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Sector_Analyses

September 2025 _ No. 124 _ Year 14 ISSN 3043-7873

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of economics,
zagreb

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 Funded by
the European Union
NextGenerationEU

_Pharmaceutical Industry

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This publication was made as part of the "Popularization of Science through the Sector Analyses Publication" activity at the Institute of Economics, Zagreb and co-funded within the **National Recovery and Resilience Plan 2021—2026 — NextGenerationEU**.

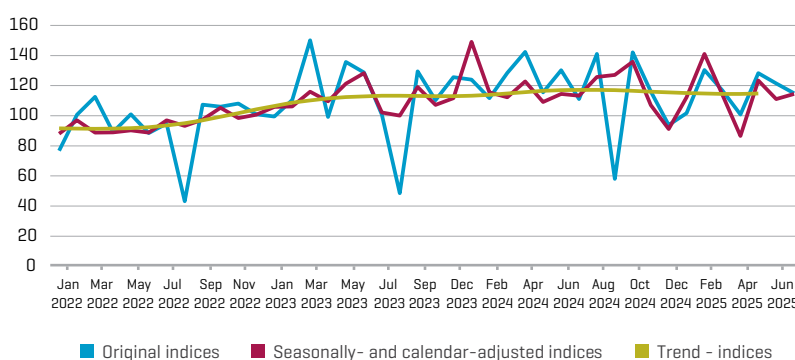
Main sector indicators

“ In June of this year, the production volume of pharmaceutical products and preparations increased by 1 percent year-on-year.

According to data from the Croatian Bureau of Statistics [CBS] for June 2025, the manufacture of pharmaceutical products and preparations accounted for 6.34 percent of total industrial production in Croatia. Data from the same source indicate an annual decline in the production volume of pharmaceutical products and preparations in the first six months of this year by 1 percent compared to the same period in 2024. In January 2025, there was a significant increase of 22.8 percent in the volume of industrial production of pharmaceutical products and preparations compared to the same month in 2024. However, in March of this year, the volume of industrial production of pharmaceutical products and preparations was almost 30 percent lower compared to March 2024. In June of this year, the production volume of pharmaceutical products and preparations increased by 1 percent year-on-year. In June, according to the original volume indices of industrial production, the manufacture of pharmaceutical products and preparations decreased by 1 percent compared to the 2024 average.

Figure 1
Manufacture of basic pharmaceutical products and pharmaceutical preparations [2021 = 100]

Source: Croatian Bureau of Statistics.



Monthly rates of change calculated from seasonally- and calendar-adjusted indices for June 2025 indicate an increase in the manufacture of pharmaceutical products and pharmaceutical preparations of 3.1 percent compared to the previous month. Apart from June, the volume of production in the pharmaceutical industry increased on a monthly basis in January and April of this year. In April, the increase in volume amounted to 42.8 percent compared to March. On the other hand, on a monthly basis,

LAST YEAR, AN AVERAGE OF 6,154 PERSONS WERE EMPLOYED IN THE MANUFACTURE OF PHARMACEUTICAL PRODUCTS AND PHARMACEUTICAL PREPARATIONS.

the volume of production of pharmaceutical products and preparations recorded a decline in February [-19.2 percent], March [-24.1 percent], and May [-10 percent] of this year.

“In June of this year, manufacturers’ stocks of finished pharmaceutical products accounted for 13.5 percent of total manufacturers’ stocks of finished products.

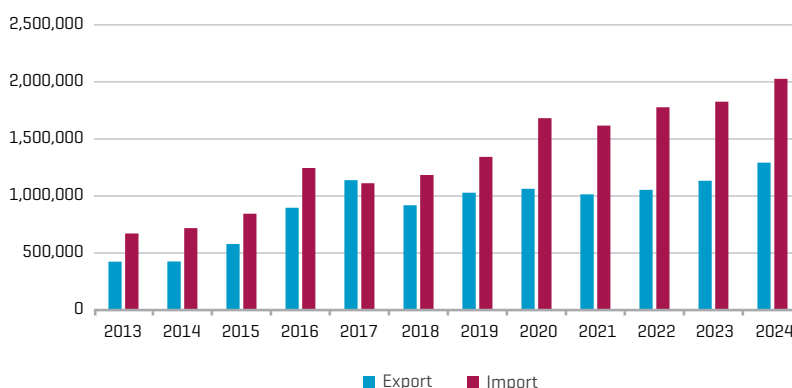
In June of this year, manufacturers’ stocks of finished pharmaceutical products accounted for 13.5 percent of total manufacturers’ stocks of finished products. Compared to the same month in 2024, the stocks increased by 27.3 percent. In June 2025, the stocks of pharmaceutical products and preparations decreased by 2.4 percent compared to May 2025. In June of this year, the stocks of finished pharmaceutical products increased by 21.2 percent compared to the average of 2024.

“Employment in the pharmaceutical industry continued to increase compared to the average of 2024.

