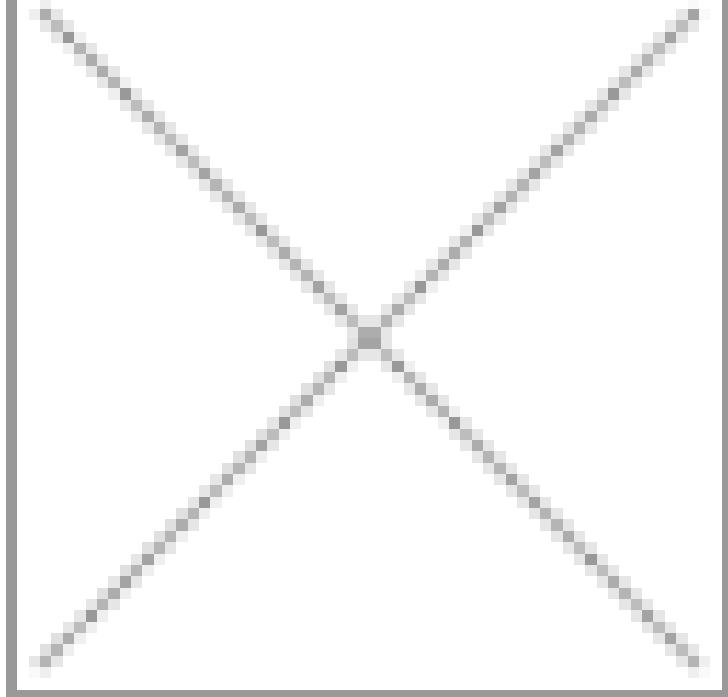


Expert Opinion - Sudhakar Mathur

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BIOPROCESS

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Competition boosts bioprocess trade

Investments, along with outsourcing activities and exports, are key drivers for growth in the bioprocess market

Indian bioprocess sector is one of the fastest growing knowledge-based sector and is expected to play a vital role in shaping India's rapidly developing economy. With numerous comparative advantages in terms of research and development (R&D) facilities, knowledge, skills, and cost effectiveness, the biotechnology industry in India has immense potential to emerge as a global key player.

The Indian biotech industry grew threefold in five years to report revenues of \$4 billion during 2011-12, a rise of 18 percent over the previous year, according to the tenth annual survey conducted by BioSpectrum and the Association of Biotechnology-Led Enterprises (ABLE). Of this, nearly three-fifth of the total industry's revenues is contributed by biopharma sector alone. The industry is expected to reach \$10 billion mark by 2015.

Opportunities and growth drivers

Investments, along with outsourcing activities and exports, are key drivers for growth in the bioprocess market. Foreign direct investment (FDI) up to 100 percent is permitted through the automatic route for

manufacturers of drugs and pharmaceuticals. According to data released by the Department of Industrial Policy and Promotion (DIPP), the drugs and pharmaceuticals sector has attracted FDI worth \$7.61 billion between April 2000 - January 2012.

The Union Cabinet has approved the setting up of Biotechnology Industry Research Assistance Council (BIRAC), which aims to support innovation and provide infrastructure and services across chains in the biotechnology sector. This is basically aimed at creating more enterprising opportunities for small and middle-sized companies.

A scientific, rigorous, efficient, predictable and consistent regulatory regime for biosafety evaluation and release of protocols is essential. A National Biotechnology Regulatory Authority is proposed to be created to provide effective single window clearance mechanism for all biotechnology products.

The government and industry are now focusing on biofuels as an alternate source of energy. There is an increase in demand for vaccines with the increase in population and an increase in activities in biopharma and clinical research. Also there is a spurt in the probiotic products in the Indian market. Companies are buying more and more systems to enhance their production throughputs. The Indian market for bio similar products is expanding steadily.

Market segments

The market segments for bioprocess instruments can be broadly classified into academic, industry and contract research organizations (CROs). Besides, there is a fast growing market for biosimilar products such as insulin, hormones, vaccines, and plasma proteins. Single Use Bioreactor Technology (popularly known as Disposable Bioreactors) is increasingly gaining acceptance, especially in GMP compliant set-ups.

Increasing demands in drug development and documentation, strict time constraints, and the need for market-oriented research are now prompting the users to consider parallel bioreactor systems. These are designed to meet today's challenges in the biotech, pharmaceutical and chemical industries. Eppendorf is one such company, which through its portfolio of New Brunswick Scientific (NBS) and Dasgip is able to offer both disposable and parallel bioreactors.

Market scenario

It is difficult to estimate the number of units sold, because of the presence of a lot of local players and also the assorted classification criteria followed by different companies. However, the estimated size of Indian market for imported fermentors or bioreactors in the range of 1000-3000 litres total volume, would be approximately \$15-20 million.

In the field of imported fermentors and bioreactors, Applikon Bioengineering, Dasgip and NBS (both now Eppendorf companies), Infors, and Sartorius are the major suppliers. Besides these, there are a host of other local and some more international players in the market, especially for lab scale fermentors. The most notable amongst the local players being Scigenics (India), a Chennai-based company. Market share for companies are different and is based on categorization of fermentors i.e. benchtop; sterilizable in place; disposable and parallel.

With a host of foreign and indigenous players, there is bound to be competition. However, there is no single player that is dominating the Indian market as of now. The sale is happening more on the existing customer relationships and after sales services being provided by different companies.

Bioreactors market is about \$15-20 million - Sudhakar Mathur, vice president-sales, Eppendorf India

Sudhakar Mathur is a post-graduate in Biotechnology from JNU and has an overall experience of more than 18 years. He has served companies such as Mass Diagnostics, SICO, Labindia, and Roche in various capacities. During his association with these companies, he had the opportunity to handle products manufactured by Sorvall, Savant (both now part of Thermo), Applied Biosystems (now part of Invitrogen), Roche Applied Science, and Molecular Diagnostics.