

## Asia clocks \$128.26 bn Grows 16.6%

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Life science industry in the Asia Pacific region has rebounded and how! From a measly 3.4 percent growth in 2009 the industry recorded double-digit growth of 16.6 percent, clocking \$128.26 billion in 2010.

Pharma made up the major chunk of this revenue with 92 percent segment share, MedTech followed with 6.6 percent share and biotech made up the rest. Interestingly, the biopharma share in the pharma segment has gone up to seven percent of the pharma segment share. This is an improvement over last two years, when it hovered at just about five percent. This mix, it is expected will continue to evolve in favour of biopharma. Biotech share in the overall revenue is just about one percent as biopharma as a sub-segment in this survey has been combined with pharma. If that is allocated to biotech, it will come to about eight-to-nine percent of the overall revenue. The revenues of publicly listed companies accounted for 48 percent of the overall market of

\$128.26 billion.

Countrywise, China with a market size of about \$57 billion makes up for 44 percent of the overall market and along with India has been responsible for this growth of 16.6 percent, recorded by the BioSpectrum Asia Pacific Life Sciences Industry Survey 2010. Rising prevalence of chronic diseases, booming population, economic growth, improved regulations on foreign direct investment will continue to attract foreign interest in China and consequently, market growth. Multinational pharmaceutical companies are also increasingly investing in research facilities in China indicating the improved

business and regulatory climate in China.

India in terms of growth is second only to China. Most of the companies in India have grown in the range of 20-30 percent. On an average, the publicly listed companies' revenue overall in India has grown by 26 percent over the last year. The year 2010 saw stepped-up activity in Malaysia too, attracting foreign direct investment to give the life science industry in the country a booster shot. India's biotech major Biocon, which is

ranked at No 20 in the country ranking in 2010 invested \$161 million in Malaysia.

In Australia, the top three companies continue to dominate the market with 85 percent market share.

While this survey has thrown up no surprises, it certainly establishes that the growth in 2010 was back on track and better times are ahead. The market capitalization (MCap) of the leading companies has increased significantly. CSL from Australia has increased its MCap by 23 percent to \$14.81 billion. Cipla, one of India's leading companies has increased its MCap by a whopping 87 percent from \$3.48 billion to \$6.54 billion. Another Indian company Biocon has gone up by 166 percent to \$1.86 billion in 2010 from \$697 million in 2009.

In India and China, a number of companies have plans to go for an initial public offering, which is a reflection of growth, the region has witnessed. There is stepped-up activity and palpable enthusiasm seen in the investments that the companies are making in the research & development. The average R&D spend in Asia Pacific region in 2010 was recorded at 12.34 percent, an

improvement over 9.44 percent spent on R&D in 2009.

#### Publicly Listed Companies: % Growth by Country

| Country                 | Revenue<br>CY 2010 | Revenue<br>CY 2009 | Revenue<br>CY 2008 | Revenue<br>CY 2007 | % Growth over 2009 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| South Korea             | 6677.57            | 5518.4             | 4984.61            | 5536.19            | 21.01              |
| Australia & New Zealand | 10525.17           | 9050.45            | 7542.17            | 6252.36            | 16.29              |
| India                   | 18380.06           | 14585.56           | 14381.55           | 14082.6            | 26.02              |
| Taiwan                  | 2207.64            | 2019.92            | 1380.74            | 725.7              | 9.29               |
| China                   | 28464.46           | 22043.81           | 14520.12           | 5286.78            | 29.13              |
| Singapore               | 417.46             | 321.13             | 273.6              | 155.94             | 30.00              |
| Malaysia                | 778.48             | 698.83             | 649.31             | 7.63               | 11.40              |

Revenue in \$ million

#### Asia's Top 20 Publicly Listed Life Science Companies by Revenue (2010)

| Rank | Company                               | Country   | Revenue CY<br>2010 | Revenue<br>CY 2009 | Revenue CY<br>2008 | Revenue CY<br>2007 | % Growth<br>over 2009 |
|------|---------------------------------------|-----------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| 1    | Sinopharm                             | China     | 10226.54           | 6884.09            | 5588.51            | —                  | 48.55                 |
| 2    | CSL                                   | Australia | 5093.01            | 4033.37            | 2846.27            | 2971.29            | 26.27                 |
| 3    | Sigma Pharmaceuticals                 | Australia | 2698.43            | 2592.35            | 2846.27            | 2300.22            | 4.09                  |
| 4    | Shenzhen Accord Pharmaceutical        | China     | 1929.75            | 1601.42            | —                  | —                  | 20.50                 |
| 5    | North China Pharmaceutical            | China     | 1519.44            | 714.24             | 737.48             | 547.04             | 112.74                |
| 6    | Yunnan Baiyao Group                   | China     | 1488.24            | 837.42             | —                  | —                  | 77.72                 |
| 7    | Cipla                                 | India     | 1348.51            | 1176.68            | 1046.93            | 978.05             | 14.60                 |
| 8    | Ranbaxy Laboratories                  | India     | 1327.56            | 1047.66            | 1062.72            | 1164.96            | 26.72                 |
| 9    | Dr Reddy's Laboratories               | India     | 1178.00            | 955.19             | 852.33             | 870.15             | 23.33                 |
| 10   | Resmed                                | Australia | 1158.30            | 1160.16            | 887.89             | 0.62               | -0.16                 |
| 11   | China Pharmaceutical Group            | China     | 1000.57            | 913.33             | —                  | —                  | 9.55                  |
| 12   | Lupin                                 | India     | 929.84             | 725.31             | 645.51             | 683.52             | 28.20                 |
| 13   | Aurobindo Pharma                      | India     | 865.19             | 663.12             | 548.17             | 542.29             | 30.47                 |
| 14   | The United Laboratories International | China     | 836.91             | 601.80             | 496.46             | —                  | 39.07                 |