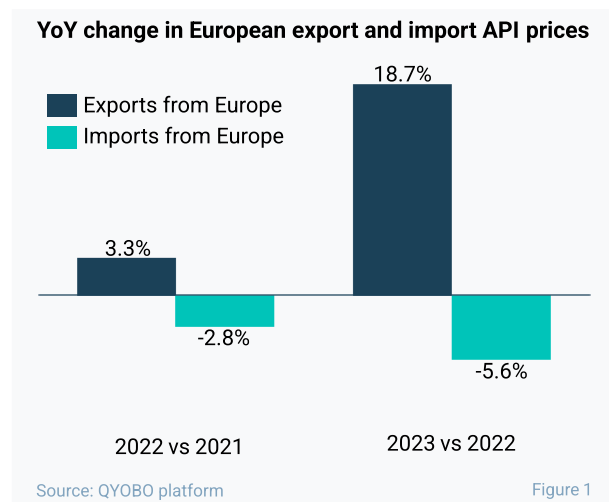


While API prices around the world decrease, APIs manufactured in Europe remain at an elevated price level



13 June 2023, Munich – Our previous analysis of 2023 API prices for 300 molecules [showed a substantial price drop compared](#) to 2022. Following the publication, several of our clients reached out to us, asking if a detailed analysis of the European market would be possible to understand how inflation, the energy crisis, and the war in Ukraine still affect the continent.

A short answer to this question is provided in Figure 1. The chart indicates how prices for imports into and exports out of Europe changed each year between 2021 and 2023. This

provides a clear picture – import prices decreased by 2.8% and 5.6% respectively whereas export prices – driven by higher inflation, most notably energy cost – increased by 3.3% and 18.7% respectively.

Export prices across 3 regions, USD/kg

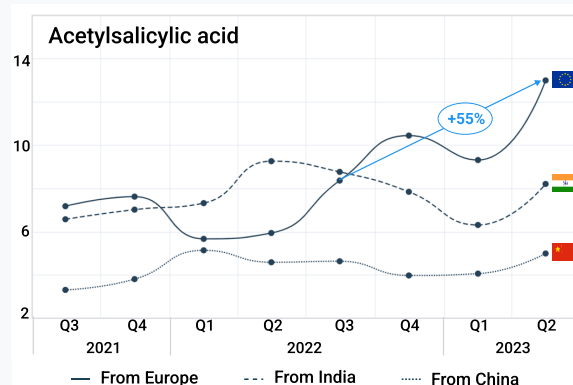
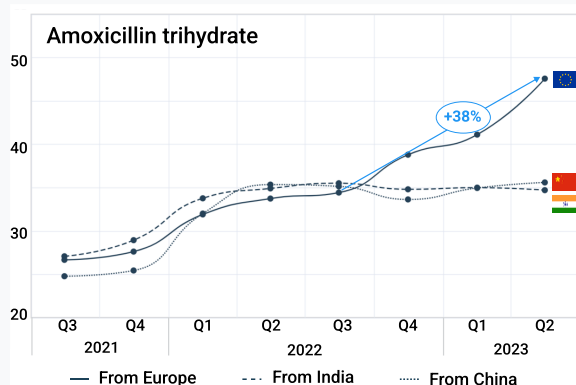


Figure 2 provides a deep dive into the export prices between Europe, India, and China for two key products – amoxicillin trihydrate and acetylsalicylic acid. For both substances, European prices went up in the last two years and remain now at a relatively higher level compared to prices from India and China. For amoxicillin trihydrate, the difference between the regions is particularly striking - until mid-2022, prices for all three regions were at fairly similar levels - for a few quarters, Europe was actually offering the most cost-competitive prices. That substantially changed last year as prices rocketed by 38% in just three quarters while prices from India and China remained fairly unaffected.

While the price structure between the regions varied substantially for acetylsalicylic acid in the same timeframe (European manufacturers outperformed Indian companies for three consecutive quarters in 2022), the last three quarters showed a similarly sharp price increase by 55%.

In conclusion: Contrary to overall falling API prices on a global level (and into Europe), APIs manufactured in Europe are at a substantially higher level than before the Russian invasion of Ukraine.

Approach

To calculate the QYOBO API price index “Total trade weighting” method was applied, which combines the information from the 300 Top APIs – the most subscribed products by QYOBO clients – to a powerful industry metric.

$$I_y = 100 \times \sum_{i=1}^n \left(\frac{\frac{P_{y,i}}{P_{o,i}} \times (P_{y,i} \times V_{y,i})}{\sum_{i=1}^n P_{y,i} \times V_{y,i}}} \right)$$

The weight for a substance (i) in any given year (y) in the index is based on the total trade (as a product of price $P_{y,i}$ and the volume $V_{y,i}$) for the respective year. $P_{o,i}$ is the average yearly price of the base index year (previous to a given year). This approach limits the influence of substances with smaller overall trade sizes compared to substances with larger trade sizes (such as Ibuprofen, Heparin, or Paracetamol).

Glossary

API – Active pharmaceutical ingredient

YoY – Year over year

About QYOBO GmbH

QYOBO’s mission is to improve access to essential medication for everyone by contributing to a more transparent, efficient and robust supply of pharmaceutical and chemical raw materials.

For this purpose, we’ve developed the QYOBO market analytics platform for APIs, intermediates and chemicals. From millions of trade, regulatory and financial datasets scattered around the world, our big data algorithms derive unique, actionable insights on market prices and trends, suggest suitable partners for your business and automate data-heavy workflows in procurement, supply chain and business development.

Founded in June 2019 and based in Munich, our company is pursuing its mission collaboratively with its international clients and has been recognized with numerous awards including the BASF market challenge and the Digital Innovation award 2020 by the German Federal Ministry for Economic Affairs & Energy (BMWi).

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