

Bioinformatics on growth trajectory

27 June 2012 | News



The bioinformatics market had registered CAGR of 15 percent during the beginning of the year 2000. However the growth rate started declining from 2007 onwards. But the growth has now started to pick up in the last couple of years. In 2011-12 the sector recorded a growth of 9.6 percent clocking 265.7 in 2011-12. The sector had witnessed an increase in the domestic revenue during last year. This rise was attributed to factors such as increase in public funding towards research and development (R&D) from the Government of India, decline in costs of human genome sequencing, increase in R&D investments by companies, and increase in the number of orders for contract research activities.

As against the earlier notion of developing tools for drug discovery activities using Information Technologies, the bioinformatics companies now have been focusing on services also. In all, the sector has about 15 pure bioinformatics firms, 50 Bio-IT companies and 15 companies operating with mixed business model offering both informatics and contract services. Most of the pure bioinformatics companies have spun out of the premier institutes such as IITs, IISc and others universities. These companies have developed about 20 products in the last 10 years. Subsequently, they came up with latest versions of their existing products.

India currently has close to 10 percent of the global professional and skilled bioinformaticians. There is a lot of demand for skilled and semi-skilled work force in this space in India as the job market for bioinformatics in western market has dropped. Because of the changing market trends, the bioinformatics companies have been operating as integrated outsourcing partners by offering services and solutions. Few others offer a spectrum of products for computer-aided molecule discovery, bio- and chemo-informatics, and structural biology services.

Looking at the opportunities, companies such as Strand Life Sciences and Ocimum Biosolutions have established operations outside India mainly in the USA. However, due to global financial crisis and rise in the outsourcing of drug development activities, these companies have been forced to rethink their strategies.

The fragmented bioinformatics market will see a growth in the coming years because of government's spending on R&D in addition to increase in private fundings.

Top Bioinformatics Companies

Sl. No.	Company	Revenue in ₹ crore	
		2011-12	2010-11
1	Strand Life Sciences*	49.14	
2	Ocimum Biosolutions	49	
3	Molecular Connections*	48.9	
4	Geschickten*	0.45	0.
5	NovoInformatics	0.2	