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CROs to scale up as deals from West begin to rise

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Clinical research organisations are planning to scale up their operations in the Asian region, especially in India, to tap the emerging opportunities of contract research from the US and European countries. This is not restricted to the expansion of the physical space alone or raising the headcount, but also in value terms to graduate from phase-III of clinical trials to phase-I and II trials.

“There is a slow geographical shift from the Western part of the world to Eastern regions in the clinical trial space due to the cost arbitrage, talent pool and huge patient population. So, many CROs are expanding their existing facilities to tap the opportunity,” Ferzaan Engineer, CEO of Quintiles India, said.

Quintiles, which is one of the leading CROs in India, is planning to increase its headcount from the present 6,500 people soon, he added.

The company has also set up a Phase-I clinical trial facility in Hyderabad to go up the value chain.

“We had set up a Phase-I clinical trial facility in Hyderabad in collaboration with Apollo Hospital recently, and expect to get a sound response from clients,” Engineer added.

Similarly, Siro Clinpharm is also betting big on the Asia-Pacific region to increase its share in the clinical research business.

“We are definitely looking at increasing our footprint in this region after the recent tie ups with two CROs in Korea and Taiwan,” Ajit M Nair, president, Siro Clinpharm, said.

He also said the company was looking to expand its India presence by setting up regional offices in cities like Delhi, Hyderabad and Bangalore. Clinical research opportunities are growing in India due to the huge talent pool, cost arbitrage and large patient population.

Further, the lack of a decent pipeline of innovative drugs in the global pharmaceutical market with push more towards the use of generic drugs which will boost outsourcing deals for Indian CROs.

According to industry estimates, the Indian CRO market size is around \$0.3 billion, and is expected to touch \$1 billion by 2014.

It's not only the global corporations, which are betting big on the CRO segment, but also companies like Biocon, Jubilant Organosys have also widened their plans to grab a pie of this market.

Jubilant Organosys has a Rs 400 crore capital expenditure plan to ramp up its contract, research and manufacturing services this fiscal.

Similarly, Biocon has drawn up a Rs 200-300 crore expansion plan with major capital expenditure blueprint for its contract research arm, Syngene this fiscal.