Growth Of U.S. And European Psychotropic Drug Market Fueled By New Advances In Science

Changes In Health Care Also A Factor In U.S.

January 1997/New York, NY — Both U.S. and European markets for psychotropic drugs — pharmaceuticals used to treat a variety of mental disorders — are thriving, according to The U.S. and European Markets for Psychotropic Drugs, a timely new report from the New York City-based consulting and research firm FIND/SVP.

Growth in the U.S. was exceptional, with sales reaching an estimated $7.6 billion in 1996, up from $6.6 billion in 1995. Double-digit growth is expected to continue through the year 2000. The European market reached $2.94 billion in 1995, up from $2.77 in 1994.

FIND/SVP attributes the boom to recent discoveries in molecular biology and genetics which have led to the understanding that most — if not all — mental disorders stem from abnormal brain chemistry. Mental health professionals rely increasingly on psychotropic drugs in treatment of major — and minor — mental disorders.

U.S. And Europe Define Segments Differently

In the U.S., the market is divided into six segments: antianxiety agents; antidepressants; antimanic agents; antipsychotic medications; attention deficit/hyperactivity disorder treatments; substance-related treatments.

Pharmaceuticals within these segments are used in treating a variety of mental disorders from anorexia to phobias to schizophrenia. In the U.S., antidepressant agents are the largest of the six segments, accounting for over half of market share.

In Europe, the market is divided into three segments: antianxiety agents, antidepressants, and antipsychotic drugs. The largest European segment is antianxiety agents, with 43% of the market.

— more —

625 Avenue of the Americas, New York, NY 10011 (212) 645-4500
Managed Care A Factor In Shaping U.S. Market

The study notes that due to changes in healthcare in the U.S., the number of people hospitalized in mental institutions has decreased by as much as 85% from the 1960’s. It is estimated that the cost of institutional care for a patient suffering from schizophrenia, one of the most debilitating of mental disorders, exceeds $73,000 per year. The most expensive pharmacotherapy for schizophrenia, Sandoz’s Clozaril, costs approximately $10,000 annually.

Managed healthcare, with its demand for use of generic drugs whenever possible, is also responsible for the significantly increased sales of generics, which make up 10% to 48% of market share in varying segments.

Antidepressant Segment Revolutionized

The use of antidepressants was dramatically expanded in 1988 with the introduction of Prozac from Eli Lilly. While most antidepressants are effective in treating depression, they vary tremendously in their side-effect profiles. Prozac, the first selective serotonin reuptake inhibitor (SSRI) introduced in the U.S., is remarkable for its paucity of addictive and sedating side-effects.

Today, SSRI’s dominate the antidepressant arena, with Eli Lilly alone holding 39% of that market. Tricyclics, such as Zeneca’s Elavil, once the antidepressant of choice, now represent a small portion of the market.

Drugs Are Often Indicated For Several Disorders

As newer and more effective drugs are developed, there is increased U.S. market approval for multiple indications. For example, SSRIs are not only used to treat depression, but also obsessive compulsive disorder (OCD), bulimia nervosa, and panic disorder. A number of antianxiety agents are in Phase II and Phase III clinical trials for treatment of alcohol withdrawal, major depression and psychotic disorders.

Many Disorders Go Untreated

The report repeatedly notes that while psychotropic drugs are used increasingly for many mental disorders, large numbers of those who suffer still go untreated. In the U.S., 16% of the population experience anxiety disorders, but only half of those who suffer seek treatment.

In more severe mental disorders, such as schizophrenia, over 30% of those afflicted with the illness do not respond to available treatments at all, and more than 50% stop taking antipsychotic medications due the serious side-effects.

The 210+ page report, The U.S. and European Markets for Psychotropic Drugs, is priced at $2,750 and is available from FIND/SVP, 625 Avenue of the Americas, New York, NY 10011. To order, call 1-800-346-3787. Visit our Web site to see the table of contents for this report and thousands of others:
http://www.findsvp.com/

###

Note to Editors: An executive summary of the report is available to the press. To receive it, or learn more, contact Scott Dempster of FIND/SVP at (212) 807-2637.

Founded in 1969, FIND/SVP, Inc. is a worldwide research, advisory, and business intelligence firm. A publicly held company (NASDAQ:FSVP), FIND/SVP operates six integrated service divisions: the Quick Consulting & Research Service, the Strategic Research Division, the Customer Satisfaction Strategies Division, the Emerging Technologies Research Group, Knowledge Management Assistance, and FIND/SVP Research Publications.