According to preliminary data from the CBS, employment in the pharmaceutical industry continued to increase this year compared to the average of 2024. Last year, an average of 6,154 persons were employed in the manufacture of pharmaceutical products and pharmaceutical preparations. Compared to the average number of persons employed in this industry in 2023, the number of persons employed increased by 3.2 percent. Data for July of this year indicate 6,239 persons employed. Compared to the previous month, the number of persons employed in this industry decreased by 0.3 percent but increased by 0.9 percent year-on-year. Labor productivity data for December 2024 indicate a decline of 19.7 percent compared to the same month in 2023.

Figure 2
Foreign trade, manufacture of basic pharmaceutical products and pharmaceutical preparations from 2013 to 2024, in thousands of euros

Source: Croatian Bureau of Statistics.



IN 2024, THE AVERAGE MONTHLY GROSS WAGE OF PERSONS EMPLOYED IN THE MANUFACTURE OF PHARMACEUTICAL PRODUCTS AND PHARMACEUTICAL PREPARATIONS WAS 2,613 EUROS.

In 2024, the average monthly gross wage of persons employed in the manufacture of pharmaceutical products and pharmaceutical preparations was 2,613 euros. The average gross wage of persons employed in this industry increased by 10.3 percent year-on-year. In the first six months, the average monthly gross wage in the pharmaceutical industry amounted to 3,122 euros, which is an increase of 13.7 percent compared to the same period a year earlier.

“In 2024, pharmaceutical products and preparations worth 2.0 billion euros were imported from abroad.

In 2024, pharmaceutical products and preparations worth 2.0 billion euros were imported from abroad, which is an increase of 11 percent compared to 2023. In 2024, the value of exports of pharmaceutical products and preparations was 1.3 billion euros, which is an increase of 13.9 percent year-on-year. Last year, therefore, the growth trend in the value of both imports and exports of pharmaceutical products continued. The value of imports of pharmaceutical products and preparations continued to significantly exceed the value of exports (Figure 2). In 2024, the export-import coverage ratio of pharmaceutical products was 63.7 percent.

The provisional data from the Croatian Bureau of Statistics for the first five months of this year indicate that slightly fewer pharmaceutical products and preparations were exported in the said period compared to the same period in 2024. In the first five months of this year, the value of exports of pharmaceutical products amounted to 517.6 million euros, which is a decrease of 0.4 percent year-on-year. During the same period, pharmaceutical products worth 895.9 million euros were imported. In the first five months of this year, the value of imports of pharmaceutical products and preparations increased by 4.2 percent compared to the same period in 2024. In the first five months of this year, imports of pharmaceutical products increased and exceeded the value of exports, which, at the same time, recorded a decline compared to the previous year.

“Compared to July 2024, producer prices of pharmaceutical products and preparations in the same month of this year were 3.4 percent higher.

Producer price indices on the domestic, non-domestic, and total markets in July of this year indicate an increase in producer prices of pharmaceutical products and preparations compared to the same month in 2024. During the month in question, producer prices of pharmaceutical industry products increased slightly more in the non-domestic market. Compared to July 2024, non-domestic market producer prices of pharmaceutical products and preparations were 3.4 percent higher in the same month of this year.

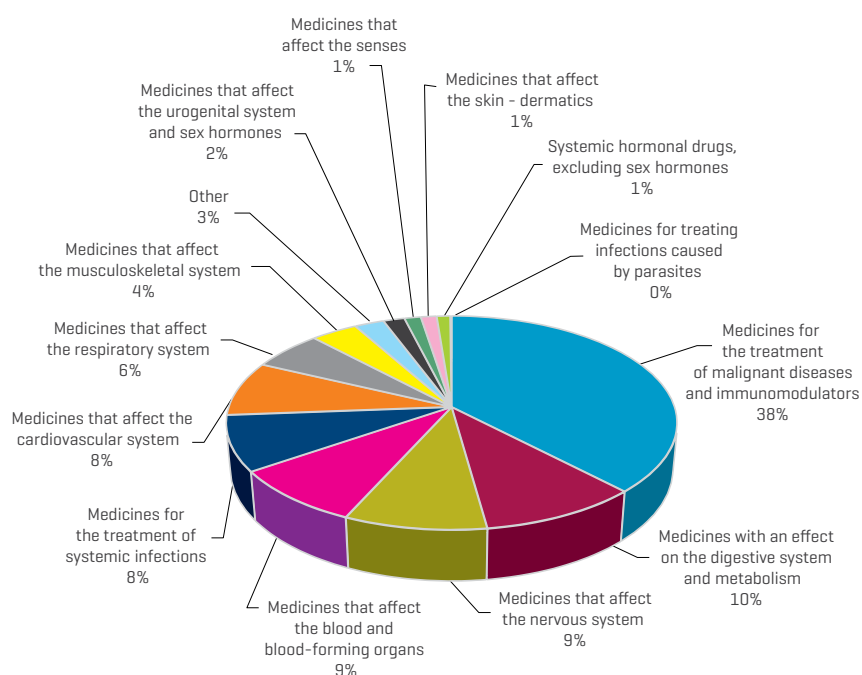
IN 2024, THE EXPORT-IMPORT COVERAGE RATIO OF PHARMACEUTICAL PRODUCTS WAS 63.7 PERCENT.

