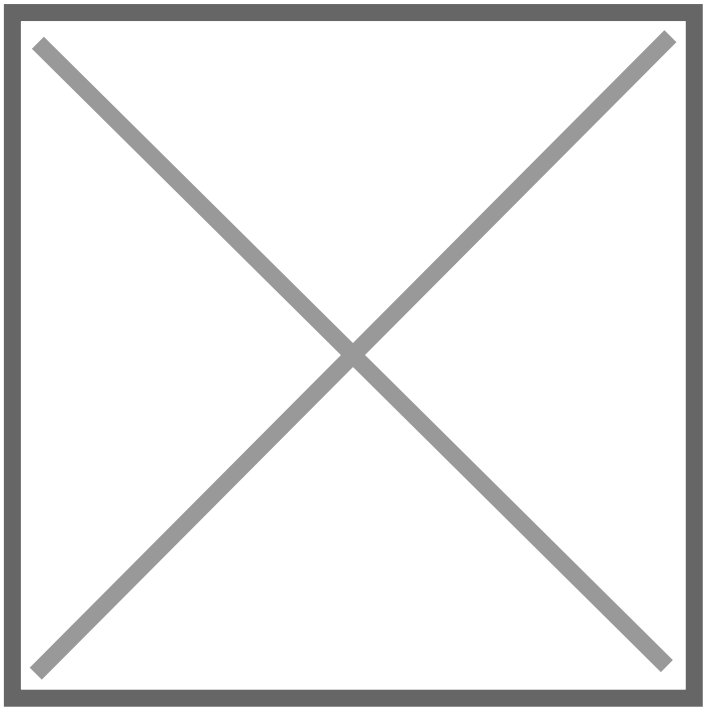
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Vaccines Push BioPharma Sales

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The total BioPharma industry, comprising of vaccines, therapeutics, other products like statins, and diagnostics registered 29.72 percent growth in 2004-05 and the segment still is the single largest contributor to the Indian biotech industry. The total biopharma industry grew from Rs 2,752 crore in 2003-04 to Rs 3,570 crore. The vaccines business is the prime contributor, accounting for close to 47 percent of the total biopharma business, which also includes the diagnostics market. The vaccines business grew from Rs 1,295 crore in 2003-04 to Rs 1,669 crore in 2004-05.

While the human vaccines business saw close to 28 percent growth, the animal vaccines business has grown by over 75 percent. In fact, Venkateshwara Hatcheries' poultry vaccines business grew by over 113 percent to Rs 188 crore in 2004-05. Indian Immunologicals, another major animal healthcare manufacturer, registered a strong 29 percent growth to end the year at Rs 72.38 crore. Interestingly, these animal health care companies now are expanding the manufacturing expertise to human health care in a big way.

The therapeutics market recorded 20 percent growth and grew to Rs 500 crore in 2004. The competition in the human insulin segment has increased with the launch of human insulin products by Biocon and Shreya Life Sciences. As a result of this pricing pressure is expected in this segment.

Biocon was the largest biopharma company with total pharma sales of Rs 556.67 crore. Serum Institute of India was the second largest player with total sales of Rs 505 crore. While Biocon recorded 27.86 percent growth, Serum registered 2.85 percent growth in its sales. Panacea was the third largest company with total sales of Rs 217 crore. It registered 45.8 percent growth over that in 2003-04. Venkateshwara Hatcheries was the No. 4 company with total sales of Rs 188 crore. This is the first time that an animal health care company is entering the Top 5 club. Further, the Indian (home grown) manufacturers today account for 62 percent of the total BioPharma sector (excluding the diagnostics market which is valued at Rs 601 crore). Among the top five companies, Novo Nordisk is the only MNC.

Most of the biotech companies today are focusing on discovery-led innovation and investing in infrastructure and R&D. During 2004-05, Biocon's total investment increased to Rs 103.24 crore from Rs 64.44 crore the previous year, a 60 percent growth in its R&D investments. Biological E has invested about 36 percent of its total turnover on infrastructure and R&D. While Rs 35 crore went into the infrastructure development, Rs 1.1 crore was for R&D. Panacea has recently developed and launched several other vaccines, which include Recombinant Hepatitis B (Enivac HB), Enivac HB Safsy, Ecovac (DPT+Hib B), Ecovac safsy, Easy Four (DPT+Hib) and Easy Five (DPT-Hib-HepB). It also entered into a collaboration with UK-based Cambridge Biostability, for manufacturing of vaccines in India using the Stable Liquid Technology. This is a sample list of some of the developments. Clearly, one is seeing increased collaborations, mergers and acquisitions, and newer investments. Most companies expect the their investments to yield the returns in another two years time.



Top Indian Manufacturers*		
Rank	**Company**	**Turnover in Rs Crore (2004-05)**
1	Biocon	556.67
2	Serum Institute of India	505
3	Panacea Biotec	217.28
4	Venkateshwara Hatcheries	188
5	Bharat Serums	81
6	Indian Immunologicals	72.38
7	Shantha Biotechnics	68.85
8	Wockhardt	67
9	Bharat Immunological & Biological Corp.	53.25
10	Bharat Biotech International	41
Top 10 Indian Manufacturers		**1848.43**
Others		**1119.8**
Total BioPharma		**2970.23**

Top 10 Indian Manufacturers Account for 62 percent of the total BioPharma Sector
*Excluding Diagnostics Companies

Total BioPharma Sector including Diagnostics			
BioPharma	Revenues in Rs Crore (2003-04)	Revenues in Rs Crore (2004-05)	Percentage Growth
Vaccines	1295	1669	28.88
Therapeutics	415	500	20.48
Others	635	800	25.98
Total	2345	2969	26.61
Diagnostics	407	601	47.67
Total Pharma	**2752**	**3570**	**29.72**

Contribution of BioPharma Companies*		
Club	2004-05 Revenues in Rs Crore	% Contribution
Top 5	1599.95	53.87
Top10	1993.45	67.11
Top15	2315.93	77.97
Top 20	2487.23	83.74
*Excluding Diagnostics Companies		

Market Share of BioPharma Companies*	
Company	**% Share**
Biocon	18.74
Serum Institute of India	17
Panacea Biotec	7.32
Venkateshwara Hatcheries	6.26
Novo Nordisk	4.55
Aventis Pharma	2.84
Bharat Serums	2.73
Chiron Behring Vaccines	2.63

GlaxoSmithKline	2.62
Indian Immunologicals	2.44
Shantha Biotechnics	2.32
Eli Lilly and Company	2.3
Wockhardt	2.26
Serum International	2.19
Bharat Immunological & Biological Corp.	1.79
Bharat Biotech International	1.38
Biological E	1.24
Haffkine Bio-Pharmaceuticals	1.13
Krebs Biochemicals	1.01
Dr Reddy's	1.01
Others	**16.26**
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