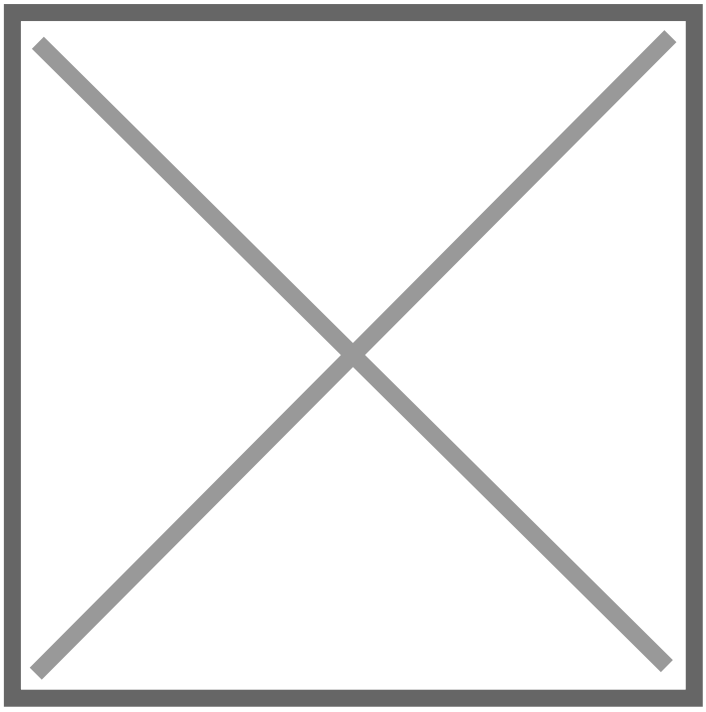
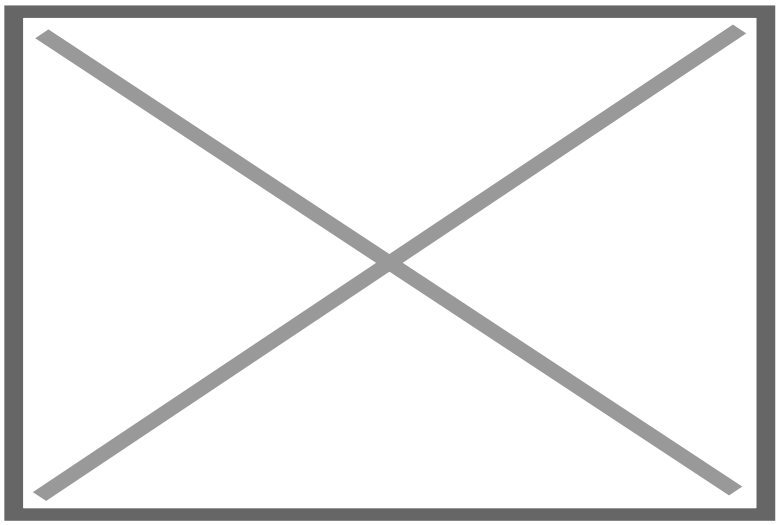
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A steady revenue stream

07 July 2010 | News



Laboratory Consumables



The consumable products have higher margins compared to big-buck items such as instruments, and are a steady source of income for a company because these are not tied to fluctuations in the end-user's capital expenditure budget. Laboratory Consumables range from staple items such as plastic and glass ware, filters, chemicals and gloves, to instrument-related consumables, such as plates, columns, tubes and reagents. Consumables for life science applications have come to constitute a distinct category of laboratory consumables and include items such as microplates, DNA kits, oligonucleotides and gels.

According to the BioSpectrum estimates, this market is close to Rs 2,025 crore, including Rs 875 crore for general consumables, Rs 950 crore for reagents, and Rs 200 crore for media.

The general consumable segment, estimated to be close to Rs 950 crore, has players like Merck, Rankem and Qualigens (taken over by Thermo Fisher), and SD Fine Chemicals in control of the 60-65 percent market share. In molecular biology reagents sub-segment within this market—estimated to be around Rs 220 crore—Sigma Aldrich has 80-85 percent of the business which includes the organic reagents as well. However, Invitrogen through its distributors has a formidable presence in molecular biology reagents market. For scientists who use commercial reagents, Invitrogen currently outpaces its market peers for selection as primary supplier, followed by Sigma-Aldrich. Within this sub-segment itself, Bangalore Genei, which was acquired by Merck in 2009, has been catering to the the economical teaching kits and reagents for the educational market including the colleges and universities. This business is estimated to be worth Rs 25 crore in India.

The overall media market is estimated to be close to Rs 200 crore and is dominated by HiMedia Laboratories and Difco. The culture media market size is around Rs 50 crore and at the same time the microbiology market is close to Rs 150 crore. HiMedia Laboratories is a popular choice as it offers wide range of economical culture media options. The other players include the international brands from companies like Merck, Sigma, and Invitrogen. Besides, there are many domestic players in this space which play an important role in the culture media space. In the peptones and industrial media category, Kerry Biosciences, Difco, Himedia are the major suppliers.

The plastic ware and glassware markets combined add up to Rs 120-130 crore and constitute an important part of the Lab Consumables segment. Borosil is the major player. Corning range of glassware also holds some market share. Of late, many chemical suppliers have also ventured into the glassware space, with companies like Qualigens and the S.D Fine Chemicals promoting their glassware. The unbranded Chinese glassware has also been a part of this market. In plastic ware segment, the distributor companies like Genaxy has been a major supplier for the Indian market.

In the chromatography Lab Consumables market, the majority of end-user needs are met by distributors and specialized manufactures. However, a growing number of consumables sales are being made by instrument companies themselves. Instrument companies selling consumables is nothing new but the trend has accelerated recently. This market is estimated to be worth Rs 200 crore, within the consumables market.

- Low susceptibility to fluctuations and margins higher than even instruments, no one can discount the importance of consumables in the analytical and life science market.
- BioSpectrum estimates this market to be close to Rs 2,025 crore, including Rs 875 crore for general consumables, Rs 950 crore for reagents, and Rs 200 crore for media.