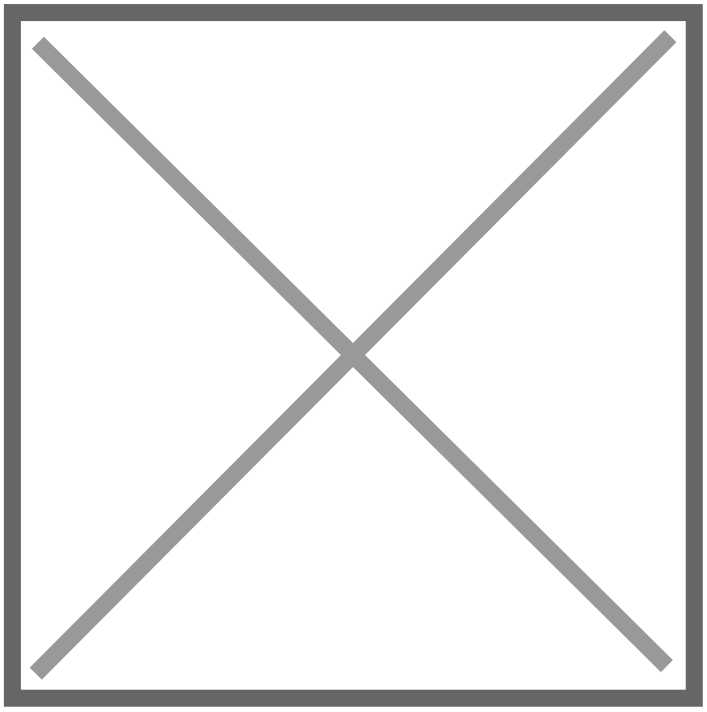
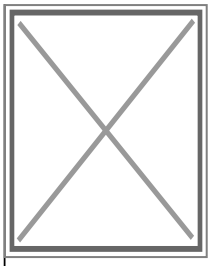
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India's biotech industry crosses Rs 20,000 crore

26 June 2012 | News





The 10th annual BioSpectrum-ABLE Biotech Industry Survey should bring all round cheers within the industry. Amidst uncertain economic conditions, the biotech industry has performed creditably to cross the ₹20,000 crore revenue mark for the first time ever. The industry, buoyed by healthy vaccine exports and Bt cotton sales, has grown by 18.5 percent in 2011-12 over the previous year to record revenues of ₹20,440 crore.

Some significant changes are taking place, altering the direction in which the Indian biotech industry is growing now. The most important is that there are some inherent strengths which are driving the overall growth despite adverse economic conditions. This means that finally the products and services offered by the industry have significant takers within and outside the country.

One of the most important developments is the fact that the domestic revenues of the industry has overtaken the export revenues for the first time. Domestic sales accounted for 52 percent share of the industry revenues in 2011-12. The share of exports has slipped to 48 percent. Exports used to account for nearly two-thirds of the industry revenues till a few years ago.

Last year's 18.5 percent growth has been built on the back of 19, 21, 17, 18, 20 percent growth rates in the previous five years. It is clear that the industry growth will hover around the 20 percent growth rate in the near future. Is this the new normal for the Indian biotech industry? Or can one call this Ã¢â?¬Å?Indian biotech growth rateÃ¢â?¬?? Many other industry segments will be happy to have such a Ã¢â?¬Å?steadyÃ¢â?¬? growth rate.

What is driving the growth? The BioAgri sector has certainly had a major role in the growth story with 23 percent increase in revenues. The Indian BioPharma story continues notching up 19 percent increase in revenues. The BioServices sector is contributing handsomely with 15.5 percent growth rate. Some other interesting data from the 10th annual survey:

Indian biotech industry has registered a compounded annual growth rate (CAGR) of 14.75 percent in the last four years, and a CAGR of 24.18 percent between 2002 and 2012.

Now the interesting facts about the individual companies. The top slot has changed hands again. Serum Institute has regained the position of No.1 biotech company of India from Biocon in 2011-12. Serum's stupendous 64 percent growth to achieve ₹1708 crore in revenues is mainly due to the ever-increasing demand for the company's vaccines in the global markets. In fact, the company earned 80 percent of its revenues from exports. Biocon's growth has halved from 26 to 13 percent last year.

In all the 10 years of the survey, the No.1 slot has oscillated between Serum and Biocon. But the No.3 rank has now been captured by a BioAgri company, Nuziveedu Seeds for the first time with revenues of ₹745 crore. Despite having just one approved BioAgri product in Bt cotton, this segment continues to amaze the industry. Some of the country's leading vaccine companies have had a bad year due to cancellation of orders from international agencies over quality issues. Yet, other companies have stepped in the gap and kept the vaccine industry flag flying in global markets.

In dollar terms, the industry has not grown due to the large appreciation of Indian currency in 2011-12. The industry had set itself a target of $5 billion 10 years ago probably based on that year's currency value. The target was for the year 2010. But under the current circumstances, the magical figure of $5 billion may happen only by 2014.

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