

Market trends: A 5-year recap of API prices and highlights in 2023

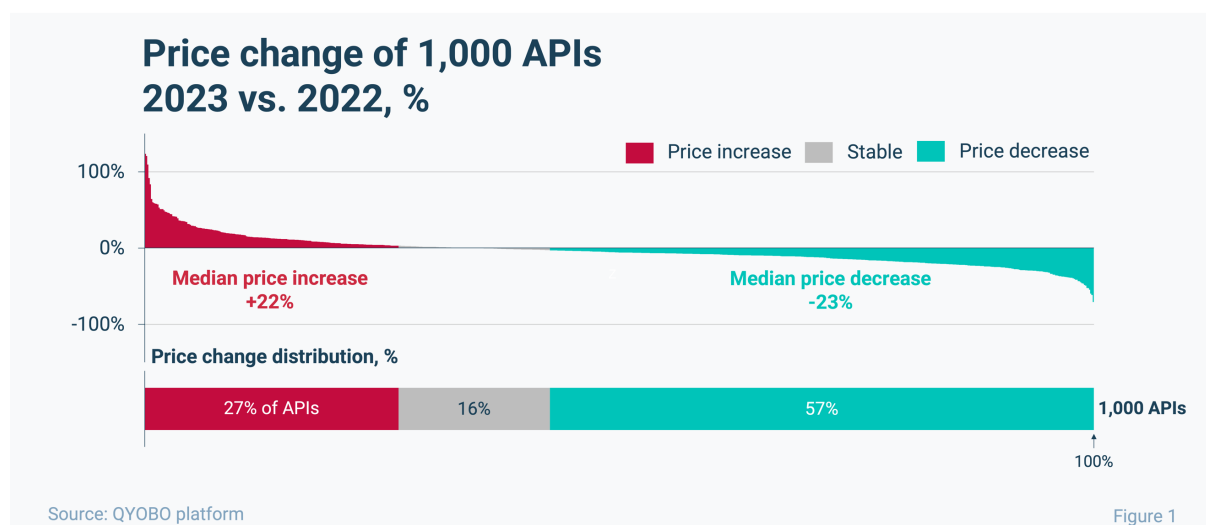
The past few years have been a rollercoaster for pharma, with drug shortages, supply disruptions and soaring shipping and energy costs. In a recent [study](#) by CPHI, nearly half of the respondents perceived a significant increase in API prices in the last 5 years and a third noted a slight increase. This subjective assessment prompted us to run a quantitative, data-driven assessment on API prices. Leveraging the pricing insights on the QYOBO platform, we analyzed 1,000 key APIs and how their prices have changed in the last 5 years (pre- vs. post-COVID-19) and year-on-year, comparing 2023 vs. 2022.

Price Trends Analysis: 2019-2023

The first part of our analysis compares prices between 2019 (pre- COVID-19) and 2023 (post-COVID-19). Despite the prevailing narrative of price increases, market price data paints a different picture - given that prices for **56% of the APIs actually decreased over this period**. Meanwhile, 8% of the APIs showed no significant price change ranging between -3% and 3%. Finally, prices for 36% of the APIs increased indicating a significant variance in how different APIs responded to market conditions. **In summary, our quantitative assessment shows that in contrast to the subjective perception noted in the CPHI survey, a little more optimism is in order given the overall decreasing cost of goods.**

