

IVD Market Scenario in India

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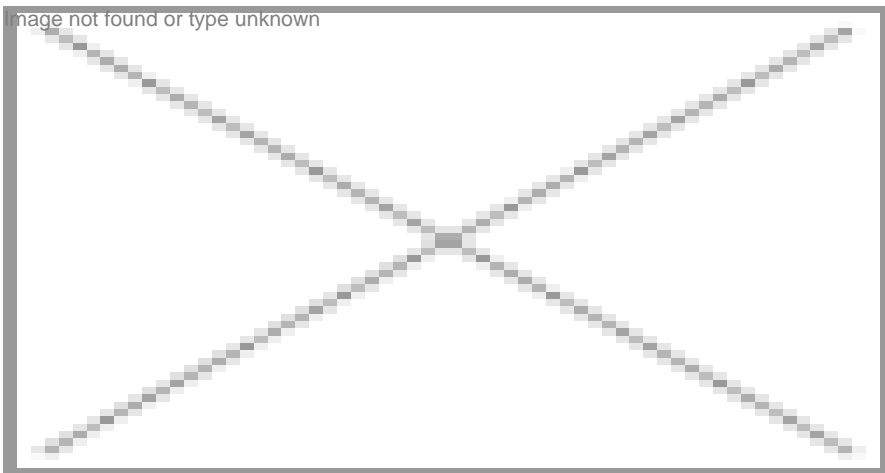
Today the total Indian healthcare sector, which is currently valued at \$34 billion, is projected to grow to nearly \$40 billion by 2012. The diagnostic and pathology market is around 2 percent of the overall healthcare market. The diagnostic market has been growing at 15-20 percent and by all indications shall continue to grow for another 10 years at this rate.

At present one major driving force in this respect is the basic demographic change in India, the migration to urban cities, with more and more people having access to modern healthcare. The impetus is provided by the increasing investments in hospitals and clinical laboratories. But this scenario is all set for a change with the medical fraternity looking towards development of the rural sector as well.

The IVD market accounts for about 38 percent of the total global medical devices and diagnostic market. The Indian IVD market is estimated to be \$330 million as of 2008-09. The IVD market scenario in India has seen substantial developments in the last 4-5 years and these changes shall continue for decades to come. In a very short time, India is poised to catch up with the global IVD market.

IVD includes tests which are used either for the analysis of patient body fluids or tissue samples. Tests performed on samples, for example blood, tissues or urine taken from the body are a source of objective information about the body and

how it functions.



This information is vitally important for clinical decision-making. IVD tests are essential to the practice of health care worldwide. An estimated 60-70 percent of medical decisions involve a diagnostic test. Routine test segments-chemistry/immunoassay, hematology, and routine microbiology-currently make up about 70 percent of the market test-wise.

Completely integrated fully automated systems have gained impetus across all segments of the industry for the different types of end users ranging from small labs to multi-specialty hospitals.

Utilization of smaller volumes of reagents and samples while simultaneously maintenance of feasibility of testing and quality of results across all product ranges is a must.

The IVD market can be divided into the below mentioned segments. The largest slices of the pie include biochemistry and immunology.

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For the coming year (2008-09), the total market size for clinical chemistry is estimated at Rs 490 crore. Instruments market is estimated at Rs 185 crore while the reagents market is at Rs 305 crore. The reagent market is further divided into closed Systems (Rs 85 crore) and the actual served open market (Rs 220 crore).

The leading player in this segment is Transasia Bio-medicals which is ISO 9001:2000 and ISO 13485:2003 certified, has also been rated as India's largest in vitro diagnostics company (2006) by McEvoy & Farmer, USA (International experts on IVD markets). The other major players in this group are Roche Diagnostics, J Mitra, Johnson & Johnson, Beckman Coulter, Trivitron, Accurex, Tulip/Crest, Bayer-Siemens, Agappe, Randox, Span, Wipro Biomed, Merck, Ranbaxy, NPIL-DiaSyS. Apart from these, there are 30 other smaller players operating in this market segment.

Emerging technologies in the IVD industry

As lab automation continues to evolve, the drive or thrust for smaller, faster, and more-accessible devices is increasing. Emerging markets have different needs with respect to the test menus, technologies used and operating procedures. Thus, made to order solutions need to be developed for these markets.

Lab automation has also taken on a new level of importance in the ability to actually get instruments interfaced to various laboratory information systems. Information technology has taken a giant leap in the IVD industry thereby reducing the dependence on a technically qualified individual to be present at all times during the analytical procedure without compromising on established levels of care.

Delivering the right data in a timely and cost effective manner while improving the sensitivity and specificity of the test is the need of the hour and the industry needs to gear up for single workstations that can carry multiple workloads.

Emerging business opportunity

The emerging industry structure is headed towards providing healthcare services as an integrated comprehensive package rather than the traditional concept of providing healthcare infrastructure and reactive medical care. Growing health

consciousness among middle and high-income families in India is heralding a new business opportunity -- preventive healthcare. This has shifted focus from in-patient treatment to a regular preventive health check. Corporate companies offer annual health check for their employees; insurance companies conduct pre-insurance policy check; and self paid health checks also give out a potential business opportunity.

India as a major bio-industry and IVD manufacturer needs to invest in dedicated research and development to boost the delivery of increasingly sophisticated equipments. Giant steps need to be taken to cross the current chasm to fulfill responsibilities to doctors and patients in meeting and exceeding their needs for reliable, affordable and innovative medical diagnostic systems.