During the same period, producer prices of pharmaceutical products on the domestic market increased by 2.8 percent. In July of this year, prices on the total market increased by 3.2 percent compared to July 2024.

The increase in prices of pharmaceutical industry products in July 2025 is even more significant compared to producer prices in this industry in 2021. Producer prices of pharmaceutical products and preparations in July of this year were higher by 8.3 percent compared to 2021. The producer price index of pharmaceutical products and preparations on the non-domestic market indicates a price increase of 17.6 percent in July of this year compared to 2021. In July of this year, producer prices of pharmaceutical products and preparations on the total market were 11.4 percent higher compared to 2021.

Figure 3
The share of the main groups of medicines in total medicine consumption in the Republic of Croatia in 2023

Source: Agency for Medicinal Products and Medical Devices (HALMED).



IN 2024, CONSUMER PRICES OF PHARMACEUTICAL PRODUCTS INCREASED BY 2.4 PERCENT COMPARED TO 2023.

In 2024, consumer prices of pharmaceutical products also increased compared to 2023, by 2.4 percent. In July of this year, consumer prices of pharmaceutical products increased by 4.9 percent year-on-year. Compared to June 2025, the consumer prices of pharmaceutical products were 0.1 percent higher. The increase in consumer prices of pharmaceutical products in July of this year, compared to prices in 2015, was 14.9 percent.

“According to a report by the Agency for Medicinal Products and Medical Devices (HALMED), in 2023, a total of 1,554,635,277 euros was spent on medicines in Croatia.

According to a report by the Agency for Medicinal Products and Medical Devices (HALMED), in 2023, a total of 1,554.6 million euros was spent on medicines in Croatia. The largest share in the total value of medicine consumption in that year came from medicines for the treatment of malignant diseases and immunomodulators, for which 588.1 million euros were spent, which is 38 percent of total medicine consumption in financial terms. They are followed by medicines that affect the digestive system and metabolism, for which 155.2 million euros were spent in 2023, accounting for 10 percent of total medicine consumption in 2023. The share of the main groups of medicines in total medicine consumption in the Republic of Croatia in 2023 is shown in Figure 3.

HALMED data on medicine consumption in 2024 are currently not available. However, from the report on the operations of the Croatian Health Insurance Fund (HZZO), it can be concluded that the value of medicine consumption in Croatia increased in 2024. The Croatian Health Insurance Fund reported that 10 percent more funds were charged to mandatory health insurance funds for prescription drugs issued in pharmacies in 2024 compared to 2023. More precisely, the amount in question is 737.5 million euros. This is certainly related to the increase in medicine prices, but also to the increase in the number of prescriptions issued. In 2024, according to the HZZO business report, there were 3.7 percent more prescriptions compared to 2023. In 2024, the Croatian Health Insurance Fund also paid a total of 406.4 million euros for particularly expensive medicines, i.e., 5.9 percent more compared to 2023.

Pharmaceutical industry in Europe

— Last year, the growth trend in the production volume of pharmaceutical products and preparations continued at the level of the 27 member states of the European Union. Compared to the production volume in 2021, the manufacture of pharmaceutical products and preparations increased by 31.7 percent in 2024. Eurostat data show that, in the aforementioned period, the production volume of basic pharmaceutical products at the European Union level increased by as much as 95.1 percent. In 2024, the production volume of pharmaceutical preparations in the EU was 21.6 percent higher compared to 2021.

“ Last year, total turnover in the manufacture of pharmaceutical products and preparations at the EU level increased by 38.9 percent compared to 2021.

Last year, total turnover in the manufacture of pharmaceutical products and preparations at the European Union level increased by 38.9 percent compared to 2021. Last year, this sector's domestic market turnover in the EU was 38.8 percent higher compared to 2021. In 2024, at the European Union level, turnover on the non-domestic market in the manufacture of pharmaceutical products and preparations increased by 45.7 percent compared to the base year of 2021.

“ In the European Union, the trend of increasing the number of persons employed in the manufacture of pharmaceutical products and preparations continued last year.

Last year, the trend of increasing producer prices continued in the pharmaceutical industry at the EU level. In 2024, producer prices of pharmaceutical products and preparations in the total market were 6.2 percent higher compared to 2021. Last year, producer prices of pharmaceutical products and preparations on the domestic market in the European Union were 8.3 percent higher compared to 2021. As for producer prices of pharmaceutical products and preparations on the non-domestic market, they were 5.3 percent higher last year compared to the base year of 2021.

