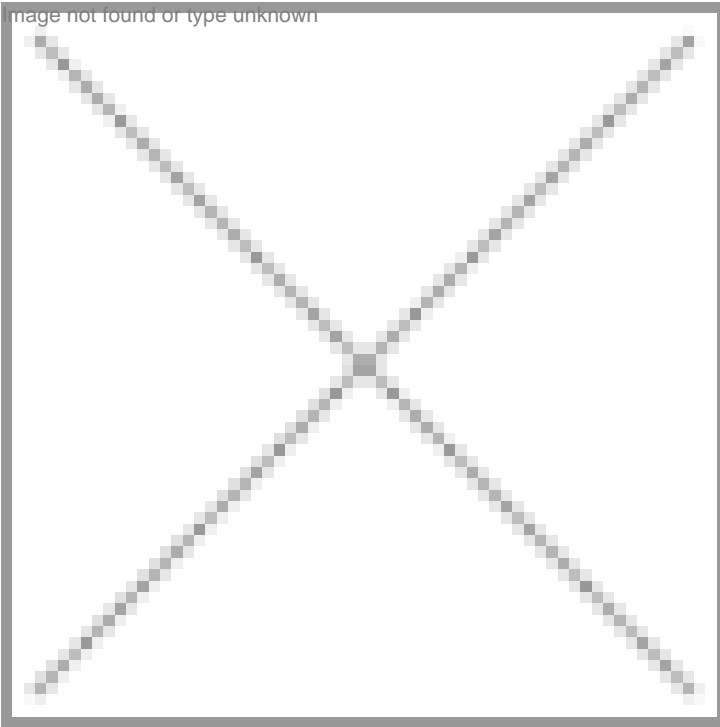


BioPharma records \$1.45 billion in revenues

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The BioPharma sector registered 26.87 percent growth to record sales of Rs 5,973 crore in 2006-07.

The BioPharma sector, primarily comprising vaccines, therapeutic drugs, animal biologicals, statins and diagnostics, in 2006-07, is estimated to have generated Rs 5,973 crore in revenues, recording 26.87 percent growth over the 2005-06 figure of Rs 4,708 crore. This sector still accounts for 71 percent share of the total biotech segment.

The growth for this sector has mainly come from the vaccines business and other products like statins. The vaccines business alone stood at Rs 3,053 crore (\$745 million) and registered 30.41 percent growth. The vaccines business, human and animal health care taken together, accounted for 51 percent share of the total BioPharma market. The diagnostics market registered a marginal growth of 5 percent. This is on account of strong competition in the Indian market place. Diagnostics business stood at Rs 950 crore. The therapeutics segment grew from Rs 640 crore in 2005-06 to Rs 725 crore in 2006-07. The human insulin market was the most significant contributor with revenues of Rs 360 crore. Novo Nordisk continues to be the leader in the human insulin business with total estimated revenues of Rs 222 crore.

The BioPharma sector excluding the diagnostics sector was Rs 5,043 crore and the top 20 BioPharma companies excluding the diagnostics players accounted for 32 percent share of that figure. The top BioPharma company in the country was Serum Institute of India with total revenues of Rs 950.95 crore. It was followed by Biocon and Panacea Biotech with revenues of Rs 728 crore and over Rs 600 crore respectively. Out of the Top 10 BioPharma companies (excluding diagnostics), seven of them - Serum Institute of India, Panacea Biotech, Venkateshwara Hatcheries, Indian Immunologicals, GlaxoSmithKline, Aventis

Pharma, and Shantha Biotechnics are primarily into vaccines business. The Top 5 companies accounted for 45 percent share of the total BioPharma sector and together generated in excess of \$650 million in revenues. The Indian biopharma sector is export-driven. Over 61 percent of the total BioPharma revenues were from exports.

The diagnostics sector in 2006-07 accounted for about 16 percent of the total biopharma sector. The market is witnessing increased competition. The diagnostic sector today has over 25 manufacturers besides over 30 players including the multinationals who are doing diagnostic business in the country. Transasia Biomedicals, Roche Diagnostics and Tulip Group of Companies are the key players in the Indian diagnostic sector. Other global vendors like Abbott Healthcare, Bayer Diagnostics, and Randox Labs have also consolidated their business in India. Tulip recorded sales of Rs 165 crore in 2006-07, while TransAsia BioMedicals' sales stood at Rs 151.37 crore. According to industry estimates, Roche would also be in excess of Rs 150 crore in revenues. While the top companies have consolidated their market presence and are growing by 15-20 percent, the smaller players are facing strong competition.

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