



Life Sciences

MARKET INSIGHTS

Q1 | 2024

Overall Global Metrics through February 2024:



Market Size

The global life sciences market was valued at \$824.3 billion in 2023 and is expected to reach \$1,070.5 billion by 2028, with a CAGR of 5.5%. (Source: Grand View Research)

Revenue Growth

Pharmaceutical sales are expected to grow by 3.8% in 2024, reaching \$1.3 trillion. (Source: IQVIA)

R&D investment

Global R&D spending in the life sciences industry is expected to reach \$372 billion in 2024, with oncology taking the largest share. (Source: Pharmaceutical Research & Manufacturers of America)

Overall Life Sciences Outlook

While 2023 presented its challenges, Q1 2024 seems to hold promise. Factors like positive economic indicators, increased investment, and a strong drug development pipeline suggest potential growth.



Technological disruption: AI, machine learning, and other innovations continue to revolutionize the industry, impacting drug discovery, clinical trials, and personalized medicine. Expect significant investments in these areas.

Shifting priorities: Growing healthcare costs drive a focus on preventive care and personalized solutions. Technologies like gene editing for genetic diseases and products promoting longevity are likely to gain traction.

Talent war: As the industry thrives, demand for skilled professionals (e.g., data scientists, bioinformaticians) is expected to rise. Talent acquisition and retention strategies will be crucial.

KEY AREAS TO WATCH



Sustainability

- Sustainable practices in research, development, and manufacturing are gaining importance. Companies embracing sustainability could gain a competitive edge.



Geopolitical Climate

- Monitor potential disruptions in supply chains, talent movements, and research collaborations due to geopolitical tensions.



Investments

- Look for increased M&A activity, particularly as large pharma seeks innovative technologies and therapies. Biotech firms with promising pipelines could attract significant funding.



Regulatory Landscape

- Stay updated on evolving regulations surrounding gene editing, data privacy, and clinical trials. Navigating these complexities will be critical for success.



2024 CHALLENGES IN THE GLOBAL LIFE SCIENCES INDUSTRY

- **Talent acquisition and retention**
- **Regulatory complexities**
- **Supply chain disruptions**
- **Drug pricing pressures**
- **Data security and privacy**
- **Ethical considerations**

How to Overcome 2024 Industry Challenges



Life Sciences companies need to be flexible, innovative, and collaborative.

Here are some potential strategies:

- Investing in talent development and upskilling programs to bridge the skills gap.
- Proactively engaging with regulatory bodies to advocate for efficient and harmonized regulations.
- Diversifying supply chains and building partnerships to mitigate disruptions.
- Employing data analytics and AI to optimize efficiency and reduce costs.
- Prioritizing ethical considerations and transparency in research and development practices.

Metrics for the Life Sciences Industry in Q1 2024

Venture capital investment: Venture capital investment in the life sciences industry reached \$32.5 billion in Q1 2024, indicating a potential rebound from 2023.

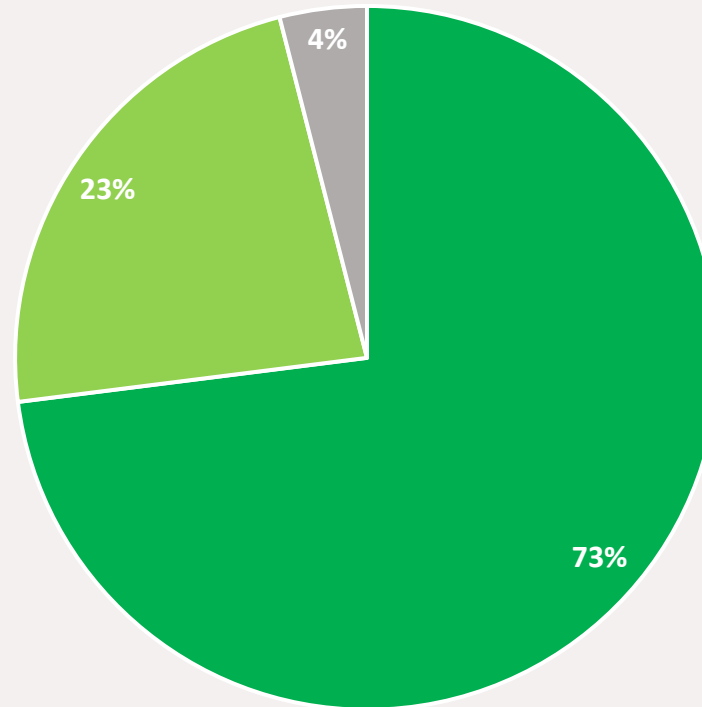
M&A activity: M&A deals in the life sciences industry are expected to increase in 2024, particularly for companies with innovative pipelines and strong financials.

- **Biotechnology:** The global biotechnology market is expected to reach \$583.3 billion by 2028, with a CAGR of 8.3%. (Source: Research and Markets)
- **Medical devices:** The global medical devices market is expected to reach \$550.1 billion by 2028, with a CAGR of 5.2%. (Source: Fortune Business Insights)
- **Diagnostics:** The global diagnostics market is expected to reach \$205.9 billion by 2028, with a CAGR of 6.5%. (Source: Allied Market Research)

INSIGHTS ON TECHNOLOGY

- **AI adoption:** Over 40% of life sciences companies are expected to adopt AI technologies within the next 3 years. (Source: Accenture)
- **Digital therapeutics market:** The digital therapeutics market is expected to reach \$18.6 billion by 2027, with a CAGR of 32.7%. (Source: Research and Markets)

Hybrid Remains the Standard – But Return to Work Gains Traction



■ Hybrid ■ Remote ■ In-Office

“We are 4 days a week in office and have been now for close to 18 months. I think we are generally more rigid than many of our peers and it does make recruitment challenging at times.” — Vice President, Marketing at a Biotech

“As a whole, more people are coming into the office 2-3 days a week, which is more than the previous year. This is centered around large meetings that are planned and there is a general reluctance to come into the office more than 3 days a week.” — VP, Commercial

What life sciences industry employers need to know

REBUILDING TALENT BRANDS IN THE WAKE OF LAYOFFS

- While these layoffs have been unavoidable for many organizations trying to stay afloat, it is important for life sciences leaders to be aware of the long-term effects layoffs can have on their organizations, particularly when it comes to their talent brands. Layoffs can lead to the perception of instability, which can make it more difficult to convince candidates that joining the organization is a safe decision to make.
- In 2024, it will be more important than ever that life sciences leaders understand the perceptions created amid downsizing and ensure they get out in front of the narrative to explain the reasons behind it and the path forward. They also must ensure they communicate this internally to their employees in an authentic manner if they wish for them to remain committed and engaged.