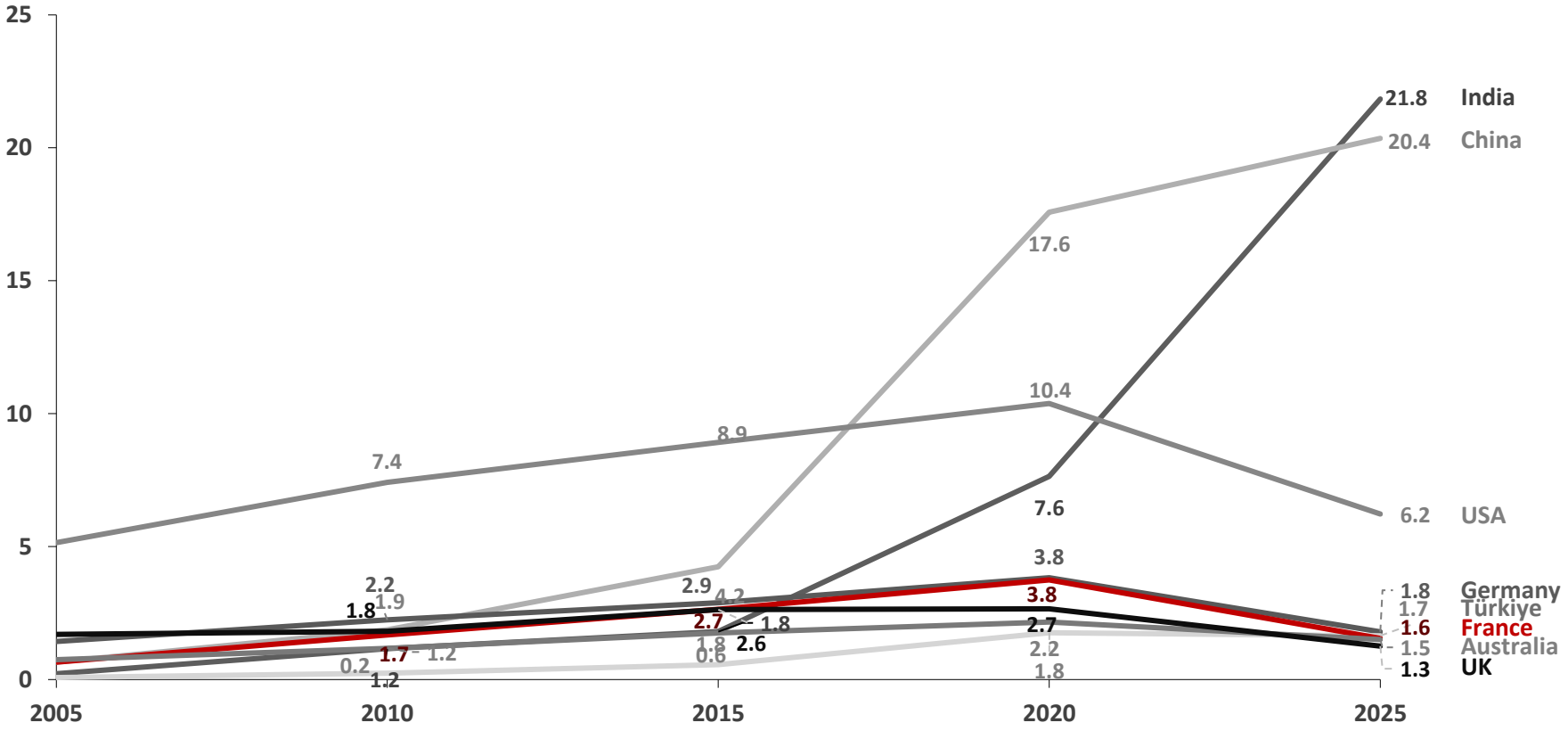
Sources: "Pharma R&D Annual Review 2025", Citeline Trialtrove (June 2025) – Smart Pharma Consulting analyses

Note: Phase II includes Phase I/II and II, Phase III includes Phase II/III and III

Global clinical trial activity is strongly increasing in India and China, slowly replacing the USA and European countries

Clinical trials number and evolution by country[1] (2005 – 2025[2])

Number of on-going clinical trials (in thousands)



