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Indian laboratory analytical instruments market worth $762.5 mn

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An analysis of the Indian laboratory analytical instruments market, by Frost and Sullivan has shown that the demand for customized instrumentation from end-user segments such as the pharmaceutical and drug delivery sectors is driving the laboratory analytical instruments market in India. Regulations mandating quality assurance activities, especially in the pharmaceutical sector, further accelerate the market's growth.

The study has estimated market earned revenues of more than $762.5 million in 2012 and estimates this to reach $2,370.0 million in 2018. The end-user segments covered in this research include pharmaceuticals and life sciences, government and academic research institutions, environmental safety, agricultural analytic research, third-party and food and beverage testing laboratories, and chemicals and petrochemicals.

The research adds that government funding serves as the fulcrum for laboratory analytical instrument procurement in India; government institutions and research laboratories continue to be key customers for analytical instrument vendors. The untapped agricultural and contract research end-user groups offer added scope for laboratory analytical instrument manufacturers, and the agricultural sector's shift towards application-specific instrumentation in particular, will aid the market's steady year-on-year growth.

"The increase in the number of contract research organizations in India, especially in clinical research management has led to achieve several contracts for manufacturing and research from other countries," said the analyst, Frost & Sullivan. Technological advancements in instrumentation, the creation and up-gradation of corresponding software platforms, and Research and Development (R&D) will propel the market further. Acquisitions and partnerships, which enable companies to enter niche segments and resist competition, will in turn, require technology developments and R&D, and open additional avenues for revenue generation.

However, R&D costs are high and the inability of domestic small and medium enterprises, original equipment manufacturers, and distributors to meet these expenses, restrains market development. In addition, slow implementation of government laws and regulations in several consumer segments also dampen adoption process across different segments in this market.

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The government, apart from strictly enforcing policies, must re-assess and reframe strategies to encourage manufacturing in India. Customized instruments to suit end-user requirements, and automation and hyphenation must be key areas of focus in the Laboratory Analytical Instrumentation space.

"Multinational companies need to build a complete manufacturing and R&D ecosystem to stimulate job opportunities, rather than merely importing from their worldwide facilities," noted the analyst. "Academic institutions' increased interaction with end-user companies will close the gap between practical training at the academic level and the expectations of businesses operating in the lab analytical instrumentation market."