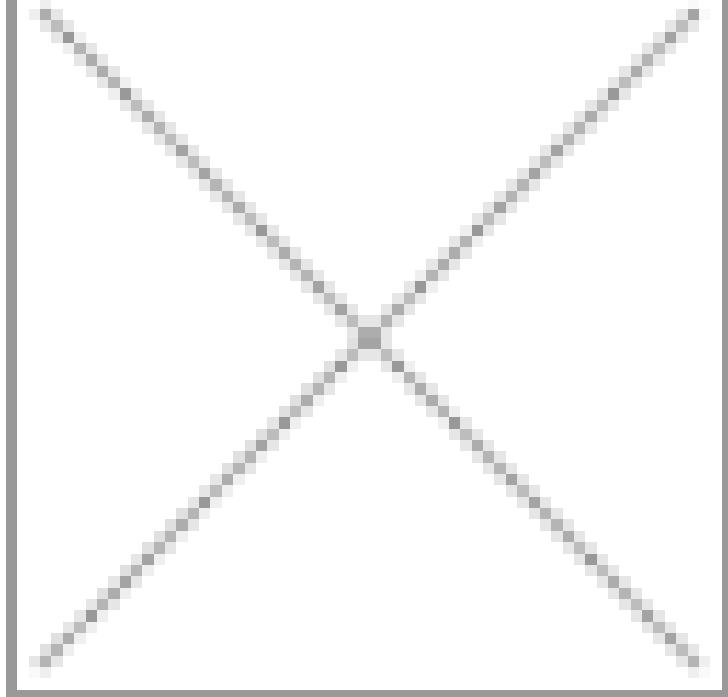


BioSuppliers Register 31% Growth

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BioSuppliers Register 31% Growth

The biosuppliers industry continued to grow in accordance with the biotech industry, registering Rs 2,420 crore in revenues in 2006-07.

In the last few years, Asia, and more so India, has been a high growth market for the global life science suppliers. Almost all global majors like Agilent Technologies, Bio-Rad, GE Healthcare, Invitrogen, Millipore, Pall, PerkinElmer, Shimadzu, Thermo Electron, and Waters Corporation have strengthened their presence and market hold in India. These global majors are consolidating their presence in India, adding on their own sales representatives as well as distributors, besides executing a number of other initiatives like setting up various Centers of Excellence (CoEs).

Today, for several of the global vendors, the Asia-Pacific region accounts for almost 15-20 percent of their world-wide sales revenues, and their India business contributes almost 8-10 percent of the Asia-Pacific sales. For example, 16 percent of Millipore's total 2006 global business of \$1.2 billion was generated in Asia. The life sciences business of Pall Corporation represents about 40 percent of its global sales of \$2.01 billion in 2006 and Asia accounts for 14 percent share of its total life science business of \$796.3 million. Bio-Rad's pacific rim sales accounted for 16 percent share of the total business of \$1.27 billion in 2006. Bio-Rad's total India business would approximately be around 12 percent of its global pacific rim business, according to industry estimates. These examples suggest that Asia and India are fundamental to test new products and selling strategies.

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These global companies are consolidating their presence in India for two prime reasons. One, India is a very attractive and growing market. The other reason is to leverage the skilled manpower in India. Regulatory changes in testing and the growing bioscience and life sciences industry have been some of the major drivers for the growth of biosuppliers. The demand for all the products - separation, instrumentation, mass spectrometry, surface sciences, lab automation, or general lab equipment-is on the rise. And the demand is coming from the generic drug manufacturers and contract research organizations.

The Indian biotech industry in 2006-07 surpassed \$2 billion revenues in 2006-07, registering 31 percent growth. And the biosuppliers business too followed the same path of growth of the biotech industry to register total revenues of Rs 2,420 crore (\$590 million) in 2006-07, compared to the previous year's revised estimates of Rs 1,831 crore (\$407 million). Thermo Electron was the leading life sciences supplier in the country with sales of Rs 246 crore. The top three companies of this year's survey-Thermo Electron, Labindia Instruments, and Waters India-have crossed the \$50 million (Rs 200 crore) mark. Interestingly, the Top 10 companies this year have revenues in excess of \$25 million (Rs 100 crore). In 2005-06, only seven companies were able to do \$25 million in sales, and none had reached the \$50-million figure.

Further, Indian grown companies, which represent several global principals in India, have scaled themselves from being a distributor to offering quality services and solutions. This is one of the reason why we see almost eight Indian companies in the Top 20 BioSuppliers list and the top five Indian companies-Labindia, Spinco Biotech, HiMedia Laboratories, DSS Imagetech, and Genetix Biotech Asia-accounted for close to 26 percent share of the total market of Rs 2,420 crore. Today, almost 85 percent of the total biotech suppliers business is generated by the Top 20 biotech suppliers. Another important aspect of this business is that no single region accounts for a majority share of the business generated by companies headquartered in that region. This is clearly representative of the fact that the biotech industry is scattered across the country. The industry hopes to register 30 percent growth in 2007-08 too.