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## The Reasons Of Continuous Growth Of Pharma Industry

It is widely known that the idea of the Pharmaceutical Industry strives on curing and preventing life-threatening diseases. With the epidemic rises of diseases such as AIDS, the pharma companies have absolutely skyrocketed off the fact that their medication is in such a high demand. Many Southern African countries are affected tremendously leaving the population infected with little to no means of obtaining the correct medication.

The country of Botswana has almost 36% of their adult population infected with AIDS (Trott, 2005, pg170). With minimal thought most people who assume that the pharma industry profits are coming in morally, by providing medication to sick people around the world. When in reality the whole industry is a hungry viscous money grab looking to set prices as high as possible to entail the highest of returns. With the industry being under the light in recent years several consumers are becoming a skeptic of their business methods and morals. The statement that the only reason these companies justify such high profits is that drugs are essential to life is 99% false. Yes, there is that one percent that proves that these drugs being created are essential for particular peoples further health, but in reality, it's a business looking to make the highest return on investment.

The pharma industry is able to justify their profits by being in a benefited situation from the patent system. They maintain a 20-year monopolistic industry for the specific drug on the market. Within these years the company will drive and generate sales and profits, with no competition in the way due to them owning full rights to sell and produce (Trott, 2005, pg170). Unlike other industries such as the bread and milk companies where their products are not patent product leaving them vulnerable to harsh competition and lower overall market share. With the pharma companies having complete control over the product they can virtually set the price where they want in order to maximize profits. These companies are almost run as a gang in that if a government forces change their response will utter something along the lines of losing billions of dollars that go into R&D to prevent and cure diseases such as Cancer and Heart Disease (Trott, 2005, pg171). When a government hears that they are almost always inclined to leave the situation alone and to not further discuss the issue at hand. Being as the Pharma industry is extremely powerful and is set to reach a net worth of 1. 12 Trillion in 2020 it has a lot of force and power behind it when it comes to influencing key decision makers in the government (Pharma, 2016, pg1). With that being said with the fear of losing the Pharma company and its business the government will complete favors for the company to ensure their long lasting presence.

The level of corruption is increasing among the industry and it is starting with the ratio of scientists to a salesman. If you are claiming all of your profits are being used for research and development and the innovation of further medications, why do you have a 4 to 1 ratio from sales to a scientist? This fact proves that many Pharma companies are ramping up sales rather than innovation and design of new medication. As of right now, the industry will continue to grow within the next century due to the increase in diseases and the number of people being diagnosed with life-threatening illnesses. To sum it all up so far the main reasons as to why the Pharma companies are generating such high profits is not due to the fact that drugs are essential to life but in fact, has to do with government involvement, and patents protecting

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competition. Aside from the two main causes of their high profits, the industry has tried to justify their drug prices, but once again was heavily flawed in that their financial records did not coincide with the data present. In order to justify their high profits, they were caught exaggerating budgeting costs for research and implementation of a new drug.

According to the Tufts Center for the Study of Drug Development, they averaged that it cost 2.6 billion for medical trials, research and product launch (KHN, 2017, pg2). As suspicion grew an independent study surfaced stating that on average it would only cost 1.7 billion to unveil a new pharma drug (KHN, 2017, pg2). With this evidence present, it once again proves that their justification behind high profits is being falsely accounted for. Aside from the industry tampering with financial records, the issue surrounding lower drug costs has a whole other set of wrong justifications.

In the process as to how expensive the drugs are for people in developing countries it is based around the idea that these large corporations do not want to hurt or interfere with the funds being sent back to Europe and the U. S. (Trott, 2005, pg172) The argument surrounding the idea that the reason behind the pharma industries large profits has to do with the concept that drugs are essential to life is in fact false. Due to prioritized benefits with patents being almost untouchable for 20 years along with an influence in government decisions. In conclusion, the pharma industry is in no sign of slowing down anytime soon, with its increasing shift towards heavy marketing and sales the industry continues to grow year after year