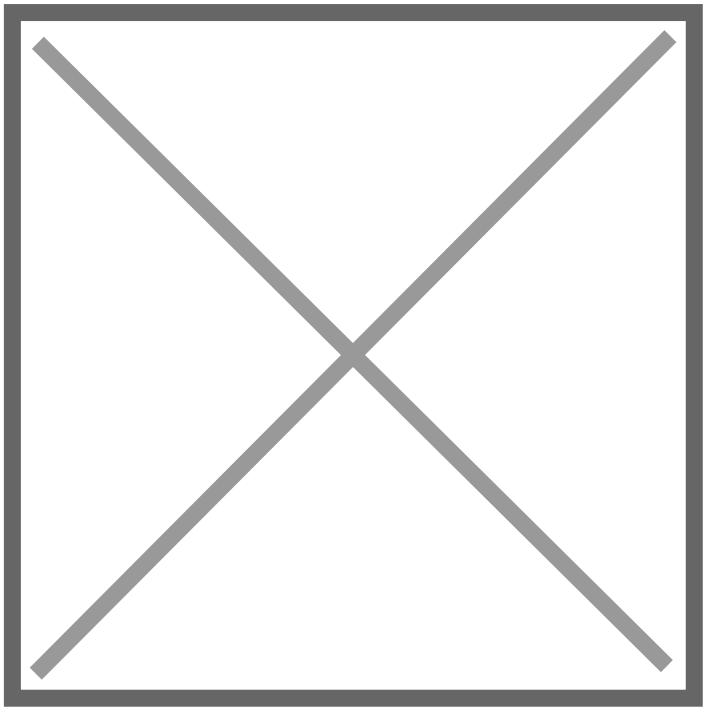
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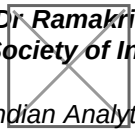
Ã¢â?¬Å?Indian analytical instrument market worth $1 billionÃ¢â?¬?

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“Indian analytical instrument market worth $1 billion”

-Dr Ramakrishnan, president, Indian Analytical Instruments Association and vice president of the Chromatographic Society of India



Indian Analytical Instruments Association (IAIA), an exclusive professional body was formed in 1996 with a vision to promote, encourage and develop the growth of analytical instruments industry. In an freewheeling interview, Dr Ramakrishnan, president of IAIA, tells us more about the focus areas of IAIA and the general scenario of analytical industry in India.

How many members are there in IAIA and what kind of exposure is given to them?

We have about 80 corporate members, out of which over 20 companies became members during the last six months. We hope to continue our membership drive and it will be a great day when we are able to become an association of 100 members. We ensure that the profiles of all our member companies are listed on the IAIA website, so that any customer who needs to contact any of our members will be able to do that from a single point. The members will also have a chance to do product promotions or marketing program for a nominal fee, when the website is revamped at a later stage to accommodate more activities. The website will also function as the gateway to the analytical industry in India, for foreign manufacturers, who are looking for an agent or a distributor in India for their products. Above all, the industry needed a face and a voice to bring out the common concerns to the government agencies. More thought has to be applied in this direction and an action plan is needed.

What are IAIA's initiatives to promote the analytical industry in India?

Bringing an international trade show such as 'Analytica' of Munich to India in the form of analytica Anacon India, is an achievement. The association has organized four events in the past, two in Mumbai, one in Bangalore and one in Hyderabad. analytica Anacon India 2009 is the fifth in the series, and is one of the best forums, in which all the analytical instruments manufacturers, both local and foreign, and their agents and distributors are interested in showcasing their latest technologies and end products. This provides the best opportunity for any prospective buyer in India to look under one roof the choices one has and to make the necessary comparisons and also to meet with the experts from the industry. This kind of trade show also gives a chance to some of the foreign trade missions to come to India and promote their brands.

