



WHAT ARE APIs?

APIs (Active Pharmaceutical Ingredients) are responsible for the pharmaceutical effect of formulated pharmaceuticals (medicines). They are produced using **highly technological industrial processes**, both during the R&D and commercial production phases.



A GLOBAL BUSINESS

The API market is increasingly a **global business integrated** in the **supply chain of pharmaceuticals**, in which APIs constitute the most **important components** in terms of clinical efficacy and value.



THE API MARKET'S OUTLOOK IS POSITIVE

with a healthy growth rate for the next years foreseen at



4.5% P.A.
in the generic sector



4.8% P.A.
in the custom sector



The growing trend towards new **high tech therapeutics** coupled with the **emergence of novel and innovative delivery systems** and the **evolution of personalized medicines** will only serve to further **emphasise the growing demand** for advanced APIs.



**WORLDWIDE
API DEMAND
IN 2014**

92 BILLION
of which

**44 BILLION
CAPTIVE**

**48 BILLION
MERCHANT**



**34 BILLION
GENERICS**



**14 BILLION
CUSTOM
SYNTHESIS**

MERCHANT DEMAND FOR APIS: 48 BILLION USD



29.1 %

NORTH AMERICA



27.5 %

ASIA FAR EAST



26.7 %

WESTERN EUROPE



16.7 %

REST OF THE WORLD

The demand for active pharmaceutical ingredients in Western Europe is **concentrated mainly** in the **United Kingdom** and **Germany**, essentially in relation to the higher proportion of sales of generics drugs in these countries.

¹ 2014 estimate

API PRODUCTION WORLDWIDE



60.5 %

ASIA FAR EAST



27.9 %

WESTERN EUROPE



4.6 %

NORTH AMERICA



7 %

REST OF THE WORLD



Clients are demanding **more quality** and **more reliability** from their API sources to **avoid public health risks**



The **trend** towards outsourcing by big pharmaceutical multinationals is **expected to continue growing**, which will result in an **increased demand** for quality APIs



Companies are **increasing their size** to face global competition. Mergers and acquisitions are taking place in order to **pursue global projects**



There is a **growing investment in R&D** for API production processes, as well in **quality, environment and safety**, resulting in better, safer and **cleaner technologies** and substantial increase of pharmaceutical technology know-how and intellectual property

SOCIO ECONOMIC IMPACT IN EUROPE



350
manufacturers



40,000
jobs



\$13.4 BILLION
API production
in Western Europe



ITALY & SPAIN
are the **main producers**
of generic APIs