

India CMO - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The India CMO Market size is estimated at USD 22.51 billion in 2024, and is expected to reach USD 44.63 billion by 2029, growing at a CAGR of 14.67% during the forecast period (2024-2029).

The rise in demand for injectable drugs, especially in cancer research, will upwardly trend the Indian pharmaceutical contract manufacturing market. Injectable drugs offer higher returns as compared to other drug formulation types. Therefore, higher ROI and therapeutic efficiency are expected to fuel the growth of the injectable formulation segment in the country.

Key Highlights

- Over the past few decades, India has taken a significant leap in pharmaceutical production, including contract manufacturing. As per Indian Drug Manufacturers' Association, the pharma CMO industry provides a significant opportunity for small and medium enterprises.
- The pharmaceutical and vaccine industries are both very vital to India. Globally speaking, it is the biggest supplier of generic medications. Around 60% of the world's vaccinations come from India, contributing 20% of the supplies globally. India is the third-largest country in the world in both volume and value. OTC drugs, Generics, APIs, Vaccines, Biosimilars, and Custom Research Manufacturing are significant subsectors of the Indian pharmaceutical business (CRM).
- The scale-up of drug synthesis and late clinical trials have become a suitable protocol in the country. Along with it, DTAB (Drug Technical Advisory Board) has also agreed to grant a waiver to the late-stage (Phase III) studies of certain drugs in the country, which are from the US and Europe-regulated markets. These incentive step translates into enormous cost savings for pharmaceutical companies, thereby increasing their focus on India.
- The Indian government has established several programs to support the pharmaceutical sector. The Strengthening of Pharmaceutical Industry (SPI) initiative, with a total financial investment of INR 500 crore (USD 64.5 million), focuses on enhancing

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the current infrastructure facilities. The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached USD 1,414 million between FY 2021-22.

-Pharmaceuticals, crucial key starting materials (KSMs), medical devices, bulk drug parks, and other industries have production-linked incentive (PLI) programmes to support manufacturers. The Indian government wants to boost output and investment in the country's pharmaceutical industry through the PLI scheme. In the six years from 2022-2027, the scheme is anticipated to produce an additional sale of INR 2,94,000 crore (USD 37.09 billion).

-Moreover, the country is a significant exporter of pharmaceutical solutions. For instance, the United States relies on India to import services and establish its plants in the country. A substantial 40% lower cost of operation and production is why multinational companies consider India for their outsourcing requirements.

-The main factors most likely to impede market expansion during the projected period include the existence of stringent government restrictions and a decrease in the approval of numerous small molecules and biologics in specific regions of the nation. Additionally, the lack of modern technology in small-scale CDMOs increases the likelihood of process errors, the potential for poor quality, and the difficulties associated with rising prices, all of which are predicted to restrain market expansion.

-The COVID-19 epidemic has generally been good for contract manufacturing services. In the clinical trial manufacturing sector, where mega- and small-cap businesses use a sizable drug pipeline and partners to progress their pipelines, there are numerous prospects for CMOs. The pandemic has also increased big pharma's internal capacity as some have outsourced some of their current goods. There has also been an impact of the Russia-Ukraine war on the overall packaging ecosystem.

India CMO Market Trends

Generic Medicine Under Solid Finished Dose Segment Holds Significant Share in The Market

- The solid dose formulation segment is mainly dominating the finished dose segment in India, owing to lower manufacturing costs, patent compliance, and ease of maintenance. Solid dosage forms, such as tablets, pills, capsules, powders, etc., are among the most adopted products in the country. The growth of generic drugs is one of the major factors driving the segment's growth. India is the largest exporter of generic drugs and accounts for approximately 20% of global exports by volume.

- By producing 60000 different generic brands over 60 therapeutic categories, India is the world's largest producer of generic medications, accounting for 20% of the global supply. One of medicine's biggest success stories is the availability of cheap HIV medication from India. India is one of the world's top producers of inexpensive vaccines. India is aptly known as the "pharmacy of the world" because its medications are popular globally due to their low cost and great quality.

- Also, new global opportunities are being made by generic manufacturers producing modified versions of approved off-patent small-molecule drugs. These so-called 'super generics offer a therapeutic advantage, distinguishing them from conventional generic drugs. For instance, India-based Ranbaxy Laboratories developed a once-a-day ciprofloxacin tablet and licensed it to Germany-based Bayer AG.

Drugs and Pharma Exports in United States Account for Significant Market Growth

- Indian drugs are exported to more than 200 countries worldwide, with the US being the key market. According to RBI, the Indian pharmaceutical sector contributes about 2 percent to India's GDP and around 8 percent to the country's total merchandise exports.

- Generic drugs account for 20% of the global export volume, making India the largest provider of generic medicines globally. In the covid phase, India's drugs and pharmaceuticals exports stood at USD 3.76 billion between April 2021 and May 2021 (source: IBEF).

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- The USA, the UK, and Russia are among the largest importers from India at a share of 29%, 3%, and 2.4%, respectively, during 2021-22. India's exports of pharma products to the USA in FY21-22 were USD 7,101.6 million.
- There were 741 facilities that the USFDA had approved as of August 2021. Additionally, as of December 2020, 4,346 ANDAs had been won by Indian companies. Due to the Covid epidemic, USFDA inspections were not undertaken over the past couple of years; nevertheless, they have begun to occur lately and are anticipated to enhance Indian exports to the USA further.
- India has the most USFDA-compliant businesses with facilities outside of the USA. Over 55% of India's exports go to heavily regulated markets, and 8 out of 20 global generic companies are based there. About 65-70% of the vaccines needed by the World Health Organization (WHO) are supplied from India, the nation that exports the most vaccines.

India CMO Industry Overview

The India Contract Manufacturing Organization (CMO) market is fragmented, with the top vendors accounting for a significant share of the total market. Apart from these major players, several players in the market are investing in innovation and partnership activities to gain an increased market share. Therefore, the intensity of competitive rivalry is high. The key players are Dr. Reddy's Laboratories, Cadila Healthcare Limited, Cipla Ltd., etc. Recent developments in the market are -

In July of 2022, Cipla Limited reported that Endura Mass, a well-known nutritional supplement brand in the weight gain category from Medinnbelle Herbalcare Private Limited, was acquired by Cipla Health Limited (CHL), a wholly owned subsidiary and consumer healthcare arm of the company.

In May 2022, The South Korean company HK inno. N Corporation and the Indian company Dr. Reddy's Laboratories formed an exclusive partnership for the supply and commercialization of HK inno.N Corporation's patented novel molecule Tegoprazan for gastrointestinal diseases in India and six important Emerging Markets.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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