



# Innovative medicines as drivers of economic security – a strategic imperative for G7 economies

Against a backdrop of growing geopolitical uncertainty, governments are reassessing what competitiveness and economic security mean in practice. Success critically depends on the ability to identify, understand, and support strategic sectors. The innovative pharmaceutical industry is a proven growth engine for G7 economies, powered by advances in innovative medicines and vaccines. The G7 now has both an opportunity and a strategic imperative to build on this strength

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## A LEGACY WORTH BUILDING ON

G7 countries have long been the home of pharmaceutical innovation. These countries have built world-leading R&D ecosystems, fortified complex supply chains, shaped robust regulatory standards, and responded to global challenges with speed. These commitments and investments have not only transformed health outcomes for populations in those countries but have also generated significant economic growth.

Decades of scientific progress have positioned the pharmaceutical industry as the world's most research-intensive sector, channelling nearly one-third of gross value back into R&D – a rate that surpasses electronics, aerospace, and advanced manufacturing.<sup>1</sup> But as the global landscape for innovation is changing, this heritage must be built upon and not taken for granted as a guarantee of future success.

Key to unlocking future scientific progress is prioritising innovative medicines and vaccines as strategic investments that drive economic productivity, growth, and security. Without sustained focus and commitment, this long-held competitive edge risks slipping away.

## THE CASE FOR PRIORITISING PHARMACEUTICAL INNOVATION

The economic importance of pharmaceutical innovation is undeniable. In 2022, the sector contributed \$2.3 trillion to global GDP, including direct and spillover effects. Nearly half originated from G7 countries.<sup>2</sup> That output generates spillovers globally: for every \$1 of GDP directly generated by the industry, an additional \$2.04 in value is created along the global supply chain.<sup>3</sup> The industry directly employed 7.8 million people in 2022,<sup>4</sup> more than one million of them in R&D roles – the kind of high-skill, high-wage positions that anchor national competitiveness for generations to come.

These contributions carry even greater weight as G7 economies confront deepening demographic pressures. People aged 55–69 already account for 20–30% of the workforce across most OECD countries, and chronic illnesses significantly hamper participation:<sup>5</sup> among those aged 50–64, participation falls from 72% for healthy individuals to just 40% for those managing two conditions.

Innovative medicines and vaccines are a key pillar of workforce resilience, helping to keep experienced workers active, productive, and engaged for longer. Strategic, evidence-based policies that increase access to medicines and vaccines play a central role in sustaining economic growth and managing demographic change.

The appropriate, early use of innovative medicines and vaccines also plays an important role in building resilience into healthcare systems. They reduce unnecessary hospitalisations, slow disease progression, and limit long-term care costs – easing pressure on systems that governments cannot afford to overstretch. Every €1 invested in prevention generates up to €14 in health and social returns,<sup>6</sup> and adult immunisation programmes deliver benefits of up to 19 times their initial investment.<sup>7</sup>

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These benefits create the fiscal headroom governments need to sustain broader national priorities.

Looking ahead, the pharmaceutical pipeline signals exceptional opportunity. More than 12,700 medicines are currently in development, with over 350-400 expected to launch by 2030<sup>8</sup> – advances that will reduce the scale, cost, and frequency of future health challenges. This impact extends beyond healthcare. Health shocks function as economic security shocks: the probability of a pandemic in the next 25 years stands at 47–57%,<sup>9</sup> whilst chronic diseases already account for roughly 75% of all global deaths and will cost over \$30 trillion in economic losses.<sup>10</sup> The implication is clear: countries that lead in pharmaceutical innovation will be in better shape to protect workforce capacity, stabilise public finances, and maintain the resilience that economic security demands.

## A STRATEGIC MOMENT FOR THE G7

France's 2026 G7 presidency presents a timely opportunity to affirm innovative medicines and vaccines as drivers of economic security. G7 nations bring a unique combination of historic leadership, world-class scientific infrastructure, and deep policy experience to shape the next era of pharmaceutical innovation. As global competition for innovation intensifies, G7 members have both the legacy and strategic imperative to remain at the forefront. <sup>11</sup>



1. OECD (2023) Health at a Glance Report. This compares to electronics (23.5%), aerospace (14.7%), and manufacturing (8.4%). 2. IFPMA and WifOR Institute (2024) The Economic Impact of the Global Pharmaceutical Industry Report, 3. IFPMA and WifOR Institute (2024) The Economic Impact of the Global Pharmaceutical Industry Report, 4. IFPMA and WifOR Institute (2024) The Economic Impact of the Global Pharmaceutical Industry Report, 5. OECD (2026) Building healthy, productive workforces for our 21st century, 6. The European House, Ambrosetti (2024) The value of prevention for economic growth and the sustainability of healthcare, social care and welfare systems, 7. OHE (2024) The socio-economic value of adult immunisation programmes, 8. IQVIA (2026) Global Medicine Use Trends 2026, 9. Center for Global Development (2021) What's Next? Predicting The Frequency and Scale of Future Pandemics 10. World Bank; WHO Global Health Estimates