



## NEWS RELEASE

### **New study demonstrates the economic impact of the global pharmaceutical industry**

20 NOVEMBER 2024, GENEVA – New data released today sets out the economic impacts of the global pharmaceutical industry, focusing on contributions to Gross Domestic Product (GDP), job creation, and research and development (R&D) activities.

The analysis was carried out by the independent economic research institute WifOR, commissioned by [IFPMA](#). IFPMA represents the innovative pharmaceutical industry at the international level, engaging in official relations with the United Nations and multilateral organizations.

- **Employment:** In 2022, the industry facilitated the creation of approximately 74.9 million jobs, both directly and through spillover effects<sup>1</sup>. Of these, 7.8 million people were directly employed by the industry, 44.7 million jobs were supported indirectly, and 22.4 million jobs supported through induced effects in the supply chain. These figures highlight the sector's crucial role in managing supply chain operations to supply pharmaceuticals to the healthcare sector and patients worldwide.
- **Economic contribution:** In 2022, the pharmaceutical industry contributed USD 2,295 billion to the global GDP, including direct and spillover effects. The direct contribution amounts to USD 755 billion, which is equivalent to 0.7% of the estimated global GDP in the same year, or about the GDP of Switzerland in 2022.
- **R&D:** In 2022, the pharmaceutical sector's R&D activities alone added USD 227 billion to global GDP in 2022, 30% of its direct contribution to the world economy. Its R&D activities directly employed 1.1 million people globally, reflecting a 175% increase since 2014 and illustrating the magnitude of the sector's investment in R&D. The people engaged in R&D activities are highly trained researchers, specialists with a high-level of technical expertise and training, and other supporting staff who contribute directly to carrying out R&D projects and activities.

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<sup>1</sup> Spillover effects include employment enabled along the global value chains and induced by household income spent in the wider economy.

The data published today does not take into account the additional economic benefits that medicines and vaccines provide as a result of the improving and safeguarding public health.

With the anticipated rise of chronic diseases, an aging world population, diseases exacerbated by climate change and growing incidence of novel viral diseases and antimicrobial resistance, there is a greater need to consider healthcare as an investment by countries all around the world. Health investments create value through positive returns for the health sector, the economy, employment, and, overall, for the wealth of society.

Access the full report “The Economic Impact of the Global Pharmaceutical Industry” [here](#).

**Commenting on the report, Prof. Dr. Dennis A. Ostwald, founder & CEO of WifOR, said:**

*“Our analysis shows that the pharmaceutical industry contributed USD 2,295 billion to GDP in 2022, an overall increase of 25% compared to 2017. For every job supported directly by the pharmaceutical industry’s activities, an additional 8.54 jobs were supported along the global supply chain. This illustrates the sector’s critical role in managing complex supply chain operations involving numerous providers of materials, equipment, and services to supply biopharmaceutical products to the healthcare sector”.*

**Commenting on the report, IFPMA Director General, Dr. David Reddy said:**

*“Pharmaceutical companies are bringing new medicines and vaccines to people around the world, helping to transform lives, support healthcare systems and boost economic growth.*

*“Today’s data from WifOR shines a light on the industry’s economic impact, highlighting that in 2022 pharmaceutical companies directly employed 7.8 million people globally, and supported 44.7 million jobs indirectly, and 22.4 million jobs through induced effects in the supply chain. Industry R&D activities directly employed over 1 million people and contributed a GDP of over USD 227 billion.*

*“Through its robust investment in R&D, the industry not only enhances healthcare outcomes worldwide but also fosters high-skilled employment. As governments around the world face significant economic, health and societal challenges, our industry is committed to bringing our expertise and experience to overcome them”.*

## About WifOR

WifOR is an independent economic research institute, founded in 2009 as a spin-off from the Technical University of Darmstadt, Germany. As experts in macroeconomic analysis, WifOR's research focuses on labor markets, health, and sustainability. Through its studies, the institute aims to enable data-based solutions to labor market challenges, set global standards in impact measurement, and highlight the value of health investments worldwide. WifOR has over 75 employees in Germany, Greece, Latin America, and the USA.

## About IFPMA

IFPMA represents the innovative pharmaceutical industry at the international level, engaging in official relations with the United Nations and multilateral organizations. Our vision is to ensure that scientific progress translates into the next generation of medicines and vaccines that deliver a healthier future for people everywhere. To achieve this, we act as a trusted partner, bringing our members' expertise to champion pharmaceutical innovation, drive policy that supports the research, development, and delivery of health technologies, and create sustainable solutions that advance global health.

For more information, visit [ifpma.org](https://ifpma.org).

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