

Pharmaceutical Analytical Testing Outsourcing - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The pharmaceutical analytical testing outsourcing market has a market size of 7.1 billion in the base year and is expected to register a CAGR of 8.7% during the forecast period.

Key Highlights

- COVID-19 significantly impacted pharmaceutical analytical testing outsourcing due to the rise in the testing process to develop novel therapies for the disease. This has led to a rise in approvals from regulatory agencies on clinical trial sites by decreasing the time for the approval process. For instance, according to the article published in the European Pharmaceutical Review by Dr. Ronan Brow in March 2021, during the outbreak, the pharmaceutical sector and regulatory authorities worked closely together to create and provide diagnostic tests, treatments, and vaccinations at breakneck speed. In addition, the sector had seen a shift in site permissions from local to centralized.
- Similarly, the initiative by key market players, such as agreements, was expected to increase market growth. For instance, in November 2021, Alcami Corporation, Inc. signed a master laboratory services agreement with Novavax. With this agreement, Novavax immediately secured full-time equivalent (FTE) resources to provide analytical testing support for its recombinant nanoparticle protein-based COVID-19 vaccine candidate with Matrix-M adjuvant. Thus, all these factors are likely to have a positive impact on the market growth over the pandemic phase.
- Further, the factors driving the growth of this market include a rise in research and development expenditures, increasing focus on regulation, safety, and quality, pricing benefits of outsourcing, and a rise in the demand for biosimilars and biopharmaceutical products as well as for analytical drugs, availability of advanced analytical testing techniques such as hyphenated techniques; kinetic method of analysis, electrochemical techniques, among others.
- Rising acquisitions and partnerships among pharmaceutical analytical testing outsourcing providers will drive the growth of this market. For instance, in December 2021, PharmaLex Group, a provider of specialist services for the pharmaceutical, biotech, and

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MedTech sectors, merged with Pharmasol, a life sciences corporation specializing in pharmacovigilance IT and business support. In addition, in December 2021, SGS SA acquired Quay Pharmaceuticals Limited (Quay Pharma), a UK-based provider of innovative formulation research and development services. With this acquisition, SGS will add Quay Pharmaceuticals services to its comprehensive portfolio of analytical services.

-Furthermore, the rising demand for biosimilars and biopharmaceuticals will drive the market's growth significantly. For instance, the study published in the Iranian Journal of Medical Sciences in September 2021 stated that it is expected that the development of new biosimilars would save consumers up to USD 250 billion and make biological therapies more accessible to an extra 1.2 million patients by 2025. This increases the availability of such products to patients with chronic conditions and provides a more affordable option for those who previously had to discontinue therapy or rely on less effective medications. Such an increase in biosimilar manufacturing will increase the outsourcing of drug testing services, thereby boosting market growth. Therefore, owing to the aforementioned factors, the market is expected to grow over the forecast period.

-However, a rise in the reliance on the performance of unstable outsourced manufacturing organizations, an increase in the concerns regarding the privacy/theft of confidential data for manufacturing pharmaceuticals, and varied outsourcing expenditures by companies, among others, are expected to hamper the growth of the market studied.

Pharmaceutical Analytical Testing Outsourcing Market Trends

Pharmaceutical and Biopharmaceutical Companies Segment is Expected to Garner a Major Share During the Forecast Period

- By end user, the pharmaceutical and biopharmaceutical companies segment is expected to hold a significant share in the market studied over the forecast period. Factors such as the rise in product development activities, growing research and development expenditures by companies, and the need to develop novel therapies, among others, are expected to drive the growth of this segment.

- In addition, rising mergers and acquisitions among the key market players are further expected to drive the growth of this segment studied.

- For instance, in February 2022, Personal Genome Diagnostics Inc. (PGDx), a key player in cancer genomics with a range of complete liquid biopsy and tissue-based solutions, was acquired by Labcorp. PGDx's technology complements and accelerates Labcorp's current liquid biopsy capabilities, as well as expands Labcorp's leading oncology portfolio of next-generation sequencing (NGS)-based genomic profiling capabilities. This puts Labcorp at the forefront of improving patient outcomes in oncology.

- Furthermore, in December 2021, Eurofins Scientific entered into a share purchase agreement with Transgenic Inc. to acquire Genetic Lab Co., Ltd., a molecular biology-based testing provider for diagnostics, biomarker development, and drug discovery. With this acquisition, the Eurofins network will further strengthen its position in the Japanese market by extending its service offering in biopharmaceutical services and clinical testing in Japan.

- Therefore, owing to the above-mentioned factors, the segment is expected to witness significant growth over the forecast period.

North America Holds a Major Share and Expected to do Same in the Forecast Period

- North America holds a major share in the pharmaceutical analytical testing outsourcing market during the forecast period.

- The factors contributing to the growth of this region include advancements in technologies, the strong foothold of key market players, the rise in chronic cases, and the rise in pharmaceutical research and development and funding, among others.

- For instance, in October 2021, Pace Analytical Services, LLC acquired Velesco Pharmaceutical Services, Inc. Velesco is a CDMO that specializes in liquid, semi-solid, and oral solid dose product development. This acquisition adds significant experience and

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expertise in the development of liquid, semi-solid, and oral solid dose products for pre-clinical and clinical use, allowing Pace to support a growing number of clients throughout the drug development process.

- In addition, in July 2021, Pace Analytical Services acquired Drug Delivery Experts, LLC (DDE). DDE, also a CDMO, specializes in complex injectable drug formulations and combination drug-device product development. As a result of the acquisition, Pace will be able to assist a growing number of clients who require services throughout the drug development process, as well as contribute experience in drug-device combo products and extended-release injectable technologies.

- Similarly, in January 2021, Boston Analytical, a cGMP-compliant analytical laboratory headquartered in Salem, NH, is now opening its second location in Morrisville, North Carolina. Services provided at this location will be sampling and testing services. Such developments in the United States will lead to increased adoption of pharmaceutical analytical testing outsourcing services in this region, thereby driving market growth.

- Furthermore, a rise in research funding for clinical trials and supportive activities in the United States is also expected to contribute to the market growth over the forecast period. For instance, according to the National Institute of Health (NIH) data published in June 2022, the funding in the United States for clinical trials and supportive activities for 2021 and 2022 were USD 45 billion and USD 51 billion, respectively. Therefore, the rise in research funding for such activities will lead to increased adoption of pharmaceutical analytical testing outsourcing services, driving regional market growth.

- Therefore, owing to the aforementioned factors, the market is anticipated to grow in the North American region.

Pharmaceutical Analytical Testing Outsourcing Industry Overview

The market for pharmaceutical analytical testing outsourcing is moderately competitive. The market is expected to grow due to factors such as a rise in key market strategies by the market players, such as partnerships with pharmaceutical and biopharmaceutical companies and mergers and acquisitions among the players. Some of the major players operating in this market include SGS SA, Labcorp (Toxikon, Inc.), Eurofins Scientific, Pace Analytical Services, Inc., Intertek Group Plc, WuXi AppTec, and Boston Analytical, among others.

Additional Benefits:

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

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