



Figure 1. In 2017, total R&D costs of an NME are 2.5 bln USD, consisting of out-of-pocket success costs, out-of-pocket failure costs and costs of capital.



- 1 In this study, we refer to NMEs as both new small molecular entities (SMEs) and new biologics.
- 2 R&D of an NME takes place over a long period of time (i.e. 10-15 years). In the study, we use the average year of research as a proxy for the period of R&D (e.g. when R&D took place between 2000-2014, the average year of research is 2007).