

## AT 30 PERCENT GROWTH, A MIXED BAG OF PERFORMANCES

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*While growth in the overall centrifuge market slackened in 2010-11, the PCR market showed an impressive growth with biotech companies in India moving towards high-end drug discovery research*



**C**entrifuges holds the major share of the life sciences instrumentation market, which also comprises sub-segments like flow cytometry, PCR, spectrophotometer and electrophoresis. While these sub-segments continued to predominate the lab instrumentation market in India, upcoming segments like gene and protein sequencing displayed impressive growth over the past one year and could play a significant role in the market.

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The total lab instrumentation market for 2010-11 stood at **1,350 crore** as against **920 crore** in 2009-10. This amounted to a registered growth of 30 percent over the previous fiscal. While homegrown companies are gradually entering this segment, multinational companies continued to be the major players, like in previous fiscals. These include Thermo Fisher Scientific, Beckman Coulter, Becton Dickinson, ABI, Eppendorf, Perkin Elmer, Roche, BioRad and GE Healthcare. A common trend observed in all the sub-segments was the increasing demand for high-throughput instruments. This is due to the rise of high-end drug discovery research in India. A sizable part of the revenue for most companies came from the public sector.

**The total lab instrumentation market stood at 1,350 crore**

**All the sub-segments witnessed an increasing demand for high-throughput instruments**

**Centrifuges market clocked total sales of 1,250 crore**

**PCR market (both the classical and real time PCRs) stood at**

about 80-100 crore

Demand for RT PCRs is gradually rising in the market

Flow cytometry market showed a drop and clocked total sales of 112.5 crore

Spectrophotometer market clocked sales of 80 crore and is growing at 8-10 percent

The centrifuges market recorded a slow growth in 2010-11 as compared to the previous fiscals. This was primarily due to the slow growth of vaccine companies in India, which last year had majorly invested in H1N1 vaccine production but did not see much growth in sales thereafter. The total centrifuges market clocked total sales of 112.5 crore (\$25 million) in 2010-11 as against 100-120 crore in 2009-10. This segment further has its divisions, which includes ultra centrifuges, high speed centrifuges and tabletop centrifuges. This apart, it also comprises industrial centrifuges and blood centrifuges. The ultra centrifuges market saw a major drop with its total market clocking 15.75 crore (\$3.5 million) due to the impact of vaccine companies in India. The same is the case with the high speed centrifuges market that clocked 15.75 crore (\$3.5 million). The market for tabletop centrifuges - by far the largest within this space - recorded total sales of 36 crore (\$8 million) in the fiscal as against 36.8 crore in 2009-10. During the year, an average of 1,000 units of tabletop centrifuges were installed. The industrial centrifuges segment clocked 31.5 crore (\$7 million) while blood centrifuges clocked

13.5 crore (\$3 million).

In the ultra centrifuges segment, Beckman Coulter held a leading share of around 65 percent. In high speed centrifuges too, Beckman Coulter was leading with 55 percent share followed by Thermo Fisher Scientific. Eppendorf dominated the tabletop centrifuges segment with a market share of 60 percent. Alfa Laval was a major player in the industrial centrifuges market. In the coming years, the same players will continue to dominate this segment, while simultaneously more players will enter the tabletop centrifuges segment making the overall segment extremely competitive.

The PCR market (both classical and real time PCRs) was about 80-100 crore in 2010-11 as against 55 crore in 2009-10. While the size of the classical PCR market stood at 45 crore, the real time PCR market stood at around 35 crore during the fiscal. Around 1,500 units of classical PCRs and around 250-300 units of RT PCRs were sold during the year. Major clients for most of the PCR players were research institutions mainly into molecular diagnostics, forensic laboratories, pathology laboratories and institutes involved in genomic research.

Major companies in the classical PCR space include Eppendorf (30 percent share), ABI (15-16 percent share) and BioRad (30 percent). In RT PCRs, major companies include ABI (30 percent) and Roche (20 percent) followed by BioRad and Eppendorf. The classical PCRs registered a growth of 10-15 percent in the market, while real time PCRs showed a gradual impressive growth of 20-25 percent. While most of the clients still opt for classical PCRs, the demand for RT PCRs is gradually rising in the market.

Most of the demand for PCRs came from the crop sciences sector that has large scale lab set-ups where the number of PCRs installed can be anywhere between 8-10 per lab. Major pocket areas for PCR sales in India include Hyderabad, Bangalore and Aurangabad, the hubs for most big seed player companies in India. This trend will continue to grow with both multinational companies and Indian companies setting up testing labs for a vast array of food crops like rice, maize and vegetables. Also, there has been a paradigm shift with India moving into high-end discovery research rather than merely being a destination for drug development. This has proved to be a blessing for PCR companies in India whose sales grew with companies buying high throughput PCR instruments for high-end research. Of late, the overall PCR segment has witnessed the entry of Chinese players who supply PCR equipment in India.

The flow cytometry market also showed a drop and clocked total sales of 112.5 crore in 2010-2011 as against 15 crore in 2009-2010. This is due to the fact that these high-end instruments, require large-scale investments and are still in their nascent stage of growth. However, over the past one year, companies have been gradually adopting the technology. Again, like PCRs, high throughput equipment also remain the demand of the day. The growth is expected to touch 15 percent in the coming years. Approximately 50-60 units of flow cytometers were sold during the year. Major sectors where there has been a rising demand for flow cytometers include research institutes, diagnostics and imaging companies. Becton Dickinson, by far, is the leading player in the flow cytometry market.

Another upcoming segment is the gene sequencing market where the new generation sequencing (NGS) space is witnessing a rapid growth of around 30-35 percent due to the growth of reagents market in India. Till date, around 20-30 NGS equipment have been installed, while last year around 10 such equipment were installed. In the coming year, industry observers predict that an average of 20 NGS equipment would be installed. However, this industry is facing cost issues.

The spectrophotometer market clocked sales of 80 crore and is growing at an average rate of 8-10 percent. Around 300 units of such equipment are sold every year. Major players in the segment include Thermo Fisher, Shimadzu and Eppendorf.