

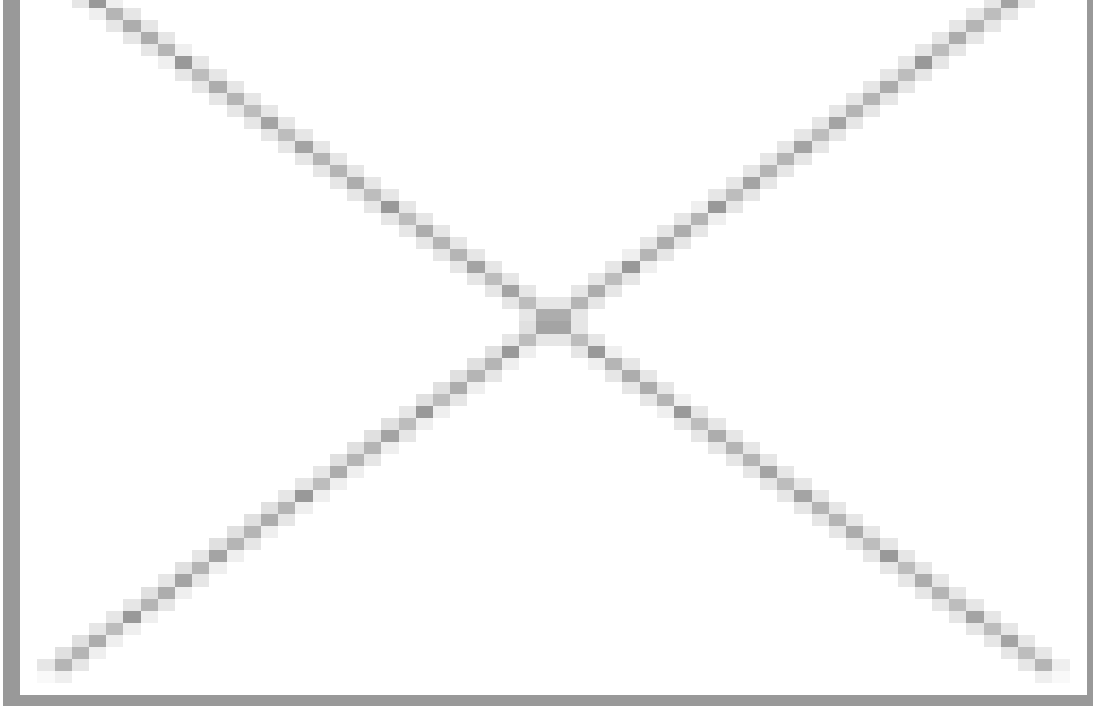
Disposables drive a modest 12 percent growth

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Companies have increased use of single-use devices/disposables to cut down on capital costs and gain maximum return on

investments



The bioprocesses segment continued to witness a moderate growth of about 12 percent, thus taking the segment to a total market size of around 504 crore in 2010-11 against 450 crore in 2009-10. The space continues to be dominated by three large players, namely Millipore (now Merck Millipore), Pall Life Sciences, Sartorius and to some extent GE Healthcare. Millipore, by far, is the leading player in the total bioprocess market followed by Sartorius and Pall Life Sciences. These three companies together have an amalgamated share of around 80-85 percent. Millipore and Sartorius have a share of over 30 percent each, while Pall Life Sciences has a market share of 15-18 percent. In 2008, GE Healthcare acquired Whatman Plc, which was a leading company in filtration products. This helped former grab a sizable share in the global as well as the Indian market.

There has been an increase in the use of single-use fluid devices and disposables. In the pure biotech sector, most companies have adopted this technology and the rate of change is very high. However, in the pharmaceutical and API companies, the switch towards single-use fluid/devices is slower but is gradually picking up. There are myriad reasons for this trend. The past one year has seen increasing regulatory pressures, which in turn has prompted companies to embrace this technology.

Adopting single-use fluid handling bags over multiple-use devices makes economic sense for biotechnology/pharmaceutical companies who look at maximum returns but low-cost capital investments. While the investments required in re-using/cleaning the same equipment is much higher, single-use devices involve lesser costs.

The market size of the bioprocesses segment stood 504 crore in 2010-11

The segment grew at 12 percent in the fiscal

The space continues to be dominated by Millipore (now Merck Millipore), Pall Life

Sciences and Sartorius

Millipore and Sartorius have a share of over

30 percent each, while Pall Life Sciences has a market share of about 18 percent

Apart from economical factors, single-use fluids are a viable option for vaccine-makers and companies into anti-cancer products, which require high adherence level to quality and safety norms. Above all, major share of the business of most of the top biopharmaceutical companies in India today (both multinationals and homegrown companies) comes from exports, for which high quality assurance levels have to be e-use fluid handling bags are preferred.

The main highlight last year was the final integration of Merck and Millipore after the former's global acquisition of the latter. Following the global acquisition of Millipore Corporation by Merck KGaA in 2009, in India, the business of Millipore India was integrated with Merck's Life Science and Chemicals business to form a new business division, "Merck Millipore". Post integration, the amalgamated division's restructured business comprises three units - the biosciences unit, lab solutions and process solutions unit.

Looking ahead, industry observers predict that the segment will see a growth of around 12 percent. Upcoming technological sub-segments will include membrane chromatography and chromatography monolithic columns.

The same players will continue to dominate the market. Though the segment has witnessed the entry of a lot of homegrown players, it will be a while before local players can catch up with the investments and revenue levels that the MNCs command today.