In the European Union, the trend of increasing the number of persons employed in the manufacture of pharmaceutical products and preparations continued last year. Compared to 2023, 3.4 percent more employees were employed in this sector in the EU. Compared to the number of persons employed in this industry in 2021, there was an increase of 12.2 percent

THE TREND OF INCREASING PRODUCER PRICES CONTINUED IN THE PHARMACEUTICAL INDUSTRY AT THE EU LEVEL LAST YEAR.

last year. At the same time, gross wages of persons employed in the manufacture of pharmaceutical products and preparations in the EU increased as well. More precisely, in 2024, they increased by 6.8 percent year-on-year and by as much as 25.5 percent compared to 2021. Last year, the number of working hours for persons employed in the manufacture of pharmaceutical products and preparations increased as well. At the European Union level, they worked 3.2 percent more compared to 2023. Compared to the number of hours worked per person employed in 2021, the increase in 2024 was 11.9 percent.

This year, the European Federation of Pharmaceutical Industries and Associations [EFPIA] published data on the pharmaceutical industry in Europe [which includes EU countries, Norway, Switzerland, Great Britain, Serbia, Turkey, and Russia] for 2023 and estimates for 2024. Table 1 shows selected sector indicators.

EFPIA estimates that, last year, the volume of production in the pharmaceutical industry in Europe increased by 8.5 percent compared to 2023, reaching 440 billion euros. It also estimates that, in 2024, the value of the pharmaceutical market at ex factory prices amounted to 274.5 billion euros, i.e., that it increased by 7.5 percent year-on-year. In Europe, in 2024, payments for medicines from the national healthcare system as part of outpatient care were 7.1 percent higher compared to 2023. Their value is estimated at 185 billion euros.

EFPIA estimates for other sector indicators of the pharmaceutical industry in Europe also indicate increases compared to 2023. It is estimated that, in 2024, the exports of pharmaceutical products and preparations increased by 6.6 percent, and imports by 3.6 percent compared to 2023. Last year, the value of pharmaceutical exports amounted to 705 billion euros. At the same time, pharmaceutical products worth 485 billion euros were imported. In 2023 and 2024, the value of exported pharmaceutical products in Europe was greater than the value of imports, i.e., the foreign trade balance was positive. It is estimated that the foreign trade surplus at the European level increased by 13.7 percent year-on-year last year.

IN 2023, THE LEADING EUROPEAN PHARMACEUTICAL COMPANY IN TERMS OF INVESTMENTS IN RESEARCH AND DEVELOPMENT WAS SANOFI.

Table 1
Selected indicators of the pharmaceutical industry in Europe in 2023 and 2024

Notes: * Data for imports and exports include trade between EU-27 countries. ** Data for 2024 are estimated.

Source: EFPIA [2025].

	2023	2024**	Index 2024/2023
Manufacture (in millions of euros)	405,701	440,000	108.5
Exports (in millions of euros)*	661,559	705,000	106.6
Imports (in millions of euros)*	468,032	485,000	103.6
Foreign trade balance (in millions of euros)	193,527	220,000	113.7
Expenditures for research and development (in millions of euros)	52,373	55,000	105.0
Number of persons employed	940,555	950,000	101.0
Persons employed in research and development	123,535	130,000	105.2
Total value of the pharmaceutical market at factory prices (in millions of euros)	274,545	295,000	107.5
Payments for medicines from the national health care system (outpatient care) (in millions of euros)	172,689	185,000	107.1

It is estimated that in 2024, 950,000 employees worked in this sector in Europe, of which 130,000 worked in research and development. The number of persons employed increased by 1 percent year-on-year. As for the number of persons employed in research and development, its increase is estimated at 5.2 percent. In 2023, the pharmaceutical industry's investment in research and development in Europe reached 52.5 billion euros. This amount is expected to be 5 percent higher in 2024, meaning that total pharmaceutical industry research and development expenditure in Europe amounted to 55 billion euros. In terms of the pharmaceutical industry's R&D investments in 2023, the leading country was Great Britain, where investments in research and development amounted to 10.2 billion euros that year.

According to data from the European Commission, shown in Table 2, the leading European pharmaceutical company in terms of investments in research and development in 2023 was Sanofi. Thanks to a modest 0.3 percent increase in investment in research and development compared to 2022, this company retained its first place. In 2023, Sanofi invested a total of 6,728.0 million euros in research and development. The intensity of investment in research and development [ratio of investment in research and development in relation to net sales] was 15.6 percent, the same as in 2022.

Boehringer Sohn came in second in the ranking of leading pharmaceutical companies in terms of investment in research and development in 2023. Its investments in research and development amounted to EUR 5,766.0 million, which is an increase of 14.2 percent compared to 2022. It is followed by Bayer, which invested 5,461.0 million euros in research and development in 2023. On a year-on-year basis, the company's investment in research and development decreased by 17.6 percent, which is also the largest year-on-year decrease in investment in research and development among the ten leading companies in this sector in Europe in 2023. Along with Merck DE, it is the only pharmaceutical company among the top ten investors in research and development that invested less in this activity in 2023 compared to 2022.