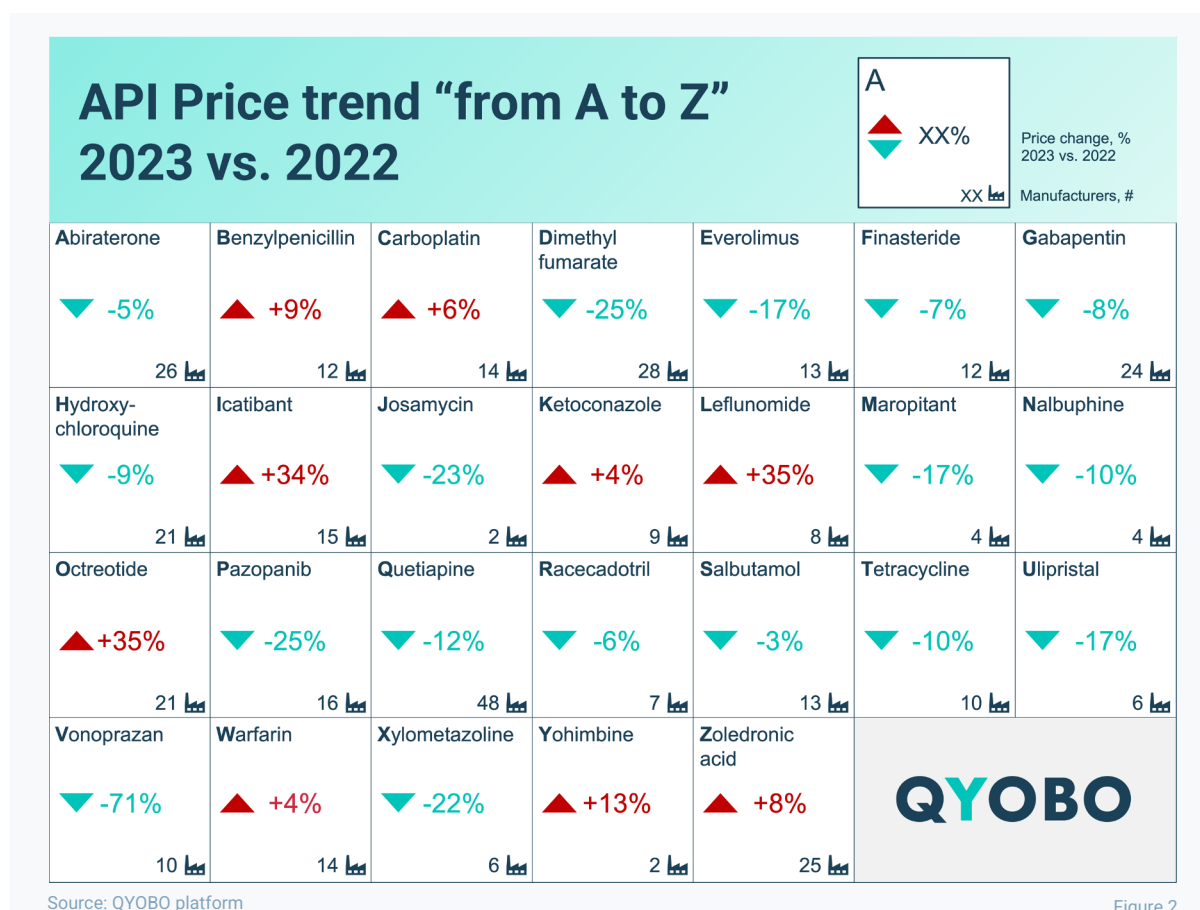
Short-Term Price Movements: 2022-2023

The second part of our analysis - comparing the year-on-year trend between 2022 and 2023, shows a similar trend (figure 1). **With 57%, the majority of APIs decreased in price**, while 16% exhibited no significant price change. Conversely, prices increased for only 27% of APIs.



Analyzing Price Movements and Market Dynamics Among 26 Key APIs

Digging deeper, we highlight price trends for 26 key APIs in figure 2, featuring a selected substance for every letter in the alphabet. While most showed moderate price changes, some like Icatibant, Leflunomide, and Octreotide experienced significant increases. In contrast, prices for substances like Pazopanib, Josamycin, and Dimethyl fumarate decreased. Of this group, **Vonoprazan, a recently approved drug, is a particularly interesting example as it experienced a 71% price drop** (while notable, the order of magnitude is not uncommon for new chemical entities or in the build-up to a generic launch). Our visualization in figure 2, also features the number of confirmed API manufacturers for each substance to provide insights into the number of alternative manufacturers available on the market.



Implications for the Pharmaceutical Industry

In conclusion, data analysis can provide a vastly different picture of API pricing trends than a subjective survey. While the majority of APIs have experienced price reductions, there have also been instances of substantial price increases. This variance illustrates why a continuous and systematic approach is necessary to accurately assess and track price movements for APIs (and other direct materials). For details on how the QYOBO platform can support your business in this effort, reach out to the contact provided below. Stay tuned for our upcoming article on price trends of 10 selected biologics with a deep-dive on semaglutide.

About:

QYOBO is a Munich-based big data company specializing in pharmaceutical market intelligence. Our mission is to improve global healthcare by providing critical insights into the pharmaceutical supply network and transforming complex data into actionable intelligence. Providing unique information on supply chains, manufacturing sites, market prices, and more, in a single spot, QYOBO empowers decision-makers and their teams to make better decisions in a fraction of the time.

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