

Analytical instruments business in India on the rise

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India is considered as one of the most important growth markets for analysis, laboratory-technology, diagnostics and biotechnology solutions in Asia. The most important sectors driving the growth in the Indian market include biotechnology, bioinformatics, contract research, diagnostics, pharmaceuticals and healthcare and the food industry.

India is trying hard to combine the strengths of its software industry with modern biotechnology in order to compete in the market for bioinformatics, and it is aiming for a five percent share of the overall global market. The Indian commercial sector also sees lucrative growth opportunities when it comes to research and development services for internationally active corporations in the pharmaceutical and medical sectors as well as in the consumer-goods industry.

According to the Confederation of Indian Industry (CII), 400 laboratory enterprises in India are specialized in research and development services for biotechnology and the life sciences alone. The pharmaceutical and food industries also continue to grow. The one thing that all of these branches of industry have in common is that they generate a great deal of demand for high-tech analysis, state-of-the-art laboratory technology and innovative diagnostic solutions.

"The growth in biotechnology, bioinformatics, contract research, diagnostics, pharmaceuticals and healthcare and the food industry, modernization of universities and institutes are driving the growth of analytical instruments market in India," said Nitin Kabbin, managing director, Dionex India Pvt Ltd.

The overall analytical and diagnostic products and laboratory equipment market in India has been on the rise since 1998 from ₹ 593.17 million (about Rs 3,558 crore) and reached ₹ 976.54 million euros (Rs 5,856 crore) in 2003-04 (according to M+V market development services). And India is an important destination.

KV Venugopalan, president, Waters India, pointed out, "The worldwide market for analytical technology in 2005 was \$31 billion and this is estimated to grow to \$41 billion by 2010. While North America accounts for the largest share of the pie with 38 percent share, Europe accounts for 31 percent share. The Asia-Pacific region accounted for close to 22 percent of the share in 2005. In terms of growth forecast by technology, life science instrumentation, separations and surface sciences are the three big areas. The life science instrumentation alone accounted for 26 percent share of the \$31 billion figure. The life sciences instrumentation market was estimated at \$8 billion. Separations is the next dominant technology with \$5 billion in revenues. Surface science's share was \$3.8 billion."

"Though the analytical and diagnostic products and laboratory equipment market in India is growing at rate of 20 percent, about 60-70 percent of the demand is met through imports," said Nitin Kabbin.

Agreeing to the fact that the Indian analytical instruments market is growing at 20-25 percent, Rajendra Barabde, director, Chromline Equipment (I) Pvt Ltd said, "Most of the biotech projects are still on papers. It will take another two-three years to see more activities in biotechnology in the country. Government has taken a lot of initiatives to promote biotechnology across the country and also sponsored many projects."

Rakesh Kumar Gupta, regional sales manager, IDEX Asia Pacific Group said, "The growth of biotechnology industry is one of the driving factors for the growth of analytical instruments market in India. The demand is more for the High Performance Liquid Chromatography, Liquid and Gas Chromatography, Mass Spectrometers."

And more than 60 percent of all these high tech equipment and solutions still are imported. German manufacturers alone exported analysis equipment and laboratory technology products worth 68 million Euros (approximately Rs 408 crore) to India last year, registering an increase of nearly 27 percent over 2004.

In addition to Germany, major companies from other countries like the US, Japan, France, and Sweden are present in India. Agilent Technologies, Alfa Laval, Bio-Rad Labs, Dionex, GE Healthcare, Millipore, Pall, PerkinElmer, Sartorius, Shimadzu, Thermo Electron Corporation, and Waters are a few examples. These companies have full fledged set-ups in India providing the necessary support and services to the Indian companies.

Although local manufacturers are coming with quality products, they are not yet in a position to meet the requirements and international standards when it comes to high-end equipment like chromatography, HPLCs, and mass spectrometry. Nitin Kabbin observed, "There are many Indian players who are indigenously manufacturing analytical instruments. But a lot more is to be done on the design and development. It can be done by the motivated and dedicated entrepreneurs with a good support from the government."

Narayan Kulkarni with Ch. Srinivas