Sources: WHO observatory (November 2025) – Smart Pharma Consulting analyses

[1] Top 8 countries with the most clinical trials in 2025– [2] Estimated based on data as of June 2025

The MFN (Most-Favored Nation) pricing policy and tariff measures introduced by President Trump mark a structural shift aimed at rebalancing pharmaceutical value across global markets

MFN drug pricing and pharma tariffs in the USA – A global pricing reset (1/3)

Beyond a pricing reform, it is a coordinated strategy combining pricing policy, trade leverage and industrial strategy

Context

- The **USA** has historically been the **primary contributor** to global pharmaceutical **profitability**:
  - In 2025, it accounted for **~80%** of pharma profits while representing only **~4%**[1] of the global population
  - **European** prices for Rx-bound drugs are typically **50-70% below** US net prices[2]
  - **US patients** pay often nearly **three times more** than patients in other **developed countries**
- The **MFN** pricing model introduced by President Trump proposes to **benchmark** US drug reimbursement to prices in other advanced markets[3]

Implementation timeline

MFN pricing

- **May 12, 2025**: Executive order signed by President Trump directing the adoption of an MFN pricing model
- **2nd semester 2025**: **CMS**[4] tasked to turn political ambition into a regulatory framework via **pilot models**:
  - **GENEROUS**[5] (for Medicaid drugs prescribed to low-income individuals, seniors and people with disabilities)
  - **GLOBE**[6] (for Medicare Part B drugs, incl. physician-administrated injections and biologics)
  - **GUARD**[7] (for Medicare Part D drugs, incl. ambulatory Rx-bound drugs)

Tariffs

- **April 2, 2026**: Executive order signed by President Trump imposing **tariffs** on **imported patented drugs**:
  - **0%** for companies with an MFN pricing deal and active US production
  - **20%** (rising to **100%** in 4 years**) for companies** building US facilities but **lacking** MFN pricing deals
  - **15%** for EU **countries**, Japan, South Korea and Switzerland
  - A lower **rate** set to be reduced to **0%** for the UK (only country to have committed to doubling its drugs spending over the next decade)
  - **100%** for other imported patented drugs (excl. generics)

Sources: White House website – CMS website – Reuters – Smart Pharma Consulting analyses

[1] 348 million people out of a global population of 8.1 billion – [2] USA has historically allowed pharma companies to set drug prices freely without centralized government negotiation, unlike EU countries – [3] Canada, Denmark, France, Germany, Italy, Japan, Switzerland and the UK – [4] Centers for Medicare and Medicaid Services – [5] GENErating cost Reductions fOr US Medicaid – [6] Global Benchmark for Efficient Drug Pricing – [7] Guarding US Medicare Againt Rising Drug Costs

The MFN pricing policy faces fundamental limitations raising doubts about its effective implementation

MFN drug pricing and pharma tariffs in the USA – A global pricing reset (2/3)

Limitations

MFN cannot be enforced effectively

- **Actual net prices** are **opaque** globally due to **confidential rebates** and **contractual arrangement**s with **drug pricing committees** (e.g., AMNOG in Germany, CEPS in France or AIFA in Italy)
- Pharma companies are **unlikely** to **voluntarily disclose** these rebates, which prevents **CMS**[1] from accurately identifying the lowest **MFN prices**
- Consequently, the MFN pricing model implemented in the USA operates more as a **negotiation tool** supported by **trade pressure** than as a strictly enforceable **pricing mechanism**

Global misalignment

- The key question for the global pharma ecosystem is whether pharma companies will…
  - … pursue **global price increases** (as advocated by President Trump) …
  - … or face **ex-US pricing ceilings** and absorb the resulting **revenue loss** in the **USA**
- To date, **no country** has indicated willingness to **increase net prices** for existing drugs, **except the UK**
- **Europe** – and **France** in particular – is facing **increasing pressure**, as **healthcare expenditures** are **raising faster** than **health insurance contribution revenues**

Limited deal-making window

- The April 2, 2026, executive order introducing tariffs gives pharma companies a **limited window** to negotiate MFN pricing deals before penalties apply:
  - **120 days** for larger companies
  - **180 days** for smaller companies
- Deals have already been signed with **13 pharma companies** (e.g., AstraZeneca, Pfizer or Eli Lilly) and **4 other deals** are being negotiated
- The **US administration's ability** to **negotiate** deals with **all pharma companies** within these **timelines** is **uncertain**, especially considering recent **CMS staffing reductions**[2]

