

Trends in New Drug Launches

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Pharmaceutical drugs have contributed to people's improved health and prolonged life for the last several decades. New drugs, hence, are believed to be beneficial. Standard textbook analysis suggests that new drugs to be launched in as many countries as possible. However, in our study, we find that not all new drugs are introduced to every part of the globe; although many health problems could be prevented, cured, or managed effectively through the use of those novel drugs. We have found that there are certain trends to new drug launches. With data from IMS New Product Focus, we are able to track historical pharmaceutical launches of all drugs for most countries that have major pharmaceutical markets. We also analyzed the speed of drug companies to market (launch) their new drugs in different countries. New drugs are launched sooner in the advanced countries than developing and underdeveloped countries. However the difference is getting smaller. We run basic regressions to study the influences of different factors on the launch speeds for different countries. Our analysis indicate that new drugs are launched sooner in the countries where income, population and property rights protection levels are higher, and we come across the significant role of patent laws for drugs innovation in diffusion and trends of pharmaceutical drug launches.

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