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"Indian pharma desiccant market size is pegged at Rs 500 Cr"

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Manish Jain, Managing Director, Cilicant Chem shares few insights during the interaction with BioSpectrum



Continuous expansion of the Pharmaceutical Industry, which has resulted in increased pharmaceutical manufacturing is spurring the growth of the Pharmaceutical Desiccant Market. Additionally, pharmaceutical products are high in demand due to the increasing prevalence of chronic diseases and growing geriatric population, which has further generated demand for desiccants. Moreover, the use of desiccants becomes mandatory to ensure compliance with global standards for primary pharmaceutical packaging. The market is anticipated to further benefit from various growth strategies adopted by market players such as mergers and acquisitions. Moreover, growing demand from the developing economies has also supported the growth of the market.

In this context, BioSpectrum got in touch with Pune based company Cilicant Chem that has established itself as a leader in the desiccant market, offering some of the most superior quality solutions to protecting highly moisture-sensitive products from the harmful effects of moisture or humidity.

Manish Jain, Managing Director, Cilicant Chem shares few insights during the interaction-

What is the current size of the Indian pharma desiccant market?

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 percent of global demand for various vaccines, 40 percent of generic demand in the US and 25 per cent of all medicine in UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 percent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

Pharmaceutical industry is amongst the few industries which understand the critical nature of desiccants and its importance in maintaining the shelf life of life saving drugs. Therefore, they demand active packaging which adhere to their quality requirements and comply with the US FDA regulatory guidelines.

Active packaging which consists of desiccants, absorbents not only take care of the moisture, odour and oxygen within the packaging but also extends the shelf life of the formulation.

With both local and national player coming to the fore, we can safely predict the current size of the industry is pegged at Rs 500 Cr and It is bound to grow further.

How fast the sector is growing?

Medicine spending in India is projected to grow 9-12 percent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. The pharmaceutical sector was valued at US$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 percent over 2015–20 to reach US$ 55 billion. India's pharmaceutical exports stood at US$ 17.27 billion in FY18 and have reached US$ 19.14 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 percent (by volume) and about 10 per cent (value) in the US$ 70-80 billion US generics market.

Going forward, better growth in domestic pharmaceutical sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has also taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

As the growth the pharmaceutical sector is exponential, the need of right active packaging is growing at a healthy 18%.

What are the key growth drivers?

The Indian pharmaceuticals market has characteristics that make it unique. First, branded generics dominate, making up for 70 to 80 percent of the retail market. Second, local players have enjoyed a dominant position driven by formulation development capabilities and early investments. Third, price levels are low, driven by intense competition. While India ranks tenth globally in terms of value, it is ranked third in volumes.

This growth would be driven primarily by rising incomes, and be supported by five other factors: enhanced medical infrastructure; rise in the prevalence and treatment of chronic diseases; greater health insurance coverage; launches of patented products; and new market creation in existing white spaces.

What are the key unique points of CILICANT?

Cilicant Chem Private Limited was born out of a vision and an ensuing passion to make a world class product. The quality checks, that go into the manufacturing and packaging of the desiccant follows a strict regimen. Every stage of production is stringently monitored and controlled to warrant the highest quality and most efficient performance of the product. The various elements right from temperature and RH control to the quality of sachets to the medical grade ink that's used to print and the area of storage to transport have all been analysed threadbare to ensure highest safety standard. The steps are followed stringently to provide for a safe use of the desiccant product both by the manufacturer and the end user.

Some of the other significant features that make it unique are:

- Made in India by indigenous company (amongst the ruling multinational/ foreign companies)
- It has a dedicated cGMP & ISO 15378:2017 certified manufacturing facility for manufacturing
- It ensures that a robust Quality Management system is in place so that the quality of the products manufactured is not compromised in any way
- It prioritises / lays emphasis on product safety and quality in every step of the process to ensure the right quality of desiccants to keep the pharmaceutical shelf life extended.

Which are the key opportunities emerging with the changing face of Indian healthcare and pharma sectors?

The pharma industry has made huge strides in emerging medicines and has been a frontrunner in providing holistic healthcare and improving the lifestyle for people across the social strata with affordable consultation and medicines.

Nevertheless, there are areas in which we can make giant leaps given the talent this country possesses. To my knowledge I would rate the below as emerging key opportunities:

- Improving exports to the regulatory market (USA)
- Rise in generic and biosimilar drugs