



Making Medicines Affordable

EGA

Myths and Realities

of the pharmaceutical industry

Myth

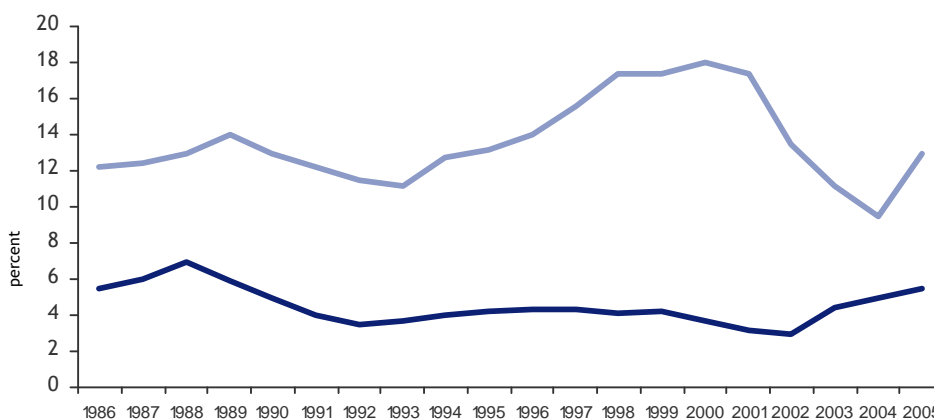
High R&D outlays entitle Big Pharma to more protection than other industries.

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Reality

The pharmaceutical industry enjoys the *highest* return on capital of any other industry.

Pharmaceutical Companies vs All Major Companies

Return on Assets by standard accounting methods



Source: Congressional Budget Office, based on Fortune Magazine (various issues), 2005.

“...**Profit levels** in the pharmaceutical industry are very high and indeed higher than other research-orientated industries. Their ROCE (return on capital employed) far exceeds the average of all industries and is among the highest in all manufacturing and service activities...”

“European Pharmaceutical Research Development and Innovation: Assessment of the Socio-Economic Impact of New Drugs”
Joint Research Centre (JRC) - European Commission

WHAT OTHERS ARE SAYING

“In fact, year after year, for over two decades, this industry has been far and away the most profitable...”

Marcia Angell, “The Truth About the Drug Companies”, 2004

“Drug industry R&D does not appear to be as risky as companies claim. In every year since 1982, the drug industry has been the most profitable...”

Press release, Public Citizen 2001

Formed in 1993, the EGA is the official representative body of the European generic pharmaceutical industry, which is at the forefront of providing high-quality affordable medicines to millions of Europeans and stimulating competitiveness and innovation in the global pharmaceutical sector.