In 2023, the largest increase in investment in research and development in this sector in Europe was seen by Jazz Pharmaceuticals and Genmab, which increased their investment in research and development year-on-year by 46.5 and 46.2 percent, respectively. In 2023, Jazz Pharmaceuticals invested 773.8 million euros in research and development, which represents 22.2 percent of the company's net sales. Genmab's investment in research and development in the mentioned year amounted to 858.3 million euros, i.e., 38.8 percent of net sales.

In 2023, BioNTech had the highest intensity of investment in research and development among the ten leading European pharmaceutical companies. In that year, BioNTech invested 46.6 percent of its net sales in research and development, i.e., 1,779.6 million euros, which is an increase of 29.7 percent compared to 2022.

“In 2023, BioNTech had the highest intensity of investment in research and development among the ten leading European pharmaceutical companies.

Table 2
Ten leading pharmaceutical companies in Europe by investments in research and development in 2023

Source: European Commission [2024].

	Expenditures for research and development [in millions of euros]	Year-on-year change [%]	Intensity [%]
Sanofi	6,728.0	0.3	15.6
Boehringer Sohn	5,766.0	14.2	22.5
Bayer	5,461.0	-17.6	11.5
Novo Nordisk	3,941.2	35.0	12.6
Merck DE	2,438.0	-0.4	11.6
BioNTech	1,779.6	29.7	46.6
UCB	1,543.0	2.0	31.7
Servier	866.0	11.0	16.3
Genmab	858.3	46.2	38.8
Jazz Pharmaceuticals	773.8	46.5	22.2

The world's largest manufacturers

— In 2024, the best-selling medicine in the world was Keytruda, a medicine for the treatment of oncological diseases manufactured by Merck. Last year, the total sales of this medicine amounted to USD 29.5 billion, representing a 17.9 percent increase compared to 2023. By far the leading medicine in terms of total sales value during the pandemic and one of the top-selling medicines in the first years after the pandemic, the Comirnaty vaccine, recorded a decline in total sales value last year compared to 2023, of almost 50 percent. However, it was still one of the twenty best-selling drugs in the world in 2024, with a total sales value of USD 7.8 billion. Incidentally, Pfizer, which also produces the Comirnaty vaccine, achieved an exceptional 346.9 percent increase in sales of its antiviral drug for the treatment of infectious diseases, Paxlovid, last year. Last year, its total sales brought Pfizer USD 5.7 billion.

As announced in previous years, last year saw an increase in sales of medicines for the treatment of metabolic diseases, used to treat diabetes and achieve weight loss. The best-selling among them is Ozempic, the third best-selling medicine in the world last year. Novo Nordisk generated revenue of USD 17.5 billion from its sales, representing a 25.8 percent increase compared to 2023. The largest increase in sales in this group of medicines, of 123.5 percent, was achieved by Mounjaro from Eli Lilly. Last year, the value of its sales amounted to USD 11.5 billion. In 2024, Wegovy, also a GLP-1 medicine, recorded USD 8.4 billion in sales. Compared to a year earlier, its sales increased by 85.7 percent.

“According to estimates from the Evaluate World Preview 2025 report, GLP-1 [glucagon-like peptide-1] medicines will become the leading medicine category in terms of sales in the world by 2030, and the leading five medicines will be from this category.

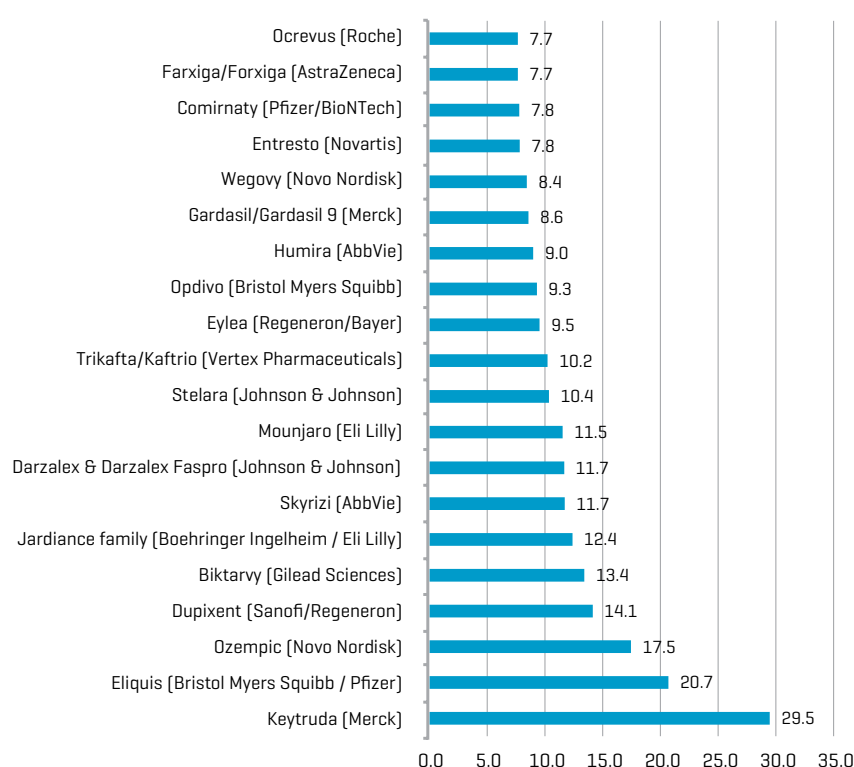
According to the estimates from the Evaluate World Preview 2025 report [2025], GLP-1 [glucagon-like peptide-1] medicines will become the leading medicine category in terms of sales worldwide by 2030, and the leading five medicines will be from this category. It is estimated that medicines produced by Eli Lilly will dominate. It is estimated that the sales figures of their medicine Mounjaro will reach USD 36.2 billion in 2030, while the sales figures of Zepbound will reach USD 25.5 billion. Due to the slow response to market demand, Novo Nordisk lost the advantages it had as the first to enter this market. Therefore, EvaluatePharma estimates that