Sources: Drug makers face 100% tariff unless they cut prices or produced drugs in US, Reuters (April 2026) – Quand la politique de Trump fait peser des risques sur l'accès aux traitements en Europe, Euractiv (November 2025) – CMS tackles big policy change with diminished workforce, HealthcareDive (April 2026) – Smart Pharma Consulting analyses

[1] Centers for Medicare and Medicaid Services – [2] The CMS has currently ~1,000 fewer employees than in 2024 due to layoffs, retirements and departures, representing a ~15% decrease

Although not fully implemented, MFN remains active in US policy discussions and, given the global interlinkages in drug pricing, could have implications beyond the USA

MFN drug pricing and pharma tariffs in the USA – A global pricing reset (3/3)

Expected impacts

Revenue and profit declines

- MFN drug pricing in the USA may **compress** pharma companies' **revenues** and **profits** if US prices are linked to **international** prices
- Indeed, reference countries are highly **unlikely** to agree to **drug price increases**, for several reasons:
  - Actual net prices reflect **historical negotiations**
  - **Drug price increases** are **politically difficult** to **justify** to **citizens**
  - **High public debt** across most reference countries constrains their **ability** to **raise Rx-bound drugs prices**

Launch sequencing strategies

- Reference markets, such as Europe, may become strategically more **sensitive** as their pricing outcomes may increasingly be viewed **not only** through **domestic** reimbursement logic, but also through their potential relevance to **US pricing** discussions
- **Launch sequencing** of innovative therapies should be **reprioritized** toward **higher-value markets** to avoid low-reference-price benchmarks and MFN spill-over effects
- Pharma companies should increasingly manage **pricing decisions** as part of a **global strategy**, rather than negotiating independently in each country

Reprioritization of pharma deals

- **Pricing uncertainty** (particularly for assets with substantial US payer exposure) could influence how pharma companies evaluate:
  - **Licensing** deals opportunities
  - **M&A** operations
  - **Portfolio** investment decisions
  - **R&D** strategy

Sources: Drug makers face 100% tariff unless they cut prices or produced drugs in US, Reuters (April 2026) – Quand la politique de Trump fait peser des risques sur l'accès aux traitements en Europe, Euractiv (November 2025) – Smart Pharma Consulting analyses

The worldwide pharma market will remain one of the most attractive sector, despite pricing pressure expected to intensify further due to US policy

Key takeaways

The Global Pharma Market: 2025 – 2030 perspectives

1. Healthcare expenditure should keep on growing faster than national economies due to demographic factors and willingness of citizens to have better access to healthcare

2. By 2030, the pharma market should grow 2.1 faster than other sectors and remain almost 2 times more profitable

3. Oncology, immunology, and diabetes will lead pharma sales by 2030, with anti-obesity drugs growing fastest

4. The French pharma market contributes to ~1.5% of the worldwide profits compared to ~80% for the USA

5. By 2030, France should step back from the 5th to the 7th largest market worldwide with a ~2.5% market share

6. Global clinical trials are increasing across all regions, with the strongest growth in China and India

7. The implementation of the US Most-Favored Nation (MFM) pricing policy could drive the reprioritization of launch sequencing toward higher-value markets

Sources: Smart Pharma Consulting analyses

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- This series provides practical tools and recommendations to enhance the efficacy and efficiency of the most important activities or processes in place within pharma companies
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  - Our research for innovative, pragmatic and useful solutions
- Each issue is designed to be read in less than 20 minutes and not to exceed 20 pages

The Global Pharma Market

2025 – 2030 Perspectives

- This paper analyses the attractiveness of the global pharma market, considering its size, growth rate and level of profitability over the 2025 – 2030 period
- It reviews global R&D trends, priority therapeutic areas and top 10 drugs expected to generate the highest sales in 2030
- A particular focus is placed on the MFN (Most-Favored Nation) pricing policy being implemented in the USA, and its potential implications for pharma companies worldwide

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Best regards

Jean-Michel Peny

38, avenue Félix Faure – 75015 Paris – France • Tel.: +33 6 11 96 33 78 • E-mail: jmpeny@smart-pharma.com • Website: www.smart-pharma.com