

Improving Pharmaceutical Product Development and Manufacturing: Impact on Cost of Drug Development and Cost of Goods Sold of Pharmaceuticals

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Abstract It is not commonly understood that one of the largest components of the overall cost of bringing a new drug to the market is the cost of product development. Cost of product development can account for as much as 30% to 35% of the total cost of bringing a new drug to the market. Quality of product development also affects time to market and the quality of manufacturing and therefore cost of manufacturing. Investment in basic research in the science of product development and manufacturing will pay for itself through savings achievable in the cost of new drug development and in the cost of goods sold (COGS) of pharmaceutical products. In order for us to arrive at good estimates of the saving potential, one first needs to have credible estimates of the cost of new drug development and the overall COGS for pharmaceutical products.

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