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Italy and India the only pharma economies to improve score in 2020

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CPhI Pharma Index Survey findings highlight importance of international partnering ahead of pharma's first AI-driven matchmaking event



Ahead of the CPhI Festival of Pharma (5-16 October, 2020) – global pharma's largest ever virtual gathering – the CPhI Pharma Index[i] shows only Italy and India have improved their score in 2020, with the majority of industry executives looking for new supply chain partners.

The Index – an aggregated confidence score across the five main small molecule categories in each of the largest economies – compiles the findings from more than 550 executives and sees an overall decrease of 0.86% in score across all nations for the first time. This is perhaps to be expected given the global impact that COVID-19 has had, but overall, the Index shows pharma to be in a strong position and globally, the industry has weathered the impact of the pandemic well.

Many of the leading pharma economies have again scored strongly in 'innovation' and 'pharmaceutical quality' and the slight fall on 2019 results reflects reduced confidence in growth rather than quality. The major exception to the overall trend was Italy which has seen a dramatic increase of nearly 6.3% in overall score, with its API industry widely perceived to be a primary beneficiary of global shifts in ingredient sourcing strategies. China's overall score has fallen (5.9%) for the first time, but the report predicts a likely dramatic bounce back in 2021, citing a gradual shift here towards a pharma economy led by domestic – not international – sales.

"One important thing to say about the rankings is that the scores reflect a very strong industry and a growing industry. The year on year score decrease is a reflection of the strength of the 2019 results, and this slight fall still points to very positive

outcomes (as scores are high across all categories), particularly *in the medium- and long-term."* commented Cara Turner, Brand Director at CPhI Festival of Pharma.

One notable finding from the executive survey is that global pharma executives have shifted focus towards securing increased supply side partners, with 84% of the industry actively searching for new partners. Interestingly, in terms of starting materials – currently the focus of much debate – the market remains ambivalent as whether it would be beneficial to bring these home to domestic markets. Respondents were nearly equally for and against, with 48% believing domestic production is 'desirable', 37% stating 'No - it's too disruptive to a complex industry' and a further 15% 'No - and it's not desirable'.

"What our global pharma surveys show is that the pandemic has increased the importance of finding new international partners and improving supply chain contingencies. The duality of this, with reduced international travel, is why we integrated an AI-driven matchmaking service into the CPhI Festival of Pharma. Our aim is to increase global networking and to have our customers make international connections they might not otherwise have made. It's also why I would encourage the industry to register now and give as much detail as you can so that the matchmaking service can provide you with the best possible matches. This event is the single biggest opportunity in 2020 to identify those vital partnerships," added Turner.

The full survey findings will be available for download shortly at the Festival of Pharma as part of the CPhI Annual Report.

The virtual event will see hundreds of global companies exhibiting and thousands of attendees, with networking supported by an ***AI-Driven Matchmaking Service*** – which provides bespoke meeting plans, targeted specifically at the most relevant professionals and companies. Additionally, attendees can utilise the ***Exhibitor List*** tab to directly find companies and explore their offerings, capabilities, and the markets that they serve.