

BioPharma to grow over 10% for next 5 years

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â€¢ BioPharma clocks Rs 8,829 crore in revenues

â€¢ It accounted for 62% of the total revenue and grew by 12% over FY 2008-09

â€¢ The Top 20 BioPharma companies contributed close to Rs 6000 crore

The Indian BioPharma market comprising primarily of vaccines, therapeutic drugs, insulin, animal biologicals, statins and diagnostics in 2009-2010, continued to grab the largest share of the total biotech industry revenues of over Rs 14,199 crore. It contributed Rs 8,829 crore, accounting for 62 percent market share.

Vaccines had the largest pie with an estimated sales of Rs 2,180 crore over last year's figure of Rs 2,000 crore. The vaccine segment-human as well as animal vaccines-accounted for 50-60 percent of the total BioPharma market. Total estimated sales from the human vaccine business stood at Rs 1,750 crore over the 2008-2009 figure of Rs 1,550 crore. Domestic sales of human vaccines just about crossed Rs 1,000 crore. In FY 2008-09 this figure stood at Rs 900 crore.

Export sales is estimated to have generated Rs 750 crore, as compared to Rs 650 crore in FY 2008-09. Animal Vaccines registered a marginal decline with sales of Rs 430 crore over last year's figure of Rs 450 crore. In animal vaccines, poultry vaccines clocked Rs 220 crore, cattle and sheep vaccines registered Rs 210 crore.

The vaccine market will continue to drive the growth of the biopharma segment growing in the range of 10-13 percent in the next 5 years. The factors that will drive this include education and awareness about disease prevention, increase in disposable income and participation by government.

The market will clearly shift to combination vaccines such as Pentavalent vaccines. Domestic players such as Bharat Biotech and Shantha Biotech have already received massive orders from the Government of India for immunization programmes in Himachal Pradesh, Kerala, Tamil Nadu, Jammu and Kashmir and Karnataka. There is going to be a change from largely whole-cell pertussis -based combos to acellular-based combos in the coming years. Newer vaccines like Pneumo conj, Meninge Conj and HPV would drive the market growth in paediatric and adolescent segment, while Flu will continue to be a big driver in the adult market segment.

A noteworthy product launched during 2009-2010 was Shantha's Shanchol-India's first oral vaccine to protect against cholera. Shanchol is a bivalent inactivated-whole-cell oral cholera vaccine developed by Shantha in collaboration with the International Vaccine Institute (IVI), Seoul, Korea.

Driven by a rise in chronic diseases and investments in the healthcare infrastructure, diagnostics and therapeutics business also had a positive impact on the industry. The diagnostic market is estimated to be at Rs 2,000 crore with molecular diagnostic market share at \$300 million in FY 2009-2010. This accounts for 20-22 percent share of the total BioPharma market. A highly competitive segment, the market currently is growing at 15-20 percent with a 50:50 revenue share split between MNCs and homegrown companies. Major MNC companies in the diagnostic market include Roche, Siemens (which has acquired Bayer Diagnostics) and Abbott while homegrown names in the top league include Tulip Group, Transasia Biomedicals, RFCL (Diagnova), Span Diagnostics and Trivitron. This growth is driven from the gradual acceptance of the concept of preventive and personalized medicine. The therapeutics market claimed 15 percent of market share in FY 2009-2010 with the cancer therapeutics sales clocking Rs 311 crore. Companies in the segment are now moving towards novel targeted therapies and supportive care products. Cancer therapeutics is a lucrative business for many Indian companies because of high unmet needs, high prices of innovator drugs, increase of awareness and affordability. These homegrown players will play a pivotal role in reducing the price points of important cancer drugs.

The market size of Oral Diabetes Drugs is estimated to be Rs 1,550 crore and market size of Insulin (including analogs) is approximately Rs 612 crore. The large market size is reflective of India emerging as the diabetes capital of the world. Between 1995 and 2005 the number of diabetic patients doubled from 20 million to 40 million and this is projected to grow to 70 million patients by 2025. In Insulin (including Analog) segment, Novo Nordisk is the market leader with over 50 percent market share while Eli Lilly has 22 percent market share. Analogs which currently contribute 27 percent in value (8 percent in volume) are the fastest growing segment (with 2007-09 CAGR of 32 percent) in value. Within insulin market, novel delivery devices would be the growth drivers in the coming years.

Biogenerics segment in the near term will be a key growth driver for Indian players especially with the US set to establish a biogenerics (biosimilars) pathway by 2013. In India, Erythropoietin (EPO) clocked a sales of Rs 10 lakh (\$22,000), c-GSF-Rs 5 lakh (\$11000), interferonâ€“Rs 10 lakh \$22000 and streptokinase Rs 7 lakh (\$16000). These products are been sold at price discounts of upto almost 85 percent of its innovator drug thus making them affordable to the masses.

Currently, Dr Reddy's Labs, Ranbaxy, Biocon, Shantha Biotechnics and Intas Biopharmaceuticals are actively involved in the space. There are around 25 Indian players with over 50 products already being sold in the Indian market and some being sold in the unregulated markets as well. Other prominent companies that have started initiatives in the field include Glenmark, Cipla and Lupin Pharma. Last year, Cipla entered into a 50:50 joint venture (JV) with a Chinese company for biosimilars. The JV would be called Biomab and Cipla is likely to bring out Biomab's first product later this year.

Top 20 BioPharma Companies by Revenue (2009-10)

Revenue Rank 2010	Company	2009-10 (Revenue in Rs Cr)	2008-09 (Revenue in Rs Cr)	% Change Over 2008-09
1	Biocon	1180	912.34	29.34
2	Serum Institute of India*	850	1114.00	-23.7
3	Panacea Biotec	703.19	597.14	17.76
4	Reliance Life Sciences*	450	-	-
5	NovoNordisk*	342	330.00	3.64
6	Shantha Biotech	334.23	247.00	35.32
7	Indian Immunologicals	272.87	231.46	17.89
8	Bharat Biotech	271.66	241.05	12.7
9	Eli Lilly	187	164.00	13.85

10	Bharat Serums	175	140.00	25
11	Haffkine Biopharma	168.98	-	-
12	Cadila Healthcare	147.48	93.70	57.4
13	GlaxoSmithKline	123.34	83.48	47.75
14	Intervet India	121.6	-	-
15	Intas Biopharma	115	89.27	28.82
16	Themis Medicare	112.12	97.50	14.99
17	Concord Biotech	111.7	52.13	114.27
18	Venkateshwara Hatcheries*	90	-	-
19	Aventis Pharma	68.34	36.00	89.83
20	Dr Reddy's Laboratories	62.5	40.00	56.25
* BioSpectrum estimates		All figures in Rs. Crore unless indicated otherwise		