The association is also organizing a three-day scientific conference in conjunction with the trade show, which gives an opportunity for research students and the chemists in the industries to learn more about new instrumental techniques and applications. This is a free service that the association is giving for all the participants of the symposium, which is quite unique and never seen any where else in the world. Thus, the association is serving the scientists and chemists of the country and this will definitely help them in appreciating the technology behind the covers and also troubleshoot, when necessary, to increase the productivity and to reduce the maintenance cost.

How has the analytical industry changed over the years and what are the current market trends?

Foreign exchange control was one of the major barrier to getting sophisticated analytical instrumentation to India. In the 1980s, the customs duty was so high that only some of the government institutes used to get the duty exemption or exemption was given to companies if the import was against the goods that they exported and that has brought foreign currency earnings to the country. As the foreign exchange reserves increased and as the country started opening up with the new ruling governments the laws governing the import of capital equipments changed, and the duty structure also decreased especially for basic research and development in the private sector. This opened the gate for the sales of much needed analytical instrumentation in India. In the late 1990s, when India became the signatory to the General *Agreement* on Tariffs and Trade (GATT) agreement, the gates started opening wider and more imports of the analytical equipment to the country started happening. Indian Pharma companies started investing more and more in the R&D of generic drugs, manufacture and formulations, as many patents of various pharmaceutical products were to expire by the turn of the 21st century. India, definitely was one of the countries to catch up with the wave and many companies invested heavily into development and manufacturing. To support this investment, it was also important to build up strong clinical services, and one could see several of them coming up within a short span of time. I recall that the first wave of expansion of pharma and brisk buying of analytical instrumentation started in 1995, followed by the second major wave from the year 2000.

The traditional petroleum/petrochemicals expansions were slowing down so also the agrochemicals sector. However, the infrastructure build up increased the demand for cement and steel and the analytical and automation instruments that are part of this field started expanding. As India is rich in its population and a good number of students opting for science, there have been tremendous developments all over the country in opening up of new engineering colleges and medical colleges. The growth in the pharma industry has also increased the number of pharma colleges in the country. While pharma kept growing, its affiliated branch, biotechnology, stared growing at a high speed. While the growth of market is slow now, the areas such as nanotechnology and proteomics are developing very fast in India. In fact there are many centers that are opening up now and the demand for instruments related to these areas of research will increase.

Many global manufacturers are keen on establishing their direct presence in India. How will it impact the local players and the market?

Indian analytical instrument market is valued at more than $1 billion and there is a healthy share for all the players. India was not an open market, so it was not easy for the foreign companies to come and establish their direct operations here. Earlier, the demand was also not that much warranting a direct operation. However, as the scenario has changed and the demand for sophisticated instruments have increased, the foreign companies have either joined hands with their local partner in a joint venture or a direct presence. Over the years, Indian customers have been asking for more and more factory-trained engineers, regulatory compliances, faster delivery of spares etc. After a certain point, it becomes very difficult for many of the local distributors to fulfill these demands, this gives an opportunity for the foreign companies to set up their direct operations in India. It is important to mention how well our local agents have played their role in establishing the foreign brands in India and serving the Indian customers.

The direct presence is generally for the high-cost products, where a high investment is required for the product support. But in the medium- and low-end segments, India is making several instruments and the price/performance ratio is very good and in this segment the foreign manufacturers are not able to compete, though they have the products. The awareness of quality both at customer end and at local manufacturers has pushed the quality index. Quality concept is the one thing that will increase the visibility and market share of the local products and I am sure that we will be able to export our products to many more countries than what we are doing today. We have more local manufacturing facilities when compared to many of our neighboring countries in South East Asia.

How do you foresee the growth of the analytical instruments market in India?

Life sciences is perhaps the most important area of research today and a very large amount of money is being spent for its development. One of the major areas of research within this segment is proteomics and there are a large number of laboratories in India, where the government is making major investments. Huge investment is needed for establishing these labs. India has the capability to catch up with the rest of the world and we have to focus on identifying biomarkers for some of the tropical diseases or genetic diseases, that will be one of the major revolutions that can be brought about.

Jahanara Parveen