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Biotech's sweet smell of growth

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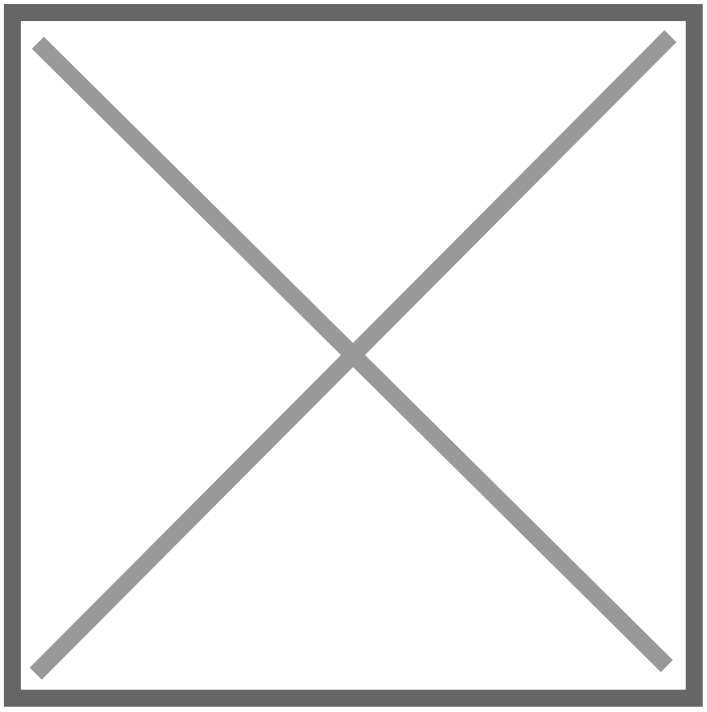

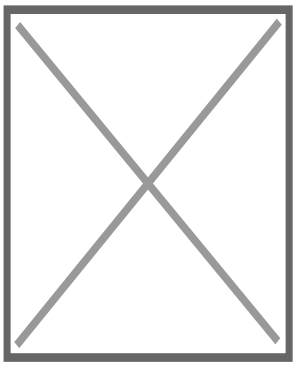

After two years of comparatively stagnant growth, India's biotech industry has got back into its groove. In the last fiscal year of 2010-11, the industry has topped the 20 percent annual growth mark once again after a gap of two years.

According to the 9th BioSpectrum-ABLE Biotech Industry Survey 2011, done in April-May, the industry, hasÂ grown by 21.5 percent to reach ₹17,400 crore in revenues in 2010-11. In dollar terms, it is slightly less than the $4 billion. But on adding the estimated revenues of ₹1,150 crore generated by the nearly 400 private and public educational institutions from their biotech courses, the overall revenues crosses the $4 billion (₹18,400 crore) mark for the first time ever.

The industry had its annual gathering at Bangalore India Bio in early May. It is time for the industry to come together once again to pat each other and exchange some high fives.

India's biotech industry has few saviors. The most prominent savior is the BioAgri industry. With the cotton farmer lapping up every Bt cotton seed produced by theÂ two dozen companies, this sector is on a growth path. With five BioAgri companies in the 9th BioSpectrum-ABLE Top 20 Rank, the revenues from this sector are providing a cushion to the industry collectively.

Another remarkable fact this time is the higher than industry growth achieved by some of the prominent members of the BioSpectrumÃ¢â?¬â??ABLE Top 20 companies, the industry has a healthy picture to present. The Top five companies have grown in excess of 25Â percent in the last fiscal year.

Interestingly, the share of the Top 20 companies in the overall industry revenues has declined by seven percent, from 53 to 45 percent this year. This indicates that companies beyond the Top 20 list are also gaining traction and contributing significantly to the overall growth. As the industry matures, the share of the Top 20 companies should decline gradually. Overall, the industry generated over ₹3,000 crore in revenues over the previous year. The Top 10 companies accounted for nearly two-thirds of the net income generated by the industry collectively.

Biocon has maintained its No.1 rank for the second consecutive year, backed by strong growth in its key markets. The diversified portfolio built up in the last few years is adding muscle to Biocon's growth. The No.2 company, Serum Institute of India has also recovered from its previous year's slump, thanks to the robust sales of the newly introduced swine flu vaccine. Bharat Biotech has surged past its industry rival and pioneer Shantha Biotech in revenues. Shantha Biotech, now a part of the Sanofi PasteurÂ Group, had a few setbacks due to the withdrawal of some products from the market last year.

This survey has completed nine years. Even after nine years, the landscape of the biotech cluster remains more or less the same. The western and southern biotech clusters account for an overwhelming share of the industry with the northern cluster just in double digit share. The eastern region continues to remain insignificant in the overall biotech scheme of things. The

southern and western clusters are neck-to-neck in the revenue race with very little to separate these two dominant regions. The government is pushing the industry to the eastern parts of the country. It has set up some research centers which should form the nucleus of the sector in the coming decades.

The details of the 9th BioSpectrum-ABLE Industry Survey 2011 are available in the magazine. We have tried to provide more tables and analysis with the limited data sharedÂ by the industry for this purpose. I look forward to the suggestions to make the next edition of the survey even more useful to everyone.



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