

Top 20 Survey - Stunted growth hurts Biotech

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Stunted growth hurts Biotech



BioSpectrum in its last year's survey termed it as the year of inflection point. And this year's survey clearly reflects the continuation of that trend. The Indian biotech industry registered Rs 25,165 crore in revenue and 6.98 percent growth rate. The growth slipped to single digit for the first time in the last 12 years.

This is an indication that the biotech sector witnessed a slowdown due to the combined impact of a slowing economy, currency volatility, tightening regulatory environment, growing product commoditization, and issues related to price control and trade margins that disrupted the domestic formulations business. The spurt in growth will happen when the environment will become conducive, but the industry gearing up to embrace the next level of change.

The signs of change are visible. The most important sign is that India now has a new and stable government, which is inclined to help the industry as well as has the intention to support key biotech areas like biofuels, manufacturing, and nano biotech. This is an important development as in the past five years no one talked about attracting investments to India or supporting important segments. This trend, if reversed, will spike up the growth.

The biopharma segment still has been the largest contributor to the biotech industry revenue. It recorded sales in excess of Rs 15,853 crore (\$2.8 billion) and accounted for 63 percent of the total industry revenue, registering 6.23 percent growth.

The biotech exports grew to Rs 13,025 crore (\$2.3 billion). The share of exports in the total biotech pie is close to 52 percent. Exports from biopharma

alone accounted for over a third of the total industry, while the bioservices sector had 18 percent share in exports. The bioservices sector registered highest growth of 11.78 percent. The bioagri sector grew slowest at 4.27 percent to Rs 3,347 crore, the bioindustrial sector registered 5.3 percent growth to Rs 813 crore, and the bioinformatics sector recorded 7.93 percent to clock Rs 313 crore in revenue.