



# COVID-19 Continues to Impact Global Spending on Medicines

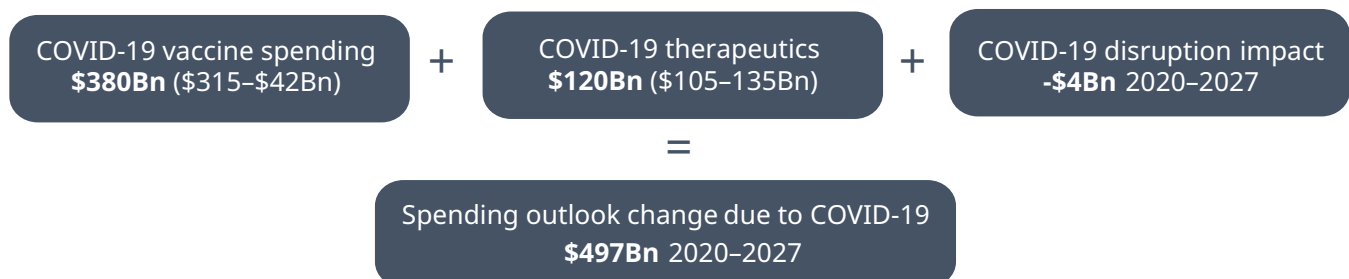
Global spending on medicines from 2020 to 2027 is expected to exceed the pre-pandemic outlook by \$500Bn, mostly linked to vaccines and therapeutics used to fight the pandemic, according to a new report from the IQVIA Institute for Human Data Science titled, *Global Use of Medicines 2023 — Outlook through 2027*.

The full report may be [accessed here](#).

COVID-19 continues to have an impact on pharmaceutical markets globally and is estimated to expand the net cumulative pharmaceutical market by nearly \$500Bn in aggregate from 2020 through 2027, largely due to new spending on COVID-19 vaccines and novel therapeutics as well as the impact on other therapeutic areas.

The phased rollout of vaccines and booster shots in the base case estimate will result in \$380Bn in incremental spending globally. Expected use of novel therapeutics for COVID-19 are estimated to result in a total of \$120Bn over seven years, resulting in a total impact of vaccines and therapeutics of \$497Bn, or about 3% of cumulative global spend during that period. (See Exhibit 1).

**Exhibit 1: Changes in the historical and projected global medicine spending model due to COVID-19, 2019–2027, US\$Bn**



Source: IQVIA Market Prognosis, Sep 2022; IQVIA Institute, Nov 2022.

All regions around the world have exceeded previously projected first wave of COVID-19 vaccination rates, resulting in 530 million more vaccinated people by the end of 2023 than initially modeled. However, immunity achieved from COVID-19 infection or vaccine appears to wane after a year and annual boosters are lagging, in particular in lower-income countries. Ongoing booster usage will likely increase, especially if there are impactful surges with new variants, and these patterns characterize the expected nature of the endemic phase.

“The COVID-19 pandemic has transitioned to a new phase with vaccines and therapeutics available but inconsistently used and resulting in periodic emergence of infection and hospitalization surges,” said Murray Aitken, senior vice president at IQVIA and executive director of the IQVIA Institute for Human Data Science. “While all regions around the world have exceeded previously projected first-wave vaccination rates, booster utilization is lagging in most regions of the world. With the emergence of new variants, this creates substantial uncertainty about the future of the pandemic and the

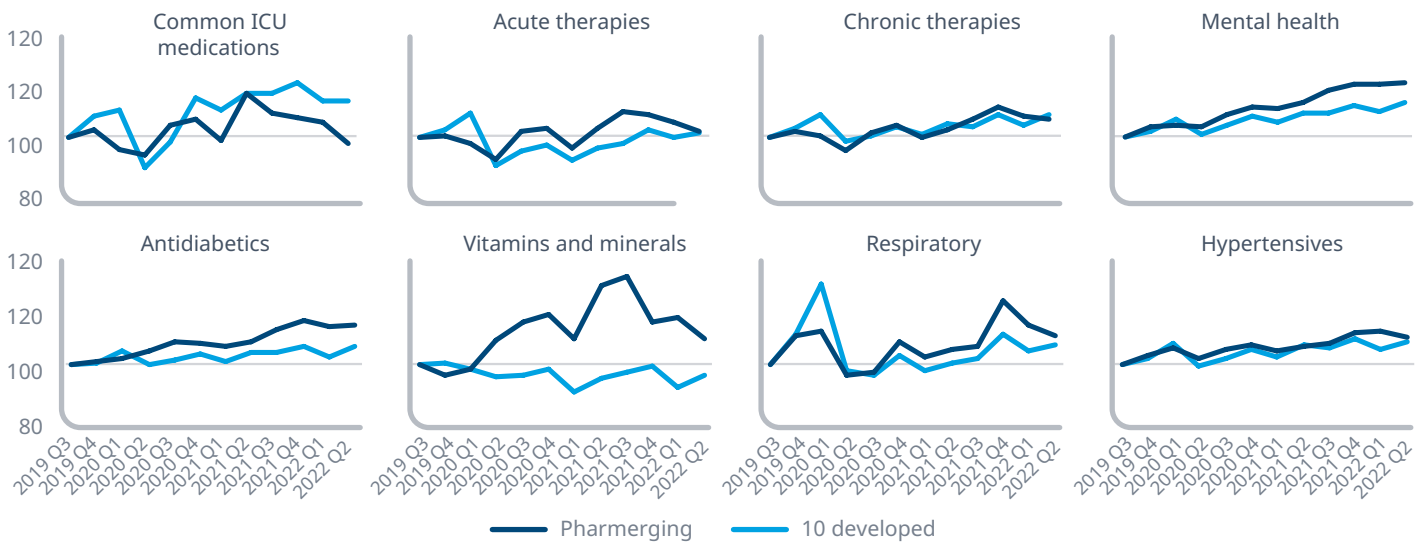
potential risks of reemergence of infections, especially in regions of the world with the lowest immunization and booster rates.”

Medicine use for chronic diseases was disrupted.

Other medicine use was disrupted during the pandemic across a range of therapy areas, some related to the symptom profile of the pandemic, others related to disrupted management of chronic diseases. (See Exhibit 6).

Early in the pandemic, with few treatments appearing to offer benefits for patients, there was an increased use of rescue inhalers normally intended for asthma in patients in ICUs, driving a significant shift in usage in the respiratory market overall and then falling as hospitalization rates fell. Mental health therapies have seen a gradual rise in usage, though more modest than some had expected, potentially due to barriers to beginning new treatments for mental health disorders, including social stigma.

**Exhibit 6: Trends in medicine use in 10 developed and pharmerging markets, standard units indexed to Q3 2019 values (Q3 2019 value = 100)**



Source: IQVIA MIDAS, Jun 2022; IQVIA Institute, Dec 2022.



**CONTACT US**

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