LAST YEAR SAW AN INCREASE IN SALES OF MEDICINES FOR THE TREATMENT OF METABOLIC DISEASES, USED TO TREAT DIABETES AND WEIGHT LOSS.

the sales figures of their drug Ozempic will amount to USD 24.4 billion in 2030, while the sales figures of Wegovy will reach USD 18.1 billion. The World Health Organization's announcement that it will recommend GLP-1 medicines for the treatment of obesity in adults [Hina, 2025] could certainly contribute to this.

Figure 4
The twenty best-selling medicines in the world in 2024 and their manufacturers, in billions of USD

Source: Drug Discovery and Development (2025).



Last year, Humira experienced a significant decrease in sales, which was a result of patent expiration and the emergence of biosimilar medicines. It is still one of the 20 best-selling medicines in the world. Last year, the total value of its sales was USD 9 billion, but it decreased by 37.6 percent year-on-year. AbbVie offset this decline in sales by increasing the sales of its medicine Skyrizi, which increased by 50 percent to USD 11.7 billion, making it the seventh best-selling drug in the world in 2024. As for the world's leading companies by prescription drug sales in 2024, Johnson & Johnson maintained its leading position, with prescription drug sales revenue of USD 55.8 billion [Table 3]. AbbVie was in second place, generating a revenue of USD 54.5 billion from the sale of prescription drugs in 2024. The company's best-selling prescription drugs are the aforementioned Skyrizi and Humira, followed by Rinvoq.

Table 3
The top ten companies in the prescription drug market by sales and their investment in research and development in 2024, in billions of USD

Source: EvaluatePharma (2025), according to Christel (2025).

	Sales	R&D investment	R&D as a % of revenue from sales of prescription drugs
Johnson & Johnson	55.745	17.034	30.6
AbbVie	54.484	8.056	14.8
Merck & Co.	54.314	17.865	32.9
Roche	52.457	14.818	28.2
Pfizer	51.953	10.822	20.8
AstraZeneca	50.946	12.211	24.0
Novartis	50.191	9.302	18.5
Bristol Myers Squibb	47.821	9.782	20.5
Sanofi	44.243	8.000	18.1
Novo Nordisk	42.122	6.971	16.5

Last year, Merck & Co. generated a significant portion of its total USD 54.3 billion in prescription drug sales revenue from the sales of the oncology drug Keytruda. Specifically, this medicine generated 54.3 percent of the company's total prescription drug sales revenue last year. The medicine has patent protection until 2028, and other companies are working on developing biosimilar medicines whose appearance on the market after the patent protection expires will lead to a decrease in Keytruda sales.

Faced with this, Merck & Co. is investing heavily in research and development. Last year, the company invested USD 17.9 billion, i.e., 32.9 percent of total revenue from prescription drug sales. It was the first among the ten leading companies in terms of investment in research and development, as well as its intensity in 2024.

By investing substantial funds and effort in research and development, Johnson & Johnson also strives to retain the first place on the list of leading global companies. Last year, this company invested 30.6 percent of its total revenue from prescription drug sales in research and development, ranking it second according to this indicator.

Leading companies in Croatia

“ 62.3 percent of the total revenue of the ten leading pharmaceutical companies was generated by Pliva Hrvatska.

“ The total revenue of the ten leading pharmaceutical companies increased by 18.2 percent year-on-year.

— Measured by total revenue generated in 2024, the ten leading companies in the manufacture of pharmaceutical products and preparations are Pliva Hrvatska d.o.o., JGL d.d., Belupo d.d., Hospira Zagreb d.o.o., Genera d.d., PharmaS d.o.o., Krka-Farma d.o.o., Fidifarm d.o.o., TAPI Croatia Industries d.o.o., and Yasenka d.o.o. Together, these ten companies had a total revenue of 1,437.91 million euros in 2024 [Table 4]. The largest part of this amount came from the total revenue generated by Pliva Hrvatska last year. More precisely, 62.3 percent of the total revenue of the ten leading pharmaceutical companies was generated by Pliva Hrvatska. Specifically, this amounts to 896.3 million euros in total revenue in 2024 [Table 5]. The second company in terms of total revenue is JGL, whose total revenue last year amounted to 162.0 million euros. It is followed by Belupo, with a total revenue of 130.9 million euros.

