

## Overview

The U.S. animal health market makes up about 2% of the total U.S. pharmaceutical market. Globally, animal health is valued at between \$26 billion and \$36 billion (in 2016) and is expected to grow about 5% annually. The U.S animal health market is estimated to be one-third of the global market and generates nearly \$10 billion of sales per year.

## Performance and Investment

Animal health manufacturers invest an average of 8.5% of sales in R&D, 2.5 times than that of the overall U.S. manufacturing average of 3.4%, which results in stronger than average economic performance compared to non-IP-intensive industries and manufacturing industries.

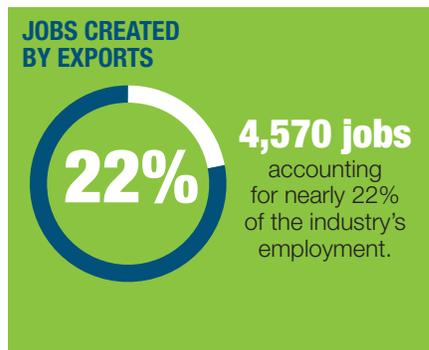
In 2016, animal health manufacturers invested \$45,695 in R&D per worker compared to \$3,887 in the non-IP-intensive industries and \$15,520 in the total manufacturing sector. Workers in the industry earned a nearly 25% premium (\$57,556 per year compared to \$46,248).

The productivity of animal health manufacturers was 26% higher than in non-IP-intensive industries (\$537,444 gross output per worker per year compared to \$425,566). Exports per worker in the animal health industry were nearly 2 times than that in the non-IP-intensive industries (\$115,439 per worker per year compared to \$64,325)

	R&D as % of sales	VALUE PER WORKER			
		R&D	WAGE	OUTPUT	EXPORTS
All Manufacturing	3.4%	\$15,520	\$52,263	\$471,072	\$92,869
<b>Animal Health</b>	<b>8.5%</b>	<b>\$45,695</b>	<b>\$57,556</b>	<b>\$537,444</b>	<b>\$115,439</b>
Non-IP-Intensive	0.9%	\$3,887	\$46,248	\$425,566	\$64,325

## Global Leadership

Strong demand for U.S. products in foreign markets means that in 2016, U.S. animal health exports totaled more than \$2.4 billion. This supports 4,570 direct jobs or 21.5% of all animal health manufacturing employment. The industry stands out from other manufacturing industries: the overall manufacturing sector runs trade deficits, yet animal health manufacturers realize a trade surplus of nearly \$1.5 billion.



## Human Health Research Innovation

High levels of R&D investment lead to discoveries that can be applied to human health. For example, animal health research contributes significantly to development of vaccines and medicines for human diseases such as cancer, allergies, heart disease, and arthritis.