

Healthcare in a changing world

The external environment presents us with both challenges and opportunities that require us to adapt, innovate and build trust.

Along with others, the pharmaceutical sector faces economic challenges, geopolitical uncertainty and the challenge of climate change. Rapidly-evolving technologies offer many benefits, while demographic change is driving an increased demand for healthcare. Successful organisations are transparent and build trust with their stakeholders.

Political

Growing geopolitical complexity

Increasing geopolitical tensions may weaken the economic landscape with broader consequences for companies.

Top three

Top CEOs identify digital disruption, the economy, and geopolitical uncertainties as the most important trends.

(Source: McKinsey & Company: CEO Excellence Survey 2023)

Economic

Activity falls short of pre-pandemic path

Economic recovery remains slow and uneven after the COVID-19 pandemic and invasion of Ukraine.

2.9%

Global GDP growth forecast to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024.

(Source: International Monetary Fund (IMF) World Economic Outlook, October 2023)

Societal

Increasing pace of population ageing

Every country in the world is experiencing growth in the number and proportion of older people.

1 in 6

By 2030, 1 in 6 people in the world will be aged 60 or over.

(Source: World Health Organization (WHO))

Technological

Emerging regulatory regimes for AI

The use of AI has significant potential but also risks that must be managed.

27x

Investment in AI-enabled drug discovery is estimated to have grown 27-fold in the past nine years, exceeding \$60 billion in 2023.

(Source: Deep Pharma Intelligence)

Environmental

Climate change accelerating

Climate change and ecosystem degradation impact human health and undermine the capacity of health systems.

100,000

2023 brought the highest global temperatures in more than 100,000 years.

(Source: 2023 report of the Lancet Countdown on health and climate change)

Outlook

Opportunities and challenges for the sector

Demand for healthcare is increasing and science is driving improvements in healthcare, but risks remain for the sector.

34%

In a 21-country survey, 34% rated pharmaceutical companies trustworthy (31% in 2021), higher than any other sector. But 22% still distrust the industry.

(Source: Ipsos Global Trustworthiness Monitor: Stability in an unstable world)

A growing pharmaceutical sector

The pharmaceutical sector continues to grow against a backdrop of increasing demand for healthcare. Global pharmaceutical sales grew by 9.6% in 2023. Global healthcare spending is projected to increase at an annual rate of 7.8% from 2022 to 2027.