The total revenue of the ten leading pharmaceutical companies increased by 18.2 percent year-on-year. Last year, most of the companies on the list of the ten leading companies in the sector achieved an increase in total revenue compared to 2023. The largest increase in total revenue year-on-year was achieved by Yasenka. Last year, the total revenue of this company increased by 23.2 percent compared to 2023. The total revenue of Pliva also increased significantly, i.e., by 22.8 percent year-on-year. Hospira [-13.2 percent] and Krka-Farma [-0.3 percent] reported total revenue lower than a year earlier. TAPI Croatia Industries, a company to which Pliva has spun off the manufacture of active pharmaceutical ingredients, was founded in 2024, and therefore, no change in total revenue is reported on a year-on-year basis.

NINE OUT OF THE TEN LEADING COMPANIES IN THE SECTOR ENDED LAST YEAR WITH A POSITIVE FINANCIAL RESULT.

Table 4
Performance indicators of the ten leading companies in the pharmaceutical sector in Croatia in 2023 and 2024

Note: Debt ratio = total liabilities/total assets; current ratio = current assets/current liabilities; gross margin = gross profit/total revenue * 100; labor productivity = total revenue/number of persons employed.

Source: Fina InfoBiz and the author's calculation according to Fina data.

	2023	2024	Index 2024/2023
Total revenue (in millions of euros)	1,216.1	1,437.9	118.2
Gross profit (in millions of euros)	172.8	223.5	129.3
Number of persons employed	5,656	6,133	108.4
Labor productivity (in euros)	215,002.89	234,454.12	109.1
Gross margin (in %)	14.21	15.55	109.4
Current ratio	2.34	3.69	157.6
Debt ratio	0.46	0.34	74.9

“Compared to the previous year, the gross profit achieved by the top ten companies in 2024 increased by 29.3 percent.

Nine out of the ten leading companies in the sector ended last year with a positive financial result. Only TAPI Croatia Industries ended the year with a loss, which amounted to 694,296 euros. In 2024, the total gross profit of the ten leading companies in the sector amounted to 223.5 million euros. Compared to the previous year, the gross profit achieved by the top ten companies increased by 29.3 percent.

In 2024, Pliva Hrvatska achieved the highest gross profit. It amounted to 138.6 million euros and increased by 39.3 percent year-on-year. The gross profit of the company PharmaS increased the most. The company's profit before tax was 52.2 percent higher compared to the previous year. Compared to 2023, Hospira Zagreb (3.9 percent), Genera (40.2 percent), Krka-Farma (6.5 percent), and Yasenka (23.2 percent) had lower gross profits.

Last year, the ten leading companies in the sector employed a total of 6,133 persons, which is 8.4 percent more compared to 2023. Pliva Hrvatska had the largest number of persons employed, with 2,926 persons employed last year, which is an increase of 2 percent compared to 2023. The largest year-on-year increase in the number of persons employed was recorded by Yasenka, which had 20.8 percent more persons employed last year. On the other hand, the number of persons employed decreased last year at Krka-Farma (15.4 percent), Fidifarm (11.6 percent), Hospira (0.2 percent), and Genera (0.6 percent).

LAST YEAR, THE TEN LEADING COMPANIES IN THE SECTOR HAD A TOTAL OF 6,133 PERSONS EMPLOYED, WHICH IS 8.4 PERCENT MORE COMPARED TO 2023.

“As a result of a significant increase in revenue with an increased number of persons employed in 2024, labor productivity at the level of the ten leading companies in the sector increased by 9.1 percent.

As a result of a significant increase in revenue and a corresponding rise in the number of employees in 2024, labor productivity at the level of the ten leading companies in the sector increased by 9.1 percent. Last year, Fidifarm had the highest labor productivity. It amounted to 484,827.84 euros. With 38 persons employed, Fidifarm generated a total revenue of 18.4 million euros last year. Second in terms of labor productivity is PharmaS with 316,642.13 euros, followed by Pliva, where labor productivity in 2024 was 306,326.94 euros. Last year, TAPI Croatia Industries had the lowest labor productivity, amounting to 45,378.99 euros. Last year, this company employed 353 employees, and its total revenue amounted to 16.0 million euros.

As for gross margin, it amounted to 15.6 percent for the ten leading companies in the sector last year. On a year-on-year basis, the gross margin of the ten leading companies increased by 9.4 percent. In 2024, the highest gross margin was achieved by Hospira (25.5 percent) and Belupo (25.2 percent). Last year, TAPI Croatia Industries had a negative gross margin, as it operated at a loss.

