

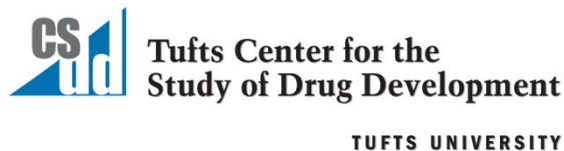
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# Tufts Center for the Study of Drug Development

## *Briefing*

# Cost of Developing a New

November 18, 2014



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# Innovation in the Pharmaceutical Industry: New Estimates of R&D Co

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Study of Drug Development**

**TUFTS UNIVERSITY**

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# Agenda

- “ **Main Finding**
- “ **Data and Methods**
- “ **Clinical approval rates, phase transition rates, and out-of-pocket costs per approved compound**
- “ **Development times, the discount rate, and capitalization per approved compound**
- “ **Post-approval cost estimates**
- “ **R&D cost growth rates**
- “ **Cost drivers**

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## Main Finding:

The estimated average pre-tax industry cost per new prescription drug approval (inclusive of failure and capital costs) is:

**\$2,558 million**

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