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Global CRDMO work distribution in India to rise up to 10% by 2033: Report

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Growth is largely driven by the evolving geopolitical environment



The global CRDMO (Contract Research Development & Manufacturing Organisation) industry is about to witness a re-distribution of outsourcing work across several Asian countries, with India and Korea emerging as new powerhouses by 2033.

At the recent Scale-Up Health event by Eight Roads Ventures, McKinsey & Company presented survey findings that showed that global pharmaceutical companies are increasingly considering India as a destination for their outsourcing needs.

As per McKinsey analysis, by 2033, India could potentially account for 8%-10% share of work outsourced to CDMOs globally, an outcome of the recent trend of significant amount of outsourced work shifting from EU/US to Asia. This growth is largely driven by the evolving geopolitical environment with most Indian CRDMOs expecting 20-40% of their new business to stem from these changes.

Dr Prem Pavoor, Senior Partner, Head of India & India Healthcare Investments at Eight Roads Ventures, said "The evolving geopolitical landscape and impending legislation presents a significant opportunity for the Indian CDMO industry, one that could be truly transformative. We're already seeing leading Indian biopharmaceutical companies receive more request-for-proposals, especially from US customers. Though these customers maybe adopting a wait-and-watch approach for now, it's clear that, amidst global uncertainties, they will seek to diversify their outsourcing footprint. This creates a huge opportunity for India, but also a challenge because Indian CDMOs will need to be prepared with the right infrastructure and services to meet this increased demand."

Sharing insights from the survey, Anirudh Roy Popli, Partner, McKinsey & Company, said, "The biopharma industry is increasingly recognising the value Indian CDMOs bring to the table. We are seeing increased interest levels across customer segments. However, building trust and long-term, at-scale partnerships takes time. With a strong focus on value and innovation, Indian CDMOs are well-positioned to play a pivotal role in shaping the future of healthcare."