

Competition: For purposes of analysis the entire human use drug market was divided into 11 product classes. Not all firms were active in every product market. The number of companies varied from a minimum of ten actively competing for the diagnostics market to 50 for the digestive, genito-urinary and central nervous systems product classes. Approximately one half of the companies with annual sales in excess of \$5 million depended upon one product class for more than half of their annual sales revenues.

Biologicals: Sales of biologicals for human use continued to drop in 1965. There had been a 30 percent decline in reporting members' biological sales between the end of 1963 and 1965. Only 15 PMA members reported continued production of biologicals for human use during 1965. In 1964 the number of producers was 20. During 1965 five companies ceased production of biologicals altogether.

Volume of biological sales dropped from \$98 million in 1963 to \$74 million in 1964 to \$68 million in 1965. Between 1964 and 1965 six companies experienced an \$11.3 million drop. When added to the \$2.6 million sales production on the part of the five firms that dropped biological production, this amounts to a sales decline of \$13.9 million for the year. However, this was partially offset by a \$7.8 million revenue gain sustained by seven other manufacturers.