A growing share of all medicines are biologic, with biosimilars and non-original biologic (NOB) products now taking a small share of the total market.

The biologics market

- Biologic agents will continue to outpace overall pharma spending growth and are expected to represent 19-20% of the total market value by 2017.
- Biologics growth is driven by Monoclonal Antibodies (MABs) and human insulin, with four out of the top five biologics in 2012 being MABs.
- Development and production of biologics both branded and generic is increasingly competitive with a broad range of players, from small to large pharma companies now attracted to the market.
- In many countries with less rigorous IP protection laws we have seen a recent surge of NOBs.
- The price premium typically associated with biologics has turned them into an obvious target for government savings in some markets and consequently biosimilar pathways have been defined in Europe, U.S., and increasingly in pharmerging markets in an effort to encourage lower cost competition.
- In pharmerging markets, both governments and patients struggle to pay for biologics and hence NOBs, encouraged by market demand and government policy, have grown very quickly.
- To date, biosimilars account for less than 0.5% of the value of the mature markets biologic spend, whereas in pharmerging markets, non-original biologics are over 10% of all biologics spend.

Chart notes:
Biologic molecules are complex macromolecules with some form of polymer structure. They can be purified from naturally derived substances, produced by recombinant DNA technology or chemically synthesized. Biosimilars are defined as non-original biologic copies of innovative brands that have been approved by a dedicated regulatory pathway while non-original biologics (NOBs) are copies that have not been approved through such a dedicated pathway and generally did not undertake stringent comparability and bioequivalence studies.