Table 5
Business indicators of the ten leading pharmaceutical manufacturers in Croatia in 2024

	Total revenue (in millions of euros)	Index 2024/2023	Debt ratio	Current ratio	Gross margin	Labor productivity (in euros)
Pliva Hrvatska d.o.o.	896.3	122.8	0.39	4.25	15.46	306,326.94
JGL d.d.	162.0	121.2	0.50	4.14	11.01	217,776.43
Belupo d.d.	130.9	112.2	0.09	5.97	25.24	134,349.55
Hospira Zagreb d.o.o.	90.7	86.8	0.15	1.32	25.47	214,994.69
Genera d.d.	46.1	111.3	0.26	4.42	5.35	140,606.90
PharmaS d.o.o.	38.0	106.3	0.61	1.44	10.49	316,642.13
Krka-Farma d.o.o.	29.5	99.7	0.13	3.39	4.78	179,915.20
Fidifarm d.o.o.	18.4	113.3	0.41	2.92	18.32	484,827.84
TAPI Croatia Industries d.o.o.	16.0	-	0.13	2.98	-4.33	45,378.99
Yasenka d.o.o.	9.9	123.2	0.30	1.25	4.46	155,002.03

Note: Debt ratio = total liabilities/total assets; current ratio = current assets/current liabilities; gross margin = gross profit/total revenue * 100; labor productivity = total revenue/number of persons employed.

Source: Fina InfoBiz and the author's calculation according to Fina data.

ON A YEAR-ON-YEAR BASIS, THE GROSS MARGIN
OF THE TEN LEADING COMPANIES INCREASED
BY 9.4 PERCENT.

In 2024, the current ratio for the ten leading companies increased significantly compared to 2023. More precisely, it increased by 57.6 percent, amounting to 3.69, which indicates that there are no problems with meeting obligations at the level of the leading companies in the sector. If analyzed individually, it can be concluded that most companies actually have no problems maintaining their current liquidity. Last year, Hospira Zagreb, PharmaS, and Yassenka had current liquidity ratios of less than 1.5. These three companies had problems with meeting their obligations last year.

“Analyzed at the level of the ten leading companies in the sector, there was no excessive level of indebtedness last year.

Analyzed at the level of the ten leading companies in the sector, last year, there was no excessive level of indebtedness. The debt ratio for the ten leading companies was 0.3 last year, and compared to 2023, it decreased by 25 percent. The majority of the ten leading companies in the manufacture of pharmaceutical products and preparations had a debt ratio below the limit of 0.5, which points to the problem of over-indebtedness. Last year, the level of indebtedness was above the acceptable limit in PharmaS (0.6), while JGL had debt at the very limit of acceptability.

Conclusion

— Last year was marked by an increase in employment and wages in the pharmaceutical industry in Croatia. The growth trend in both exports and imports of pharmaceutical products in Croatia also continued. It should be emphasized that the value of imports of pharmaceutical products and preparations significantly exceeds the value of their exports. It is worth noting that the consumption of medicines is also increasing in Croatia. Available data show that expenditures on medicines as well as the number of prescriptions issued are increasing year-on-year. An increase in payments for medicines from the national health care system is present in other European countries as well.

Last year, the operations of leading companies in the pharmaceutical industry in Croatia were marked by an increase in revenue, improved liquidity, and reduced indebtedness. It should also be noted that the leading companies in this sector, with the exception of TAPI Croatia Industries, ended last year with a profit.

The pharmaceutical industry is not exempt from the price increases present in the Croatian economy. Both producer and consumer prices of pharmaceutical products and preparations were higher last year compared to the previous year. The trend of increasing prices of pharmaceutical products is present in the European Union as well. Last year, at the European Union level, a trend of increasing production volumes of pharmaceutical products and preparations was recorded. The number of persons employed in this industry has also increased, as have their wages.

“ The expiration of patent protection for the world’s best-selling medicines generally means a decrease in their sales due to the emergence of biosimilar medicines.

The largest global and European companies involved in the manufacture of pharmaceutical products and preparations are investing more and more in research and development, which is key to success in this industry. The expiration of patent protection for the world’s best-selling medicines generally means a decrease in their sales due to the emergence of biosimilar medicines. Because of this, medicine manufacturers are recording increased investments in the research and development of new medicines that will ensure high revenues in the future.

LAST YEAR WAS MARKED BY AN INCREASE
IN EMPLOYMENT AND WAGES IN THE
PHARMACEUTICAL INDUSTRY IN CROATIA.

The best-selling medicine in the world is currently from the category of oncology medicines. However, there is already a noticeable increase in sales of GLP-1 medicines for the treatment of diabetes and obesity. These medicines are expected to become the best-selling medicines worldwide in the coming years. Announcements that they will be used to treat obesity in the future certainly support such forecasts.

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**Publisher**

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Studio Nixa prijevodi d.o.o.

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Studio 2M

Image on the cover

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Note

The *Sector Analyses* publication is an author's text and may not necessarily represent the viewpoint of The Institute of Economics, Zagreb.

Next analysis, *Construction and Real Estate*, will be released in October 2025.

Co-funded by the European Union – NextGenerationEU. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Commission.

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