

Return on drug R&D dropping

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The pharma industry is getting less and less return on investment in R&D, according to a report. But the trend seems to be bottoming out and – on a more positive note – there are more compounds going into late stage development. Consultants Deloitte and data firm Thomson Reuters looked at twelve pharma companies and estimated the projected financial returns from the R&D investment in their late stage pipeline, comprising products that are in Phase III trials, but have yet to be approved for marketing. They found that the return fell from 7.7% in 2010–11 to 7.2% in 2011–12, but the number of number of compounds entering the late stage pipeline more than doubled from 35 to 78. Overall, the results present a mixed bag for the optimists. The number of approvals increased from 32 to 41, but the total forecast sales of all approvals fell by a third, from \$309 billion (£192 billion) to \$211 billion. Meanwhile, the total forecast sales of candidates in late stage pipelines declined from \$1,370 billion in 2010 to \$1,050 billion in 2012.

Source RSC (*Chemistry World*)